



Hong Kong Financial Regulators Launch GenA.I. Sandbox++ to Accelerate Responsible A.I. Adoption across the Financial Sector

On 5 March 2026, Hong Kong's four principal financial regulators — the Hong Kong Monetary Authority (the **HKMA**), the Securities and Futures Commission (the **SFC**), the Insurance Authority (the **IA**), and the Mandatory Provident Fund Schemes Authority (the **MPFA**) — together with the Hong Kong Cyberport Management Company Limited (**Cyberport**), [announced the launch of the Generative Artificial Intelligence Sandbox++](#) (the **GenA.I. Sandbox++**), a cross-sector regulatory initiative designed to promote and support the responsible integration of generative artificial intelligence technologies within Hong Kong's financial services industry.

The GenA.I. Sandbox++ represents a significant evolution of the original GenA.I. Sandbox programme, which was introduced in 2024 and served as an early proving ground for generative A.I. use cases in the financial sector. Whereas the original initiative operated on a more limited basis, the expanded programme brings together regulators from across the full spectrum of financial services — spanning banking, securities and capital markets, asset and wealth management, insurance, mandatory provident fund schemes and stored value facilities — under a single co-ordinated framework. The breadth of the participating authorities underscores the recognition among Hong Kong's regulators that A.I. adoption is not confined to any single sector, and that a co-ordinated supervisory approach is essential to realising the technology's potential while managing its attendant risks.

Hong Kong Regulators' A.I. Target Areas

The GenA.I. Sandbox++ retains the thematic orientation of its predecessor, concentrating on three areas that the regulators consider to be of particular significance for the financial industry: risk management, anti-fraud capabilities, and customer experience. Alongside these priorities, the initiative continues to advance what has been described as an "A.I. vs. A.I." strategy — an approach that seeks to harness artificial intelligence itself as a tool for identifying, monitoring and mitigating the risks that accompany A.I. deployment. This reflects a growing supervisory consensus that traditional risk management frameworks may be insufficient to address the novel challenges posed by generative A.I. systems, and that the technology's own analytical capabilities may need to form part of the control environment.

Hong Kong Regulators' Support for Participating Institutions

A distinctive feature of the GenA.I. Sandbox++ is the practical support it makes available to participating financial institutions. In addition to receiving targeted supervisory guidance from the relevant regulators, participants will

have access to technical assistance and will be provided with complimentary access to graphics processing unit (GPU) computing resources housed at Cyberport's A.I. Supercomputing Centre. The provision of these resources is intended to lower the barriers to entry for institutions seeking to develop, pilot and refine generative A.I. applications, particularly those that may lack the in-house computational infrastructure to do so independently. The sandbox environment is designed to allow institutions to test and iterate their use cases within a risk-controlled setting, with the objective of facilitating a more measured and responsible path to deployment.

Hong Kong GenA.I. Sandbox++ - Potential Use Cases

Beyond its immediate supervisory objectives, the GenA.I. Sandbox++ is intended to serve as a platform for collaboration among regulators, financial institutions and technology firms. The initiative actively encourages the development of A.I. applications that operate both within individual sectors and across sectoral boundaries. Among the use cases envisaged are A.I.-driven insurance underwriting and claims handling, automated compliance assessment tools for suitability requirements in the distribution of investment products, A.I.-powered solutions for the administration of mandatory provident fund schemes, and industry-wide applications such as intelligent customer service chatbots and advanced fraud detection systems.

By bringing together participants from across the financial ecosystem, the initiative aims to foster new ideas and to cultivate deeper partnerships that extend across sectors and, where appropriate, across borders — a goal that aligns with Hong Kong's broader ambition to position itself as a leading hub for financial technology and innovation in the region.

This newsletter is for information purposes only

Its contents do not constitute legal advice and it should not be regarded as a substitute for detailed advice in individual cases. Transmission of this information is not intended to create and receipt does not constitute a lawyer-client relationship between Charltons and the user or browser. Charltons is not responsible for any third party content which can be accessed through the website.

If you do not wish to receive this newsletter please let us know by emailing us at unsubscribe@charltonslaw.com

CHARLTONS
易周律師行

Hong Kong Office

Dominion Centre 12th Floor
43-59 Queen's Road East Hong Kong

enquiries@charltonslaw.com

www.charltonslaw.com
Tel: + (852) 2905 7888
Fax: + (852) 2854 9596