

Return of Liquidity Position MA(BS)1E

Summary of Changes

1. Specified instruments

(Completion instructions - Section A item 9; Section B Part I.1 item (5)(a)(i))

- (a) The list of the issuers of the specified instruments is updated to reflect change in name and changes in Schedule 1 of the Sale and Repurchase Agreement with the HKMA.
- (b) Clarification is also made in respect of the specified instruments that are allowed for offsetting purposes.

2. Debt securities or prescribed instruments issued by reporting institution which are maturing in more than 1 month

(Completion instructions - Section B Part I.1 item (8))

Clarification is made that interest payable within 1 month on debt securities or prescribed instruments issued by the reporting institution which are maturing in more than 1 month should be reported in item (3)(b) if they are held by relevant banks, or in item (11) if they are held by customers other than relevant banks. Opportunity is also taken to clarify the alternative treatment of debt securities or prescribed instruments under item (8) of Part I.1.

3. Residential mortgage loans covered by HKMC's irrevocable forward commitment facility

(Completion instructions - Section B Part I.1 item (7) and Part II.4 A&B)

Relevant completion instructions are updated to reflect an amendment in the HKMC's forward commitment facility agreement which no longer requires a distinction of the commitment period into "Initial" and "Subsequent" periods.

4. Repo and reverse repo where all the risks and rewards of ownership are substantially transferred to the buyer

(Completion instructions - Annex 2)

Guidance is now given for the reporting of such repos and reverse repos, in line with the accounting treatment under SSAP24. While it appears that substantial amendments have been made for the reporting of such transactions, the net impact of the amendments on the institutions' liquidity ratios is considered to be immaterial.