

Banking Policy Department

Our Ref: B4/1C
B9/75C

4 August 2023

By email and by hand

Mr Sun Yu
Chairperson
The Hong Kong Association of Banks
Room 525, 5/F
Prince's Building
Central
Hong Kong

Dear Mr Sun,

Implementation of Basel III final reform package

Taking into account the latest implementation timetables of other major jurisdictions, as well as the range of views and preparatory progress of authorized institutions, the HKMA considers it appropriate to update the local schedule for implementing the Basel III final reform package as follows:

- the implementation will start from a date no earlier than 1 July 2024, covering the revised standards on credit risk, operational risk and output floor as a minimum regulatory requirement, and the revised standards on market risk and CVA risk as a reporting-only requirement;
- the revised market risk and CVA risk standards will take effect as a minimum regulatory requirement on a date no earlier than 1 January 2025; and
- the implementation dates of the revised disclosure requirements will follow those of their associated policy standards as mentioned above.

The above schedule will be subject to the legislative process for rule-making. Our current priority is to complete the draft rules in order to provide the industry with sufficient time to ready their systems for implementation. To this end, we are working towards releasing the final set of rules by October 2023 for statutory consultation as required under the Banking Ordinance.

I would be grateful if the Association's comments on the above proposals could reach us by 4 September 2023.

I am writing in similar terms to the DTC Association and members of the Banking Advisory Committee and the Deposit-taking Companies Advisory Committee.

Yours sincerely,

Daryl Ho
Executive Director (Banking Policy)

cc: FSTB (Attn: Mr Justin To)