Our Ref: B1/15C

10 October 2025

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Cross-boundary Data Validation Platform

I am writing to provide updates and encourage authorized institutions (AIs) to further leverage on the Shenzhen-Hong Kong cross-boundary data validation platform (Data Validation Platform) to unlock more data-driven cross-boundary business opportunities. AIs may make reference to the good practices, as shared below, in exploring tailored use cases for personal and corporate customers using the Platform's capability.

Objectives

Under its Fintech 2025 Strategy, the Hong Kong Monetary Authority (HKMA) has been promoting "All banks go Fintech". Our latest Tech Maturity Stock-take[1] shows that AIs have made notable progress in leveraging data and technology to maximise business opportunities and risk management outcomes. The report also highlighted the importance of continually augmenting AIs' access to high-quality data for driving more advanced Fintech adoption.

The HKMA is fully supportive and indeed has, over the years, facilitated a number of Fintech-empowered initiatives to enhance the security and efficiency at which banks can incorporate different sources and types of data into their operations. In particular, with the growing business opportunities presented by the Guangdong-Hong Kong-Macau Greater Bay Area (GBA), these efforts have extended from local data sources to those with cross-boundary nexus too.

[1] For more details, please refer to the HKMA's circular on "Results of Tech Maturity Stock-take", July 2025.

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Data Validation Platform

The pilot Data Validation Platform was launched in May 2024, as facilitated by the HKMA and the relevant Mainland authorities[2]. It is an innovative financial infrastructure which leverages blockchain technology and data coding (i.e. hash values) to enable users to verify the authenticity of document(s) presented by a data owner without involving any cross-boundary transfer or storage of the original document(s). This elevates the quality, availability and security of cross-boundary data available across markets.

While the Data Validation Platform is designed to be sector-agnostic, it has proven particularly impactful for banks at the initial stage, and especially after the Data Validation Platform was successfully linked up with the Commercial Data Interchange (CDI) in April this year[3]. So far, over 10 banks and credit reference agencies have made use of the Data Validation Platform's varied services to validate different types of personal and corporate data, including credit reports, tax returns, and Know-Your-Customer (KYC) documents. This has enabled banks to more holistically consider a customer's risk profile and provide tailored and risk-calibrated services to both Mainland individuals as well as Mainland corporates who are living, studying, working or doing businesses in Hong Kong, and thus satifying relevant banking needs in Hong Kong[4]. To-date, the Data Validation Platform has supported services including bank account opening, remittances and credit applications, and facilitated over HK$150 million in loans.

Good Practices

The pilot cases, which are being productionised into "business as usual" processes for credit assessment, account opening and remittance services, exhibit a number of key insights and good practices, as shared below:

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[2] These include the Shenzhen Municipal Cyberspace Administration, the Hong Kong and Macao Affairs Office of the Shenzhen Municipal People's Government, Shenzhen Municipal Financial Regulatory Bureau, the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen Municipality, the Shenzhen Branch of the People's Bank of China, the Shenzhen Regulatory Bureau of National Financial Regulatory Administration.

[3] Under this new arrangement, banks which are already CDI members can directly access the Data Validation Platform's services with no need to establish additional connection arrangements. This enhances the ease and convenience of access.

[4] By design, the Data Validation Platform also supports "northbound" applications (e.g., helping banks on the Mainland validate data provided by Hong Kong residents), and use cases in this regard have already been successfully implemented.

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- Utilise diverse data sources – By design, the Data Validation Platform is able to connect to both financial and non-financial data sources, and can also, with customer consent, facilitate the verification of personal data that is typically deemed more sensitive. AIs are actively exploring how these additional data sources can support their risk and compliance assessments. For instance, the Data Validation Platform has been used to verify university offer letters to reaffirm the regulatory compliance of cross-boundary remittance request(s).

- Leverage CDI connection – Effective risk management depends on AIs' using data of good quality and integrity, and it is crucial that AIs proactively verify the legitimacy of any data received and used. With this in mind, AIs are expediting their access to the Data Validation Platform by actively leveraging the new CDI connection to keep administrative and technical preparations to a minimum. This has allowed them to start using the Data Validation Platform's verification services in a matter of weeks, rather than months.

- Design for data security and privacy – As the data to be verified under the Data Validation Platform can be sensitive, it is crucial that AIs put in place adequate security and privacy safeguards. To this end, some AIs have tailor-made their operational processes, including to bring relevant processes fully online with cybersecurity defence, to keep manual intervention to a minimum and avoid inadvertent exposure to unauthorised persons. These processes may also be fully integrated within mobile applications, which supports customer experience by centralising relevant functions within one portal.

Further Enhancements

Building on this encouraging progress, and as announced in the 2025 Policy Address, the HKMA will continue to work closely with the relevant Mainland authorities to enhance the utility of the Data Validation Platform. Priority will be placed on upgrades that enable use cases supporting real economic activities and daily livelihoods of the general public.

Furthermore, and taking into account market feedback, efforts will be made to explore potential enhancements to the Data Validation Platform in terms of: (i) more data types and data sources, (ii) expanded geographical coverage across the GBA; and (iii) upgrading user experience and convenience.

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AIs are encouraged to stay alert to the latest developments, and actively consider leveraging the Data Validation Platform to support their operations, risk management as well as product and service offerings, including but not limited to account opening, loans and remittance services for personal and corporate customers. The HKMA will also work with relevant stakeholders to promote and enhance awareness around the Data Validation Platform's evolving service proposition, helping AIs to align with the broader Fintech and digitalisation strategies.

AIs interested in learning more about the Data Validation Platform, or who have any questions about this circular, may contact us at data_validation_platform@hkma.gov.hk.

Yours faithfully,

Carmen Chu
Executive Director (Banking Supervision)