

Completion Instructions

Return of Market Risk and CVA Risk Capital Charge Form MA(BS)3A

General Instructions

1. Form MA(BS)3A (“the Form”) should be completed on a monthly basis by each authorized institution (AI) incorporated in Hong Kong to calculate its market risk capital charge and CVA risk capital charge in accordance with Part 8 and Part 8A of the Banking (Capital) Rules (BCR) (“Rules”), respectively.
2. The Form comprises two parts.

Part

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|----|----------------------------|
| I | Market Risk Capital Charge |
| II | CVA Risk Capital Charge |

Form

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| MA(BS)3A(I) |
| MA(BS)3A(II) |

Layout and application

3. Unless otherwise specified, instructions provided under this section apply to all parts and divisions contained in the Form. Specific instructions relating to individual parts are separately provided. Reporting institutions should complete the parts and divisions that are relevant to them in accordance with these instructions, having regard to the Rules, as well as other relevant supervisory policies and guidance issued by the Monetary Authority (“MA”).
4. Part I is applicable to reporting institutions which are not exempted under the *de-minimis* criteria as set out in section 22 of the Rules. However, reporting institutions which are exempted by the MA from the calculation of market risk should complete Divisions G to K of Form MA(BS)3A(I) once per year for the position at the last calendar day of December for the annual assessment of its exemption status. The market risk capital charge reported by an exempted institution will be for information only, and will be automatically excluded from the calculation of its capital adequacy ratios.
5. Part II is applicable to reporting institutions which have to calculate the CVA risk capital charge for their covered transactions as set out in section 322J of the Rules. **A nil return is required for reporting institutions that do not have any covered transactions.**

Combined/consolidated return

6. Where applicable, the Form should be completed both on a solo (or solo-consolidated) basis (i.e. combined return) and on a consolidated basis (i.e. consolidated return). Reporting institutions should make reference to the respective provisions of the Rules

when reporting their solo, solo-consolidated and/or consolidated position (i.e. sections 29, 30 and 31 of the Rules respectively).

7. A reporting institution should include positions in the Form as follows:

Solo basis	All positions of the institution and its local and overseas branches/offices.
Solo-consolidated basis	All positions of the institution, its local and overseas branches/offices and its solo-consolidated subsidiaries as defined in section 4 of the Rules.
Consolidated basis	All positions of the institution's consolidation group (including local and overseas branches) as defined in section 4 of Rules.

Reporting institutions should obtain the necessary approvals from the MA and follow the requirements that are relevant to their choice of calculation approaches as set out in Part 2 of the Rules.

Submission dates

8. The Form should show the position as at the last calendar day of each quarter and should be submitted as follows:
- (a) combined return – within 1 month after the end of each month; and
 - (b) consolidated return – within 1 month after the end of each month unless otherwise advised by the MA.

If the submission deadline falls on a public holiday, it will be deferred to the next working day.

Others

9. Unless otherwise specified, amounts should be shown to the nearest thousand, in HK\$ or HK\$ equivalents in the case of foreign currency items. The closing middle market telegraphic transfer (“T/T”) rates prevailing at the reporting date should be used for conversion purposes.