

Media Advisory

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HSBC supports MAS' stance on cloud solutions

HSBC welcomes the Monetary Authority of Singapore's (MAS) introduction of Outsourcing Guidelines which include the support of responsible cloud solution adoption by financial institutions (FIs).

The guidelines provide the industry with expanded guidance on how to manage the risks of outsourcing, including that for cloud-computing services, which are being increasingly adopted by FIs to streamline operations in a digitalised economy.

The MAS said that institutions should be aware of the typical characteristics of cloud services and take steps to address the risks associated. Institutions are ultimately responsible and accountable for maintaining oversight of cloud services and managing its related risks.

Mr Rohit Joshi, Managing Director and Head of Global Liquidity and Cash Management, HSBC Singapore, said: "We welcome MAS' Outsourcing Guidelines and its stance on cloud solutions which is the latest in a string of measures to facilitate an increasingly digitalized Singapore economy."

"The move towards support of responsible cloud solutions adoption will spur more innovation and speed of delivery for corporates which will ultimately assist them in cost efficiencies and potentially better profit margins."

"The timing is appropriate for the economic climate."

"Global economic dislocations are requiring CFOs to focus on ways to strengthen their cash and liquidity position by improving visibility of their cross-border holdings, seeking yield enhancement and where possible utilising cash trapped in countries."

"According to a 2015 survey by the Association for Financial Professionals (AFP), North America is in the lead with 48% of companies that have a cloud-based treasury management system, versus 28% in Europe and 25% in Asia Pacific.¹"

"At HSBC, we see more corporates seeking out cloud-based treasury management solutions to provide them with better visibility of cash balances, perform cash flow forecasting and get visibility to overall liquidity positions across geographies. Going forward, we expect increasing numbers of treasury departments in Asia Pacific to adopt cloud-based systems, particularly at small and medium-sized companies."

¹ <http://www.treasuryandrisk.com/2015/07/15/treasury-systems-continue-migration-to-cloud>

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“Cloud-based solutions also provide greater ease of implementation, upgradation and refinement compared with traditional server-based platforms – in other words, all users across geographies will receive an upgrade that is done centrally, without the need for each company’s server-based platform to be upgraded one by one.”

“HSBC Singapore’s Innovation Lab — the first for HSBC in Asia Pacific — was precisely set up with the aim of enabling the bank to work collaboratively with corporates to develop next generation digital and mobile banking services, such as cloud based treasury solution, particularly in payments and cash management.”

“Singapore is the base for much of Asia’s corporate management activity, and today’s announcement by MAS will bolster our standing as a technology innovation centre, attracting a growing start-up community and forging ties with other leading innovation centres globally.”

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About HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,000 offices in 71 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,596bn at 31 March 2016, HSBC is one of the world’s largest banking and financial services organisations.

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