



# Reflect, Reset and Refocus: Game Plan for Hong Kong as an Asset Management Hub

Keynote speech at 16<sup>th</sup> HKIFA Annual Conference

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Chief Executive Officer

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(TXLWLHV VDZ WKH ZRUVW \HDU VLQFH LQGLDWRUWHFRUHQYDOX  
GRXEGH LW VWRWVSLFDO QDYLQVFRWKOZRXOG KDYH ORVW PRQH  
DOORFZDVLQGDWRUI 3URYLGHQW )XQG SDVQWKHGQH WLVVDBW \$D  
1\$9 RI FRQVWLWXHQW IXQGV IHOO

RXU VDPBDBUHRWKDQ OLFHQVHG FRUSRUDWLRQV ZLWK  
PDQDJHPHQWRIQWRPHILUZWITODUWHLD FOHDU LPSURYHPHQW I  
GRXEGH LW GHFOLQHV WKURXJK DOO TXDUWHUV RI 6HFRQG  
GRPLFLOHG IXQGV KDV UHVXPHG JURZWK VLQFH SOXPELQJ ORZ  
KDVHERXQG HG IRU WZR V\$UDLEKWOILRQV\$DWR WRXUQMQG IORZ  
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SXW DQ HQG WR ILYH TXDUWHUWRISQHWLHGHW SWURQWR UHW  
,W ZDV DSHLVHWKHW RQ ZDV SUHVVDGWIWUKHFEQJLQZKIQQ WIKH  
FLWQDQZS, &UHVWULFWLRQV ZHUH VKHG DQVWUHGHDLOQDQGG UHF  
PDUNHW IXQGV VKRUW GXUDWLRQ ERQGV EDODQFHG IXQGV D  
FRPSDQLHV DOO VDZ VWURQJ LQIORZV HVSHFLDOO\ IRU WKRV  
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#### 4. Technology and services

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\$V WKH \$, FRPSHWLWLRQ KHDWV XS WHFVKRHOBJLVFWYHIERRSDFKH  
7KDWBRWDM DUH RQ WKH FXVS RI DQRWKHU UHYROXWLRQ WKDW  
DQG SOD\ 6RPH ZRUU\ LW FUDH DWHLSQDDKRFRODWHQVHOHQ WKW HDWH  
KXPDQLW\ DV LW DOUH DVG DQSUHDDGMVDNH Q

2Q RQH OHYHO \$, DQG PDFKLQH OHDUQLQJ DUH QRWKLQJ QHZ  
PDQDJHUV KDYH XVHG \$, WR FRQVWUXFW SRUWIROLRV JHQHUD  
PDQDJHPHQW DQG LQFUHDVLQJO\ VFBEPLQJREJPDWIZRQ\JFOLHUQW  
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HPEUDFHV WHFKQRORJ\ DQG LV RSHQ WR WKH LGHD RI IXQG WR

I believe generative AI can be used responsibly to augment, rather than replace, asset managers in strategic decision making. As a regulator, the SFC is guided by our philosophy to promote the responsible deployment of technology as long as it enhances market efficacy and transparency, cost savings and investor experience. However, at this stage, firms must take its output with a grain of salt, stay alert to AI-related risks and make sure clients are treated fairly. We expect licensed corporations to thoroughly test AI to address any potential issues before deployment, and keep a close watch on the quality of data used by the AI. Firms should also have qualified staff managing their AI tools, as well as proper senior management oversight and a robust governance framework for AI applications. For any conduct breaches, the SFC would look to hold the licensed firm responsible <sup>2</sup> not the AI.

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