

Our Ref: B4/1C  
B2/1C  
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21 July 2017

*By email and by hand*

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

Dear Mr Yue,

**Consultation on proposed amendments to the Banking Ordinance for the implementation of recovery planning and new exposure limits**

Earlier on, we consulted the Association on our policy intents to (i) empower the MA to require Authorized Institutions to maintain, make changes as deemed necessary to, and implement recovery plans (September 2016), and (ii) amend Part XV of the Banking Ordinance to implement the new “*supervisory framework for measuring and controlling large exposures*” promulgated by the Basel Committee on Banking Supervision in April 2014 (March 2016). I am now writing to seek the Association’s comments on the detailed proposals to amend the Banking Ordinance, via a Banking (Amendment) Bill, for the purpose of achieving these policy intents.

In the Annex to this letter, Part A sets out the background and rationale for the introduction of the bill. Part B provides an outline of the key amendments to the Banking Ordinance, and Part C sets out in details the proposed amendments to the relevant parts and provisions of the Ordinance.

We aim to introduce the bill into the Legislative Council in October 2017. I would be most grateful if the Association’s comments on the proposed amendments could reach us by 18 August 2017. Should you have any questions, please contact Gillian Hui on 2878-1303 or Andy Cheung on 2878-1022 (in relation to exposure limits) and Olivia Cheng on 2878-1266 or Tracy Richardson on 2878-1284 (in relation to recovery planning).

I am writing in similar terms to The DTC Association.

Yours sincerely,

Daryl Ho  
Executive Director (Banking Policy)

Encl

cc: FSTB (Attn: Ms Eureka Cheung)