



BIS Annual Conference 2019

Wrap-up Panel: Financial Innovation in the Digital Age Implications for Central Banks

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- Financial Innovation: Much More Than Technology
- Implications of Distributed-Ledger Technology (DLT) for Central Banks
- Challenges on Personal Data Protection, Storage and Use
- Challenges of BigTechs' Entry into Finance



Financial Innovation: Much More Than Technology

- Change of mind-set: Client-centric and process re-engineering
- Convenience / safety tradeoff
- Blurring of boundaries between FIs, FinTech and BigTech



Implications of Distributed-Ledger Technology (DLT) for Central Banks

- Crypto tokens without backing unlikely to have material impact on payment systems
- CBDC offers more promising prospects for wholesale and cross-border payments than for retail usage
- CBDC poses unclear and complicated impact on monetary transmission mechanism and financial stability
- Stablecoins present new benefits and risks
- Challenges to entity-based financial and AML/CFT regulatory regimes



Challenges on Personal Data Protection, Storage and Use

- Who owns personal data or processed data?
- How is economic value derived from use of personal data (digital dividend) shared?
- Concentration of data storage and processing service providers (Cloud and AI)
- Data localisation vs cross border regulatory collaboration



Challenges of BigTechs' Entry into Finance

- Financial stability: Systemically important players
- Data protection: Use of customer data in existing platforms
- Competition policy: Level-playing field
- Collaboration between different authorities domestically and internationally urgently needed