

CALENDAR OF EVENTS 2005

APRIL
25

The Hongkong and Shanghai Banking Corporation Limited is re-appointed as Settlement Institution for the US dollar clearing system in Hong Kong for a second five-year period.

MAY
3

The HKMA announces the issue of up to \$300 million of two-year Exchange Fund Notes for retail investors, the first under a refined Exchange Fund Notes Programme.

MAY
18

Three refinements to the operation of the Linked Exchange Rate system are introduced. The refinements are aimed at removing uncertainty about the extent to which the exchange rate might strengthen under the Linked Exchange Rate system and promoting the smooth functioning of the money and foreign exchange markets in accordance with Currency Board arrangements.

MAY
30

The HKMA, the Hong Kong Association of Banks and the Hong Kong Police Force jointly announce the launch of two-factor authentication for Internet banking by the banking industry.

JUNE
1

Mr Y K Choi is appointed Deputy Chief Executive of the HKMA, following the departure of Mr Norman Chan in May.

JUNE
21

The ABF Hong Kong Bond Index Fund, the first bond fund under Asian Bond Fund 2, is listed in Hong Kong.

JULY
6

The Legislative Council passes the Banking (Amendment) Ordinance 2005. The main purpose of the Ordinance is to amend the Banking Ordinance to provide a legislative framework for the implementation of Basel II in Hong Kong.

JULY
7

The Pan Asia Bond Index Fund under Asian Bond Fund 2 is listed in Hong Kong.

JULY
21

The renminbi exchange regime is moved to a managed floating rate system based on market supply and demand with reference to a basket of currencies. The renminbi is no longer pegged to the US dollar. There is an initial adjustment to RMB8.11 yuan per US dollar, representing a 2% appreciation.

SEPTEMBER
16

The Monetary Authority, on the advice of the Financial Secretary, appoints Mr Paul Jeremy Brough of KPMG under section 52(1)(C) of the Banking Ordinance, to be the Manager for the time being of Delta Asia Credit Limited. Delta Asia Credit Limited is a deposit-taking company in Hong Kong authorized under the Banking Ordinance and a subsidiary of Banco Delta Asia S.A.R.L. in Macau. The Monetary Authority's primary direction to the Manager is to conserve the assets of Delta Asia Credit Limited and restrict any increase in its liabilities pending the outcome of investigations or other actions by the Macau authorities.

NOVEMBER
1

The HKMA announces the details of the expansion of renminbi business in Hong Kong previously announced in the Chief Executive's Policy Address. The measures include: expanding the definition of designated merchants and allowing such merchants to open renminbi deposit accounts; allowing Hong Kong residents to use renminbi cheques in Guangdong Province; relaxing limits for exchange and remittance of renminbi by individuals; and removing the cap on credit limits for renminbi cards issued by participating banks.

NOVEMBER
8

The International Monetary Fund Staff Mission to Hong Kong completes its Article IV Consultation, stating that it is supportive of the Government's fiscal policy and its commitment to the Linked Exchange Rate system.

DECEMBER
8

The HKMA releases a new data series on a composite interest rate. The new series is introduced following research which concluded that a composite interest rate, reflecting movements in various deposit rates, interbank and other interest rates, closely tracked the average cost of funds of authorized institutions over the past six years. The publication of the composite interest rate is to help improve interest rate risk management in the banking sector.

DECEMBER
8

Bank Negara Malaysia and the HKMA sign a Memorandum of Understanding for the establishment of a large-value payment-system link between the ringgit RTGS system in Malaysia and the US dollar RTGS system in Hong Kong. This link, scheduled to be completed in 2006, is the first cross-border payment-versus-payment link between two RTGS systems for two currencies in Asia.