



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B9/143C
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18 December 2013

Mr Pui-Chong Lund
Association Secretary
The DTC Association
Unit 1704, 17/F
Bonham Trade Centre
50 Bonham Strand East
Sheung Wan
Hong Kong

Dear Mr Lund,

Basel III implementation – Leverage Ratio

Thank you for your letter of 25 November 2013 providing comments on the survey template and completion instructions for the reporting of AIs' Leverage Ratio during the Basel III "parallel run" period.

As mentioned in our letter of 25 October 2013, our reporting package was designed on the basis of the consultative document *Revised Basel III leverage ratio framework and disclosure requirements* released by the Basel Committee in June 2013. The Basel Committee is currently in the process of finalising the framework having regard to the comments received in response to that consultative document. As some areas (such as those in relation to the determination of the Exposure Measure of the Leverage Ratio) are still potentially subject to change, we propose to await the finalisation of the framework before we refine the local reporting package.

We will consider the comments raised by the Association in conjunction with any further changes incorporated into the final Leverage Ratio framework once released by the Basel Committee (this is currently expected to be early next year). In this connection, further changes to the reporting package may be necessary and where appropriate, we may undertake a further swift round of consultation with the Association before finalising the package. We will revert in early course once the Basel Committee issues the final form of Leverage Ratio standard.

Yours sincerely,

Karen Kemp
Executive Director (Banking Policy)
c.c. FSTB (Attn. Mr Jackie Liu)