

## CHRONOLOGY OF EVENTS (MAY '98 - JUL '98)

12 May 1998	<p>Agreements were signed in Basle at the Bank for International Settlements (BIS) Headquarter on the setting up a BIS Representative Office in Hong Kong. Mr Shang Fulin, Deputy Governor of the People's Bank of China, representing the Central People's Government, signed the Host Country Agreement with Mr. Alfons Verplaetse, President of the BIS. The Host Country Agreement granted privileges and immunities to the BIS in accordance with international practice. Mr Joseph Yam, Chief Executive of the Hong Kong Monetary Authority (HKMA), signed the Memorandum of Administrative Arrangements on behalf of the Government of the Hong Kong Special Administrative Region. The Memorandum of Administrative Arrangements laid down the arrangements for implementing in Hong Kong the privileges and immunities granted by China.</p>
19 May 1998	<p>Following extensive consultation with the banking industry, the HKMA had finalised the new "Guideline on recognition of interest". The comments received were generally supportive of the proposal to establish a minimum standard that authorized institutions should meet in their interest recognition policies. The guideline had also been discussed and endorsed by the Working Party on Financial Disclosure which comprises representatives from both local and foreign authorized institutions as well as the accounting profession.</p>
22 May 1998	<p>The HKMA announced that the official foreign currency assets of Hong Kong, including those held in Land Fund, were US\$96.2 billion at the end of April 1998, placing Hong Kong at the third position in world ranking. The foreign currency assets held in the Exchange Fund, excluding forward transactions yet to be settled were US\$77.7 billion and those in Land Fund were US\$18.5 billion.</p>
22 May 1998	<p>The HKMA granted the transfer of the restricted banking licence of CoreState Bank, N.A. to First Union National Bank (FUNB) under the Banking Ordinance.</p>
4 June 1998	<p>The HKMA announced the launch of the Hong Kong International Airport Commemorative Gold Coin which was issued by the HKMA on behalf of the Government of the Hong Kong Special Administrative Region to mark the opening of the new Hong Kong International Airport in July 1998. The Gold Coin features a design symbolising Hong Kong's ascent into the new century, and bears the standard Bauhinia design on the other side. The Gold Coin is legal tender with a HK\$1,000 face value.</p>

5 June 1998	The HKMA granted the transfer of the banking licence of Kredietbank N.V. (KB) to KBC Bank N.V. (KBC) under the Banking Ordinance.
11 June 1998	The HKMA revised the HKMA page on Reuters to further enhance the transparency of its market activities. Starting from 11 June 1998, the HKMA page would provide a forecast of changes in the Aggregate Balance of the banks' clearing accounts with the HKMA (Aggregate Balance) attributable to HKMA's foreign exchange transactions. The forecast would show the projected positions for "Today", "Tomorrow" and "After Tomorrow". The forecast would be published every morning before 9:00 am.
12 June 1998	Following consultations with individual authorized institutions and industry associations, the HKMA finalised the recommendations for listed authorized and listed banking groups to disclose additional information in their interim reports. The comments received indicated that there was general support for the proposal to increase transparency of the local banking sector.
20 June 1998	An ad-hoc joint Manila framework/G7 Deputies meeting was held in Tokyo. Finance and/or Central Bank Deputies representing Australia, Canada, People's Republic of China, France, Germany, Hong Kong SAR of China, Indonesia, Italy, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, the United Kingdom, and the United States attended the meeting. Senior representatives from the international Monetary Fund, the World Bank and the Asian Development Bank also participated in the meeting. In the regional surveillance discussion, Deputies exchanged views on the economic situation on the basis of presentations by the IMF, the World Bank, and the Asian Development Bank.
25 June 1998	The HKMA announced that the official foreign currency assets of Hong Kong, including those held in the Land Fund, were US\$96.4 billion at the end of May 1998, placing Hong Kong at the 3rd position in world ranking. The foreign currency assets held in the Exchange Fund, excluding forward transactions yet to be settled were US\$77.9 billion and those in the Land Fund were US\$18.5 billion.
30 June 1998	The HKMA granted the transfer of the banking licence of Swiss Bank Corporation to UBS AG under the Banking Ordinance.
10 July 1998	The Hong Kong Mortgage Corporation (HKMC) announced that the Approved Sellers have indicated that they were prepared to commit to sell an aggregate amount of \$13.65 billion under the Forward Commitment Facility in the following 12 months.
11 July 1998	The BIS opened its Representative Office for Asia and the Pacific in Hong Kong. This was the first overseas office for the BIS. It would serve as a regional centre for the activities of the BIS in Asia.

	<p>Through the establishment of this office, the BIS aimed to strengthen further the relations between the BIS and central banks and monetary authorities in the region, to improve the exchange of information and data, to facilitate the organisation of meetings and seminars and to contribute generally to cooperation among central banks and monetary authorities. The BIS has previously operated only from its headquarters in Basle, Switzerland.</p>
12 July 1998	<p>The Working Party on Transparency and Accountability held its second meeting in Hong Kong. The Working Party was set up following a meeting in Washington, D.C. of representatives of the following 22 economies: Argentina, Australia, Brazil, Canada, China, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Malaysia, Mexico, Poland, Russia, Singapore, South Africa, Thailand, the United Kingdom and the United States. The meeting in Hong Kong discussed topics including: the type and quality of information needed by national authorities, the private sector, and international financial institutions; the gaps in provision of information; accounting and data compilation issues; incentives to produce and disseminate information; ways to utilise available information better and the degree of transparency required to enhance accountability.</p>
23 July 1998	<p>The HKMA announced that the official foreign currency assets of Hong Kong, including those held in the Land Fund, were US\$96.5 billion at the end of June 1998, placing Hong Kong at the 3rd position in world ranking. The foreign currency assets held in the Exchange Fund, excluding forward transactions yet to be settled were US\$77.9 billion and those in the Land Fund were US\$18.6 billion.</p>
23 July 1998	<p>The HKMA announced the unaudited balance sheet of the Exchange Fund as at the end of June 1998. The figures released show that in the first half of 1998, total assets of the Exchange Fund rose by 3.6% from HK\$636.7 billion at the end of December 1997 to HK\$659.5 billion at the end of June 1998. The accumulated surplus of the Exchange Fund, including minority interests, increased by 6.2% from HK\$190.2 billion at the end of December 1997 to HK\$202 billion at the end of June 1998.</p>
28 July 1998	<p>The HKMA announced that its "40% guideline" on the property exposure of authorized institutions in Hong Kong has been withdrawn with effect from 28 July 1998. The 40% guideline was introduced at the beginning of 1994 at a time when property lending was rising rapidly. The guideline was withdrawn because it was less relevant to the market conditions. Despite the withdrawn of the guideline, the HKMA believed that authorized institutions would continue to be cautious on property lending, particularly on lending for property development and investment.</p>