

Calendar of Events 2000

January

1

The HKMA confirms that the 24-hour systems of banks in Hong Kong and all the major shared financial systems have passed into the new millennium without difficulty.



3

The HKMA announces that all banks are operating normally on their first business day after the millennium date change.

March

6

In its inaugural release of the Staff Report, the International Monetary Fund (IMF) predicts a robust recovery for the Hong Kong economy and revises its forecast of Hong Kong's GDP growth in 2000 from 3.5% to 4.3%.

9

The HKMA announces that The Hongkong and Shanghai Banking Corporation Limited has been appointed as the settlement institution for the US dollar clearing system in Hong Kong.



20-21

Senior officials of the HKMA participate in the Sixth Manila Framework Group Meeting held in



Hong Kong. The meeting is attended by senior finance and central bank officials from 14 member economies and senior representatives from the International Monetary Fund, the World Bank, the Asian Development Bank and the Bank for International Settlements.

28

The HKMA announces the operating results of the Exchange Fund for 1999. During 1999, the Exchange Fund's assets grew by 10.1% to \$1,014.4 billion. The accumulated surplus of the Exchange Fund grew by 20.2% from \$242.3 billion at the end of 1998 to \$291.3 billion at the end of 1999.

April

3

The HKMA appoints Arthur Andersen Hong Kong as the consultant to carry out a study on enhancing deposit protection in Hong Kong.

7

Thirteen Members of the Legislative Council, led by Chief Executive Joseph Yam, tour the Tai Po plant of the Hong Kong Note Printing Limited.



25

The HKMA authorizes Creative Star Limited as a deposit-taking company for the principal purpose of issuing the multi-purpose stored value card known as "Octopus".

May

5

The HKMA issues a *Guideline on the Authorization of Virtual Banks* under section 16(10) of the Banking Ordinance. This Guideline is the first in a series of guidelines to be issued by the HKMA on electronic banking.

19

The HKMA issues a *Guideline on Corporate Governance of Locally Incorporated Authorized Institutions* under section 7(3) of the Banking Ordinance. This Guideline forms part of the banking sector reform programme to promote high standards of corporate governance in the banking sector.

30

The HKMA announces that the deregulation of Interest Rate Rules on time deposits with a maturity of less than seven days and the prohibition on benefits for deposits (other than Hong Kong dollar savings and current accounts) will take effect on 3 July 2000.

30

The Hong Kong Mortgage Corporation Limited (HKMC) signs a \$1 billion Mortgage and Bond Asset Swap Programme agreement with Dao Heng Bank. This is the first transaction under the asset swap agreement launched by the HKMC to enhance the attraction of its Mortgage Purchase Programme to authorized institutions.

June

23

The HKMA releases the findings of two surveys on the financing situation of small and medium-sized enterprises (SMEs). The survey results suggest that there is a gap between the demand for bank credit by SMEs and the supply of funds by banks.

July

7

The HKMA issues a *Guidance Note on Management of Security Risks in Electronic Banking Services*. This Guidance Note is part of a series of guidance notes issued by the HKMA on electronic banking.

14

The HKMA releases its proposal to establish a commercial credit reference agency in Hong Kong for a two-month public consultation following the completion of a study on this subject.

20

The Bank Notes Issue Advisory Committee announces that it has identified new security features that will, in time, be incorporated when new banknotes are printed.

27

The Board of Directors of the HKMC approves the framework for expanding the Mortgage Insurance Programme to cover mortgage loans with loan-to-value ratio of up to 90%.

28

The HKMA launches its exhibition "Money in Hong Kong" to be held in three shopping centres in Hong Kong during the summer. The aim of the exhibition is to foster communication between the HKMA and the general public and to promote public awareness of Hong Kong's monetary and banking systems. HKMA Chief Executive Joseph Yam unveils the new HKMA website (www.hkma.gov.hk) at the exhibition's formal launch on 29 July.



August

1

The HKMA announces that it will conduct a comprehensive review of retail payments services in Hong Kong. The review will examine in detail the various channels through which retail payments are made, consider what risks may arise in the operation of these services, and examine their efficiency, pricing and costs, degree of market access, and level of competition.

17

The HKMA announces that Hong Kong will process its first transaction through the new US dollar clearing system on 21 August. The new service allows local financial institutions to settle US dollar transactions real time in the Asian time zone instead of 12 hours later in the New York time zone.

18

The HKMC announces a new product to provide insurance cover for mortgage loans with loan-to-value ratio of up to 90%.

September

23

A Memorandum of Understanding on the establishment of the IMF Sub-Office in Hong Kong is formally signed between the People's Bank of China (PBoC) and the IMF during IMF/World Bank annual meetings in Prague.



Hong Kong dollars to provide payment versus payment (PvP) settlement for foreign exchange transactions between the US dollar and Hong Kong dollar.

26

The International Finance Corporation (IFC) announces that the World Bank Group opens a joint IFC/IBRD regional management office in Hong Kong as part of its strategy of decentralisation to build tight relationships with clients and governments. The hub office will bring the IFC closer to its clients, sponsors, financial participants, and banking partners as well as handling new business in the region.

25

The HKMA announces that agreement has been reached with the Guangzhou Branch of the PBoC on a new joint clearing facility to speed up the processing of Hong Kong dollar cheques issued by banks in Hong Kong and presented in Guangdong. The new facility is to be effective from 1 October 2000.

26

The HKMA issues a *Guidance Note on Independent Assessment of Security Aspects of Transactional e-banking Services*. Institutions are expected to submit independent assessment reports to the HKMA for reference to demonstrate that security risks in transactional e-banking services have been properly managed.

25

The HKMA announces the completion of phase two of Hong Kong's US dollar clearing system. The Real Time Gross Settlement (RTGS) payment system for US dollars launched on 21 August is linked up with the RTGS payment system for

October

4

The HKMA releases a set of proposals aimed at improving the business practices of authorized institutions in relation to the provision of credit card services for consultation with the banking industry and the Consumer Council. The proposals have been formulated by an Informal Working Group on the review of the Code of Banking Practice convened by the HKMA and comprising representatives of the Hong Kong Association of Banks and the Deposit Taking Companies Association.

24

The HKMA releases a consultation paper on enhancing deposit protection in Hong Kong, following the completion in July 2000 of an independent consultancy study on this subject. The Study was commissioned by the HKMA in April and was aimed at making a fair and objective assessment of deposit protection in Hong Kong based on independent evaluation with due regard to international practices and local conditions. The consultation period ends on 17 January 2001.



November

13

The Exchange Fund Investment Limited announces that the first tranche of Loyalty Bonus Units in the Tracker Fund of Hong Kong has been allocated to 131,110 Unitholders.

20

The HKMA issues an Education Pack containing a variety of publications on its work and policies. The Education Pack is distributed during the HKMA's annual education programme – a series of seminars on the linked exchange rate system and the evolution of money in Hong Kong – in November and December 2000 for secondary school economics students and their teachers.



24

The Banking (Amendment) Bill is published in the Gazette. The Bill proposes changes to the Banking Ordinance corresponding to the new licensing regime being introduced for Securities and Futures Commission licensees under the Securities and Futures Bill. The changes introduced are necessary to strengthen the regulatory functions of the HKMA in relation to exempt authorized institutions' securities businesses.

28

The HKMA publishes the findings of a survey conducted on repossessed properties in July 2000. The primary objective of the survey is to facilitate prudential supervision by gathering information on the quantity of repossessed properties, including both residential and non-residential properties, held by authorized institutions and the practices adopted by authorized institutions in relation to the repossession and disposal of these properties.

29

The Monetary Authority issues a guideline to provide further guidance on the policy on the granting of specific consent for the use of banking names or descriptions by companies (or other persons) who are not banks licensed under the Banking Ordinance. The issue of this guideline is in response to an increase in the number of non-bank companies wishing to use "banking" names.

30

The HKMA holds its second Distinguished Legal Lecture, which attracts over 100 participants. Dr Antonio Sáinz de Vicuña, General Counsel of the European Central Bank speaks on the subject "The Harmonisation and Integration of the Legal and Socio-economic Systems in Europe – a medium term view".

December

11

The Hongkong and Shanghai Banking Corporation Limited (HSBC) and the HKMA unveil new security features on HSBC's \$1,000 banknote. HSBC's \$1,000 notes bearing the new security features begin circulation on 18 December 2000. These notes carry three new security features, in addition to existing security features.



14

The HKMA announces that US dollar cheque clearing and an interface between the US dollar Real Time Gross Settlement system and the Central Moneymarkets Unit will be introduced on 18 December 2000 in the third and final phase of implementation of Hong Kong's US dollar clearing system. With the US dollar cheque clearing mechanism in place, customers can open US dollar current accounts with banks in Hong Kong. The US dollar cheques that are drawn on banks in Hong Kong will be settled on the day following presentation of the cheque.