



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B1/15C

19 March 2025

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Research Paper on Distributed Ledger Technology in the Financial Sector

I am writing to share a [Research Paper on Distributed Ledger Technology \(DLT\) in the Financial Sector](#). This paper delves into the potential of DLT to transform the financial landscape as well as to enable greater efficiency, transparency and innovation.

As part of the “All banks go Fintech” initiative of its “Fintech 2025” strategy, the Hong Kong Monetary Authority (HKMA) has been working closely with other financial regulators to promote cross-sectoral adoption of Fintech, with DLT being a key area of focus. The Supervisory Incubator for DLT has also been established to support Authorized Institutions (AIs) in responsibly developing DLT solutions¹. This research paper further explores the transformative role of DLT, as well as its benefits, challenges and potential use cases for the financial industry. Specifically, through in-depth interviews with industry experts, 10 real-world adoption cases are featured to provide insights into the latest development of DLT. The paper also analyses the potential risks associated with the adoption of DLT and offers recommendations on how to mitigate them.

We encourage all AIs to review this paper and leverage the insights to explore the innovation of DLT. Your institutions are also encouraged to actively participate in the recently launched Supervisory Incubator for DLT, and consider how DLT solutions could be productionised. Should you have any questions about the paper, please contact us at All-banks-go-fintech@hkma.gov.hk, and you may also discuss with us DLT initiatives through the Supervisory Incubator (supervisory_incubator_DLT@hkma.gov.hk).

Yours faithfully,

Carmen Chu
Executive Director (Banking Supervision)

Encl

¹ HKMA Circular, “[Supervisory Incubator for Distributed Ledger Technology \(DLT\)](#)” issued on 8 January, 2025.