HKMA and Cyberport jointly launch "GenAI Sandbox"

Facilitating Financial Innovation and Digital Transformation, Enhancing Risk Management and Fraud Prevention

Hong Kong, 13 August 2024 – Cyberport, the Hong Kong Monetary Authority (HKMA) and the Fintech Association of Hong Kong (FTAHK) co-hosted the FiNETech2 event "Into the A.I. Verse" today. The event showcased Fintech and AI solutions and invited experts to discuss the application and development of AI in the financial industry. During the event, the HKMA also announced the launch of "Generative Artificial Intelligence Sandbox" ("The GenAI Sandbox") in collaboration with Cyberport, aiming at promoting digital transformation and innovation in the financial industry and establishing risk management mechanisms.

FiNETech2 – Into the A.I. verse – is the second event in the FiNETech series, building on the momentum of the first successful inaugural event in April. This second edition placed a strong emphasis on Artificial Intelligence ("AI"), highlighting its transformative potential in the financial industry, gathering over 300 professionals from the banking, securities, insurance, and technology sectors. The event aims to create a platform to nurture partnerships between financial institutions and AI solution providers, and explore potential AI applications in risk management, anti-fraud, customer services and process re-engineering.

To promote the application of generative artificial intelligence (GenAI) in the finance sector, Cyberport, in collaboration with the HKMA, will launch the "Generative AI Sandbox".

The "GenAI Sandbox" aims to provide a collaborative platform for AI technology suppliers and banks to explore applications in risk management, fraud detection and prevention, and customer interaction. By identifying potential risks associated, it enables banks to explore GenAI technologies safely and effectively, while allowing the solutions to receive early feedback from financial regulation and compliance for the development of practical guidance and regulatory frameworks.

Simon Chan, Chairman of Cyberport said, "The rapid development of GenAI has brought breakthroughs across multiple fields. As Hong Kong's digital technology flagship, many of Cyberport's 2,000 community companies have integrated GenAI into their solutions, including many in the Fintech sector. The establishment of GenAI Sandbox in collaboration with the HKMA will further facilitate AI applications in the local financial sector and accelerate the adoption of AI technologies. It will also enhance the efficiency and security of financial services which strengthen Hong Kong's leading position as an international financial centre, and further promote AI technology, unlocking its potential to boost financial business."

Cyberport and the HKMA have been working together to promote Fintech development in Hong Kong. To strengthen the application of RegTech, Cyberport previously collaborated

with the HKMA to launch the "FinTech Supervisory Sandbox 3.1 Pilot" and the "AML Regtech Lab (AMLab)". Cyberport also fully supported the HKMA's wholesale Central Bank Digital Currency (wCBDC) Project announced in March, encouraging startups to actively participate in the project's sandbox to explore fintech innovations and promote digital currency settlement development.

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Simon Chan, Chairman of Cyberport (left) and **Carmen Chu, Executive Director (Banking Supervision) of the Hong Kong Monetary Authority (center)** jointly announced the launch of Generative AI Sandbox today. **Dr Rocky Cheng, CEO of Cyberport** is pictured on the right.

For media enquiry, please contact：

About Cyberport

Cyberport is Hong Kong's digital technology flagship and incubator for entrepreneurship with over 2,000 members including over 900 onsite and over 1,100 offsite start-ups and technology companies. It is managed by Hong Kong Cyberport Management Company Limited, wholly owned by the Hong Kong Special Administrative Region Government, and committed to the vision to inject new impetus into digital economy and smart city development through innovation and technology, and to connect enterprises to Mainland China and overseas markets. Cyberport strives to nurture a vibrant tech ecosystem by cultivating talents, promoting entrepreneurship among the youth, supporting start-ups, fostering technology industry development by promoting strategic collaboration with local, Mainland Chinese and international partners, and integrating new and traditional economies by accelerating digital transformation in public and private sectors.

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