



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C

30 August 2012

The Chief Executive
All Locally Incorporated Authorized Institutions

Dear Sir/ Madam,

Training for Directors of Locally Incorporated Authorized Institutions

This letter seeks information on the training provided to directors of authorized institutions (AIs) incorporated in Hong Kong. This is part of an initiative to ensure proper training for directors (and certain senior executives). Information on the training that is currently being made available and the channels through which this is being done will enable us to identify whether there are any gaps in the availability of training resources, and whether a degree of coordination in the provision of such training would be beneficial.

Paragraph 6.3 of the Supervisory Policy Manual (SPM) module on “Corporate Governance of Locally Incorporated Authorized Institutions”, issued on 3 August 2012, states that:

“The board should identify and meet the training needs of individual members and of the board collectively. As part of this process, the board should take into account developments in areas such as products and markets, business operations, risk profile, and risk management tools and models of the institution; and changes in laws, regulations and supervisory standards relevant to the AI’s activities.”

While we are aware that a number of institutions operate programmes for the provision of training to directors, we do not have comprehensive information on practices in the industry as a whole. As a first step, we would like to gather some general information on how institutions are assessing the training needs of directors and the training currently being provided. To this end, we will shortly be sending you a questionnaire which you should arrange to have completed and returned to us by 21 September 2012. The questionnaire will be sent to you through your normal contacts with the HKMA.

The HKMA is being assisted in the exercise by the Hong Kong Institute of Bankers (HKIB), given its extensive expertise in the provision of professional training to the industry. To facilitate our further cooperation with the HKIB, aggregate data from the questionnaires will be shared with them. However, we will as always treat the individual questionnaires and all institution-specific information as strictly confidential.

Should you have any questions on the questionnaire or the general initiative, please contact Mr Trevor Keen, Head (Payment Systems Oversight & Licensing) on 2878 1128 or Mr Raymond Lam, Senior Manager (Licensing) on 2878 1509.

Yours faithfully,

Meena Datwani
Executive Director (Banking Conduct)

c.c. The CEO, Hong Kong Institute of Bankers
 The Chairman, Hong Kong Association of Banks
 The Chairman, The DTC Association