SECURITIES AND FUTURES COMMISSION
證券及期貨事務監察委員會

Synopsis

Powering Next Wave of Market Growth through AI and RMB Internationalisation

Panel remarks at Hong Kong Association of Banks' Annual Distinguished Speaker Luncheon

Ms Julia Leung
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During a panel discussion at the Hong Kong Association of Banks' Annual Distinguished Speaker Luncheon, Ms Julia Leung, Chief Executive Officer of the Securities and Futures Commission (SFC), highlighted artificial intelligence (AI) and renminbi (RMB) internationalisation as twin engines for China's economic rise as well as powerful forces driving the next stage of market development for Hong Kong. She discussed how the city is uniquely positioned to harness these opportunities, and how the SFC is championing responsible innovation and AI governance to support resilient market development. Below is a synopsis of her remarks.

Unlocking AI's potential through responsible innovation

On transformative technology, Ms Leung pointed out that responsible innovation defines the SFC's regulatory approach, and Hong Kong is one of the very few places in the world where AI is built, financed, deployed to investors, and supervised – all in the same market. The city benefits immensely from China's strengths across the entire AI value chain.

Three key benefits from AI stand out for Hong Kong as an international financial centre: better investor outcomes, deeper capital formation, and greater value delivered by intermediaries. With AI, investors have better tools to understand information, access quality investment advice, compare choices and make more informed decisions.

In addition, Ms Leung remarked that the city is ushering in vast opportunities to connect companies across the AI value chain with international, Mainland and regional capital. Through Hong Kong, investors stand to benefit from the growth of strategically important technology sectors.

During the discussion, she also noted that, as use cases continue to grow among SFC-licensed corporations, AI is improving intermediaries' efficiency, consistency and client service under proper controls, while freeing up manpower to focus on higher-value judgement and engagement.

Strengthening AI governance as foundation of further development

Despite ample opportunities in the age of AI, Ms Leung said that the more fundamental question is whether the industry and the SFC, as a regulator, are using the powerful technology safely and in a properly governed manner. The foundation of AI adoption is the governance framework within which it operates – this starts with the tone from the top and clear accountability for data and AI usage. It requires robust governance over data, models and decision-making processes, as well as resilient and well-tested data and AI architectures that address broad-ranging risks.

Therefore, the SFC's regulatory approach focuses on the safe and responsible use of AI, underpinned by existing regulatory principles: senior management accountability, sound governance, adequate systems and controls, transparency and protection of client interests.

More importantly, with the rapid evolution from generative to agentic AI, Ms Leung added human accountability should move upstream to the design: what data AI may access, what decisions AI may support, what actions require human approval, what thresholds trigger escalation, and how records are kept.

In this context, the SFC is considering whether further guidance is needed to help firms apply the existing principles to agentic use cases. The aim is not to prescribe every technology design, but to clarify the outcomes the SFC expects: clear ownership and effective human oversight, controlled access and defined scope, robust testing before deployment and monitoring thereafter, operational resilience, and prompt escalation and remediation when things go wrong.

In addition, Ms Leung shared the SFC's own experience in using AI and data analytics. As the SFC continues with its digital transformation to enhance regulatory efficiency, market oversight and operational resilience, these benefits will ultimately land on the regulated firms and individuals, through shorter licence processing time as well as earlier detection of misconduct and scams.

Reinforcing Hong Kong's edge as the premier offshore RMB hub

Regarding renminbi internationalisation, Ms Leung remarked that building a broader, deeper RMB ecosystem is one of the SFC's priorities to strengthen Hong Kong's status as the world's leading offshore RMB business hub. It is particularly important now as China's competitive edge in green technology reinforces the shift and global investors are diversifying towards non-USD assets in an increasingly uncertain world.

Both investors and corporates demand a fuller suite of RMB instruments for financing, investment, hedging and liquidity management, according to Ms Leung. China Government Bonds (CGB) and dim-sum bonds remain core RMB products – issuance for the latter has surged in 2026. In addition, Hong Kong is now technically ready to include RMB counters under southbound Stock Connect.

Efficient access to RMB and deeper liquidity are essential, she added. A fixed income and currency trading platform is being developed in Hong Kong to bridge onshore and offshore RMB markets and improve trading efficiency. Moreover, the offshore use of RMB fixed-income instruments as collateral will be expanded to HKFE Clearing Corporation Limited and the SEHK Options Clearing House Limited by end-2026.

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Furthermore, Ms Leung pointed out that robust risk-management tools are critical to supporting investor confidence and market participation as offshore RMB activity deepens. Five-year CGB futures, launched in Hong Kong in early August, gives offshore investors a practical tool to hedge increasing onshore bond holdings, which have exceeded RMB3 trillion. The SFC also supports Hong Kong Exchanges and Clearing Limited’s plans to list more RMB forex futures and RMB-denominated gold futures, while exploring further enhancements to Swap Connect, such as adding more reference rates.

In concluding, Ms Leung said we are at a juncture in history when both AI and RMB internationalisation present once-in-a-lifetime opportunities — harness them with ambitions, but proceed with good governance, robust controls and a clear focus on delivering real value to investors, clients, markets and the wider economy.