

FSDC holds forum on digital identity and KYC utilities

The Financial Services Development Council (FSDC), in collaboration with the School of Professional and Continuing Education of the University of Hong Kong, the Chartered Financial Analyst Institute and the Hong Kong Society of Financial Analysts, today (November 1) hosted a forum to discuss how Hong Kong can secure its important role as a major international financial centre amid the rapid development of financial technology (Fintech).

Entitled "Digital ID and KYC Utilities for Embracing the FinTech Era", the forum was the 30th event under the FSDC's Practitioner Speaker Series. The panel featured the Kerry Holdings Professor in Law at the University of Hong Kong, Professor Douglas Arner, who also serves as a Council Member of the FSDC, and Partner & Head of Financial Services Practice of Deacons Mr Jeremy Dinshaw Lam, who also serves as a member of the Policy Research Committee of the FSDC.

In June 2018, the FSDC released a report entitled "Building the Technological and Regulatory Infrastructure of a 21st Century International Financial Centre: Digital ID and KYC Utilities for Financial Inclusion, Integrity and Competitiveness", which presents strategy to develop the necessary technological and regulatory infrastructure for digital identification and e-KYC (know your client) in Hong Kong.

Professor Arner said, "The application of technology for facilitating the provision of financial services is gaining traction globally. During the development of Fintech infrastructure to enhance the KYC process, Hong Kong also needs urgent regulatory fixes to improve customers' account opening experience and, more importantly, to maintain the city's financial competitiveness."

Mr Lam said that ensuring industry compliance with KYC obligations remains a key priority for regulators, evidenced by increased enforcement action in the major jurisdictions around the world, including Hong Kong. "Complexity and differing regulatory procedural requirements across different industry sectors have in the past added to the compliance challenges faced by financial institutions. The willingness of regulators to streamline and harmonise regulations, whilst at the same time permitting the use of appropriate technology to fulfil KYC obligations, will enable financial institutions to operate more efficiently going forward," he added.

The FSDC's Practitioner Speaker Series is a project developed between the FSDC and local universities, with speakers from the financial services industry giving talks to university students about important industry facts and the skill sets required in developing a career in financial services.

About the FSDC

The Hong Kong Special Administrative Region Government established the FSDC in 2013 as a high-level, cross-sectoral advisory body to engage the industry in formulating proposals to promote the further development of Hong Kong's financial services industry and to map out the strategic direction for development.

The FSDC set up five committees, namely the Policy Research Committee, the Mainland Opportunities Committee, the New Business Committee, the Market Development Committee and the Human Capital Committee, as the five streams of its work.

Ends/Thursday, November 1, 2018