
REGULATORY NEWSLETTER

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Welcome to the tenth edition of our Regulatory Newsletter, in which we look back over the last month at key developments affecting the financial industry and risks professionals face, summarizing regulatory updates that have happened in Hong Kong.

REGULATORY UPDATES

Launch of the Open Application Programming Interface Framework and the Central Register for the Insurance Sector

18 September 2023

The Open Application Programming Interface (“API”) has become widely adopted by the insurance industry for integration and service enhancement, especially due to the data-rich nature of the market. Recognizing the importance in fostering a vibrant Insurtech ecosystem, the Insurance Authority (“IA”) has collaborated closely with industry stakeholders to develop measures that facilitate the adoption of Open API technology in the industry.

The Framework is intended to be principle-based and directional to afford market participants with the flexibility of integrating Open API as part of their business strategy. It provides guidance on areas such as API and data category, third-party service provider (“TSP”) governance and risk management. Several use cases of Open API from the market are also featured in the Framework which serve to foster adoption and stimulate innovation in market. Authorized insurers (and licensed insurance intermediaries where applicable) are expected to adhere to the Framework when implementing Open API in their operations or for provision of products and services. To facilitate the implementation of Open API, the IA, in collaboration with the Hong Kong Science and Technology Parks Corporation, has today introduced the Open API Central Register (the “Register”) for the industry.

The Register offers categorized and trusted tools to centrally manage information of Open API-enabled products and services provided by participating authorized insurers, insurance intermediaries and their

partnering TSPs. It provides the industry with convenient access to API data, while the public may verify the API services offered by authorized insurers, insurance intermediaries, and their partners prior to usage. Additionally, the open and transparent information available on the Register enhances consumers' confidence and knowledge about API facilitated products and services. Ultimately, this promotes consumer engagement and benefits the market's development.

Authorized insurers, licensed insurance intermediaries, and their partnering TSPs are strongly encouraged to register and utilize this digital infrastructure for API-related initiatives. The Register serves as a trusted platform to help facilitate compliance with the requirements outlined in the section about Open API Repositories in the Framework. The registration details and procedures will be provided separately.

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No Enforcement News for the Month



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