



Fintech and Regtech: A Securities Regulator

Hong Kong Fintech Week 2016

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Reuters has kindly invited me to this 2016 Risky Women's Breakfast to give a brief overview of financial and regulatory technologies from the perspective of a securities regulator.

As a woman and a strong supporter of diversity, I am very pleased to speak at this event. I am also extremely honoured to be speaking alongside Mrs Meena Datwani, Executive Director (Enforcement and AML) of the Hong Kong Monetary Authority.



efficiently. They are also used to describe the deployment of technology by regulators themselves to supplement risk monitoring, surveillance and supervisory capabilities.

The intersection with securities regulation

To answer the question of intersection with securities regulation, it is best to distinguish between Fintech and Regtech.

Let me start by noting that, like most global securities regulators, the SFC is technologically neutral, which means that it is open-minded about licensed corporations and new entrants deploying technologies that achieve the right outcomes for investors and the public.



Regtech intersects with the SFC's remit in two ways:

First, it can be used to achieve greater compliance and risk control by those we regulate, including both traditional intermediaries and Fintech players.

Second, we can use some of these technologies to supplement our own risk monitoring, surveillance and supervisory capabilities.

Needless to say, we are encouraged to see Regtech innovations, especially those that can be used to achieve more efficient and effective security, compliance and risk outcomes, or that can be used by us to enhance our risk monitoring, surveillance and supervisory capabilities.

In sum, while it is clear that Fintech often constitutes regulated activities and thereby intersects with the SFC's remit, Regtech may assist regulatees in ensuring compliance with our regulatory standards and may assist the SFC in performing its regulatory role.

Therefore both are of interest to us. Accordingly, we listed each of these areas on the landing page of the Fintech Contact Point on the SFC website, which I will tell you more about in a moment³.

SFC and Regtech work

This brings me to my third point, which is what the SFC has been doing in relation to Fintech and Regtech.

First, we were very honoured to be part of the Hong Kong SAR Steering Group on Fintech. In February 2016, this group released a report which is publicly available. The report proposes a number of recommendations to further Hong Kong's development as a Fintech hub and provides an excellent compass for Fintech players who are new to Hong Kong⁴.

We also launched a number of new initiatives to foster communication with the Fintech community:

Throughout 2015,



The FTCP also acts as the central contact point for

