



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B2/7C
B1/15C

14 November 2011

The Chief Executive
All authorized institutions
The Chief Representative
All local representative offices

Dear Sir/Madam,

Updating of Guide to Authorization and Guideline No. 1.5 – Guideline on minimum criteria for authorization

I am writing to inform you that the HKMA has completed a comprehensive review of the Guide to Authorization (the Guide), which provides guidance to institutions seeking authorization under the Banking Ordinance. The updated version can be accessed via the HKMA's website (<http://www.hkma.gov.hk/eng/key-functions/banking-stability/guide-authorization.shtml>) on 25 November 2011. Also, Chapter 4 of the Guide will be published in the Government Gazette on the same day as Guideline No. 1.5 under section 16(10) of the Banking Ordinance.

The Guide has incorporated a number of changes introduced in the past few years to the authorization and supervisory regime of the HKMA. These include, among others, the introduction of the Banking (Capital) rules and Banking (Disclosure) Rules, the HKMA's expectations on liquidity risk management, and paragraph 21 of the Eighth Schedule to the Banking Ordinance on failure to comply with any requirement under the Deposit Protection Scheme Ordinance.

Should you need any further information, please feel free to contact Mr Raymond Lam on 2878-1509 or Ms Cora Ching on 2878-8211.

Yours faithfully,

Meena Datwani
Executive Director (Banking Conduct)

c.c. The Chairman, The Hong Kong Association of Banks
The Chairman, The Deposit-taking Companies Association
Financial Services and the Treasury Bureau