

Calendar of Events 2001

January

11 The International Monetary Fund (IMF) opens a sub-office in Hong Kong, functioning as a subsidiary unit of the IMF Resident Representative Office in Beijing.

17 Twenty-one Chairmen and Vice-Chairmen of the District Councils visit Hong Kong Note Printing Limited (HKNPL). They are briefed on the operations of HKNPL, banknote printing procedures and the security features of Hong Kong banknotes.



February

13 The HKMA holds the Fourth Distinguished Lecture, attracting over 400 participants. Keynote Speaker Mr Andrew Crockett, General Manager of the Bank for International Settlements, speaks on "Monetary Policy and Financial Stability". Dr Zeti Akhtar Aziz, Governor of Bank Negara Malaysia, is the Discussant.



March

3 The IMF gives a positive assessment of Hong Kong's economic performance and prospects and its economic and fiscal policies in its Staff Report on the Hong Kong Special Administrative Region (HKSAR). The IMF is impressed with the HKSAR's rapid recovery in 1999-2000 from the Asian financial crisis, attributing the successful turnaround of the economy to the flexibility of Hong Kong's markets and to the authorities' pragmatic handling of fiscal policy during the recession.



30 The HKMA announces the operating results of the Exchange Fund for 2000. During the year, the Exchange Fund's assets grew by 2.1% to \$1,023.4 billion. The accumulated surplus of the Exchange Fund grew by 5.6%, from \$290.9 billion at the end of 1999 to \$307.1 billion at the end of 2000.

April

24 The Executive Council approves in principle the proposal to introduce a deposit insurance scheme in Hong Kong and requests the HKMA to undertake more detailed planning work for the proposed scheme.

May

21 The HKMA announces that it will update the information on its Currency Board operations on a 24-hour basis with immediate effect.

June

4 The HKMA, the Airport Authority, the Hong Kong Mortgage Corporation Limited, Kowloon-Canton Railway Corporation and MTR Corporation Limited announce that the HKMA will, from 1 September 2001, cease to be the arranger for the respective Note Issuance Programmes of the four corporations.

19 The HKMA, Bank of China (Hong Kong) Limited and Standard Chartered Bank announce the launch of enhanced \$1,000 banknotes with three additional security features.



July

3 The final phase of interest rate deregulation covering Hong Kong dollar savings and current accounts takes effect on 3 July 2001 as scheduled. All banks are now free to set their interest rates on all types of deposits. The prohibition of interest on current accounts is also lifted at the same time.

20 JUL — **5** AUG

The HKMA holds its second summer exhibition "Money in Hong Kong 2001" in three shopping centres. One of the major themes of the exhibition is on the evolution of the security features of banknotes and coins in Hong Kong.



August

31 The HKMA has reached an agreement with the Guangzhou Branch of the People's Bank of China on extending the types of bills to be cleared under the joint operations of Hong Kong dollar bill clearing between Guangdong/Hong Kong and Shenzhen/Hong Kong to include Hong Kong dollar cashier's orders and demand drafts as well. Through the facilities, clearing and settling of Hong Kong dollar bills presented in Guangdong or Shenzhen will take two working days only.



September

7 The HKMA releases a discussion paper on funding and premium assessment for the Deposit Insurance Scheme (DIS) to seek views from the industry on the funding arrangements for the scheme. The discussion paper contains suggestions about how the appropriate size of the DIS fund might be set, how it could be built up and maintained and how premium could be assessed for individual banks.

12 Following the tragic events in the US on 11 September, the HKMA announces that the Hong Kong dollar and US dollar RTGS systems and other clearing and payment systems in Hong Kong will be open for business as usual on 12 September.

12 The HKMA participates in a high-level roundtable discussion to address the community's concern over consumer debt and bankruptcy issues.

October

10 The HKMA issues a letter to all authorized institutions (AIs) stating that it would not object if AIs, should they judge it commercially desirable, were to depart from the 70% guideline in refinancing residential mortgage loans for homeowners in negative equity (i.e. whose outstanding loan exceeds the current market value of their property).

16 The HKMA estimates, from an ad-hoc survey of a sample of banks, that the total number of bank customers whose loans are in negative equity may be around 65,000, or 14% of total mortgage borrowers. The total value of mortgage loans in negative equity may be around \$127 billion, or 23% of total outstanding mortgage loans.

19 The HKMA announces its plans to launch in 2002 the Five Blessings Commemorative Coins on behalf of the Hong Kong Special Administrative Region. The set comprises five silver coins together with a gold medallion. The last silver coin was issued in 1933.

29 The HKMA completes a comprehensive review of retail payment services in Hong Kong. The review concludes that Hong Kong's retail payment systems generally function well and identifies policy issues and recommendations for their enhancement of sectoral efficiency and transparency.

November

1 The HKMA issues a press release reminding the general public of the transitional arrangements for the introduction of euro coins and banknotes in 2002.

12 The Exchange Fund Investment Limited announces that the second and final tranche of Loyalty Bonus Units in the Tracker Fund of Hong Kong (TraHK) have been allocated to 127,813 Unitholders.

15 The Hong Kong Association of Banks and the DTC Association jointly issue a revised *Code of Banking Practice*. The Code is endorsed by the HKMA, who convened an informal working group to review the Code.



30 The HKMA removes the three-building condition attached to the licences of overseas-incorporated banks authorized in and after 1978 and overseas-incorporated restricted licence banks authorized in and after 1990. There is now no restriction on the number of branches that these institutions may maintain.

December

11 The HKMA issues a consultative document proposing to remove the US\$16 billion asset size criterion applicable to overseas-incorporated banks wishing to set up a branch in Hong Kong, and to relax the criteria for locally incorporated restricted licence banks and deposit-taking companies to upgrade to full licensed bank status.

17 The HKMA and Euroclear announce their agreement to develop a direct link between the HKMA's Central Moneymarkets Unit (CMU) and the Brussels-based international central securities depository. Scheduled to go live by the end of 2002, this fully-automated real-time link will enable investors in Hong Kong and other parts of Asia to directly hold and settle Euroclear-eligible debt securities via their CMU accounts.