



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B1/15C

20 September 2024

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Generative Artificial Intelligence Sandbox

I am writing to invite Authorized Institutions (AIs) to apply for participation in the Generative Artificial Intelligence (GenA.I.) Sandbox initiative announced by the Hong Kong Monetary Authority (HKMA) in collaboration with the Hong Kong Cyberport Management Company Limited (Cyberport) in August 2024¹.

The GenA.I. Sandbox aims to provide a risk-controlled environment for AIs to develop, test, and pilot innovative artificial intelligence-based solutions in real-world banking scenarios. AIs can leverage the computing power offered by Cyberport and obtain targeted supervisory feedback throughout the trial process. Based on the results of the Sandbox trials, the HKMA will share good practices and consider the need for developing further supervisory guidance on the adoption of artificial intelligence².

The HKMA encourages AIs to explore a diverse range of artificial intelligence implementation, including those focused on Retrieval-Augmented Generation, model adaptation, fine-tuning of pre-trained models or training of new models. Sandbox trials are expected to leverage advanced artificial intelligence, including GenA.I., models designed for real-time interaction, domain-specific assessment, decision-making support or predictive analytics, with a specific focus on enhancing risk management, anti-fraud measures and customer experience.

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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 Circular, “[High-level Principles on Artificial Intelligence](#)” issued on 1 November 2019

With the aim of further developing the Fintech ecosystem, the HKMA encourages AIs to collaborate with Fintech firms when developing use cases for Sandbox trials. A catalogue of Fintech firms, language model providers and GenA.I. solution providers is shared by the Cyberport for reference by AIs when forming partnerships or exploring relevant technologies.

Applications for the first cohort of the GenA.I. Sandbox are now open and will be accepted until 15 November. To achieve a fair allocation of the Sandbox resources, applications will be prioritised based on a number of factors (please refer to the **Annex** for details). Selected projects should begin within one month of announcement, that is tentatively in December for this cohort, and be completed within six months³. Participants will be required to submit regular progress updates and a final report upon project completion.

Should you have any questions regarding the Sandbox or application process, please contact Mr. Nitish Koladoo of Banking Supervision Department at GenAI_sandbox@hkma.gov.hk.

Yours faithfully,

Carmen Chu
Executive Director (Banking Supervision)

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³ Extension requests may be considered on a case-by-case basis