



Our Ref.: B1/15C

28 April 2025

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Generative Artificial Intelligence Sandbox: Second Cohort

I am writing to invite Authorized Institutions (AIs) to apply for the second cohort of the Generative Artificial Intelligence (GenA.I.) Sandbox initiative launched by the Hong Kong Monetary Authority (HKMA) in collaboration with the Hong Kong Cyberport Management Company Limited (Cyberport)¹.

The GenA.I. Sandbox is designed to provide a risk-controlled environment for AIs to develop and test innovative artificial intelligence-based solutions. The number of proposals received for the first cohort² reflected the strong interest within the banking sector in harnessing A.I. technology for innovation. As the first cohort progresses, with its expected conclusion later this year, the HKMA is pleased to announce the launch of the second cohort in response to the sustained interest.

Specifically, the GenA.I. Sandbox Collaboratory is introduced to further foster collaboration between AIs and fintech firms in developing A.I.-related use cases. The Collaboratory features a series of practical workshops designed to explore targeted use cases in the Banking sector and how A.I. solutions can effectively address AIs' problem statements through ideation and prototyping. The outputs of the Collaboratory are expected to assist AIs in formulating their use cases for the second cohort.

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¹ HKMA Press Release, "[HKMA and Cyberport Launch GenA.I. Sandbox to Bolster A.I. Adoption in Financial Sector](#)" issued on 13 August 2024

² HKMA Press Release, "[HKMA announces inaugural cohort of GenA.I. Sandbox](#)" issued on 19 December 2024

Given the growing importance of managing risks associated with A.I. adoption, all use cases in the second cohort are expected to incorporate robust A.I. safety validation into their technical trials and evaluations. The development of use cases with a component of A.I.-assisted second and third lines of defence to enhance A.I. governance is encouraged. AIs may refer to the updated catalogue of Fintech firms shared by the Cyberport for solutions focusing on risk management of A.I. when forming partnerships for their second cohort use cases.

Applications for the second cohort of the GenA.I. Sandbox are now open and will be accepted until 31 August 2025. Similar to the first cohort, applications will be prioritised based on a number of factors (please refer to the **Annex** for details). Selected projects will tentatively be announced in the fourth quarter of this year.

Should you have any questions regarding the Sandbox or application process, please contact Mr. John Chiu or Ms. Joyce Ip of Banking Supervision Department at GenAI_sandbox@hkma.gov.hk.

Yours faithfully,

Carmen Chu
Executive Director (Banking Supervision)

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