



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B1/15C

15 February 2023

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Leveraging Commercial Data Interchange for digitalisation of banking processes

I am writing to encourage your institution to make the best use of the Commercial Data Interchange (CDI) to digitalise and streamline your institution's banking processes and to develop innovative products for corporate customers, especially small and medium-sized enterprises (SMEs).

Launched in October 2022, the CDI is an innovative, consent-based data infrastructure to facilitate corporates to share their data at different service providers with authorized institutions (AIs). Following our letter of 23 December 2021, we observe that AIs have been actively leveraging business data of corporates offered via the CDI, in combination with internal data, to streamline their operation and enhance their risk management processes.

A promising CDI use case is to facilitate the credit assessment process for lending to SMEs. Apart from the linkage with alternative credit data, such as those available on e-trade declaration and e-commerce platforms, the connection between the CDI and the Commercial Credit Reference Agency (CCRA) has come into production. Several AIs have successfully connected to the CCRA via the CDI (which is also known as "CCRA@CDI") and gained access to machine-readable credit reference data of corporates for more automated customer onboarding, credit approval and ongoing credit review and monitoring processes.

Given the substantial benefits involved, we expect AIs with material SME business to complete their technical connection to the CDI and CCRA@CDI before the end of this year. These AIs are required to share before 30 April 2023 their plans for doing so with the HKMA's Fintech Facilitation Office (FFO).

Our FFO stands ready to render the necessary support to AIs to assist them with the connection to CCRA@CDI. A series of workshops will be arranged to these AIs throughout the year to provide an overview of the connection, the integration approach as well as showcasing and sharing successful pilot results. AIs are strongly encouraged to join the workshops. Registration details will be provided separately in due course.

Furthermore, our FFO will continue to work closely with the industry to broaden the spectrum of data and explore various use cases of the CDI, including the upcoming connection with the Companies Registry, which is targeted to go live by the end of 2023. The connection with the Companies Registry will provide AIs with automated access to key data needed for their Know-Your-Customer (KYC) processes, such as company name, company number, individual directors, shareholders and members, address, country and date of incorporation. Some AIs are already exploring remote onboarding of corporate customers with access to such data. Meanwhile, the CDI will also deepen its collaboration with other CDI ecosystem players, including analytics service providers, to enable AIs to further digitalise and streamline the KYC processes.

Considering the enormous potential brought about by the CDI, the HKMA sees a strong case for AIs to take timely actions to get ready for the many functionalities of the CDI. Specifically, AIs should actively consider making use of the CDI to digitalise their credit assessment and KYC processes.

If your institution has any questions about the CDI or the CCRA@CDI, please contact our FFO at cdi.hub@hkma.gov.hk.

Yours faithfully,

Arthur Yuen
Deputy Chief Executive