

Fintech collaboration between Hong Kong Monetary Authority and Bank of Thailand (with photo)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) and the Bank of Thailand (BOT) entered into a Memorandum of Understanding (MoU) on May 12 to foster collaboration between the two regulatory authorities in promoting financial innovation.

The MoU was signed between the Chief Executive of the HKMA, Mr Norman Chan, and the Governor of the BOT, Mr Veerathai Santiprabhob, in Basel. Under the MoU, the HKMA and the BOT may collaborate on referral of innovative businesses, information and experience sharing, and joint innovation projects. One potential collaboration under consideration by the two authorities is a joint research project on Central Bank Digital Currency (CBDC), to which the two authorities may apply the knowledge and experience they gained from their respective CBDC research studies, namely Project LionRock[1] of the HKMA and Project Inthanon[2] of the BOT.

Mr Chan said, "The HKMA and BOT are long-time partners in a number of important financial initiatives. Today I am pleased to have signed a fintech MoU with Governor Santiprabhob to take our collaboration to the next level. The signing of this MoU not only demonstrates our mutual interests in developing collaborative fintech initiatives, but also underlines our on-going efforts in cross-border collaboration between central banks in promoting innovation and enhancing experience sharing. The HKMA looks forward to working together with the BOT and seeing the positive outcome from our joint effort."

Mr Santiprabhob said, "I could not agree more with Chief Executive Norman that this MoU is a significant step in the fintech collaboration between the BOT and the HKMA. The synergies from our collaboration will lead to productive outcomes that will benefit us all. I believe there is huge potential to enhance quality of financial services by leveraging on technological advancement, and it is our responsibilities as regulators to create an ecosystem that is conducive to innovations. The BOT looks forward to working closely with the HKMA in turning great ideas into innovative practical solutions that will ultimately improve people's lives."

[1] Project LionRock was conducted by the HKMA in collaboration with the three note-issuing banks in Hong Kong, the Hong Kong Interbank Clearing Limited and the R3 consortium. The study aims to better understand the feasibility, implications, benefits and challenges of implementing a CBDC on a Distributed Ledger Technology (DLT) platform through exploring its use in domestic inter-bank payments, corporate payments at wholesale level, and

delivery-versus-payment of debt securities settlement.

[2] Project Inthanon was conducted by the BOT in collaboration with R3 and eight participating banks with the goal to develop and test a proof-of-concept for domestic wholesale fund transfer using wholesale CBDC. The project explores the potential in using DLT to enhance Thailand's financial infrastructure and to encourage collaborative learning among involved parties.

