



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B9/75C
B9/151C

4 May 2018

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Banking (Disclosure) (Amendment) Rules 2018 and Banking (Specification of Multilateral Development Bank) (Amendment) Notice 2018

I am writing to inform you that the Banking (Disclosure) (Amendment) Rules 2018 (“BDAR 2018”) and the Banking (Specification of Multilateral Development Bank) (Amendment) Notice 2018 (“Amendment Notice 2018”) were published in the Gazette today.

BDAR 2018

The amendments are principally designed to incorporate into the Banking (Disclosure) Rules (Cap. 155 sub. leg. M) certain requirements prescribed by the Basel Committee on Banking Supervision (“BCBS”) under its *Pillar 3 disclosure requirements – consolidated and enhanced framework* of March 2017. The March 2017 requirements of the BCBS represented the outcome of the second phase of its review of the regulatory disclosure requirements for banks to promote market discipline through enhanced disclosure of banks in terms of user-relevance, consistency and comparability of disclosed information. Requirements in the first phase of the review were already implemented in Hong Kong with effect from 31 March 2017.

Amendment Notice 2018

The Amendment Notice 2018 seeks to implement a decision of the BCBS in October 2017 to allow banks to apply a 0% risk-weight to claims on the Asian Infrastructure Investment Bank as a multilateral development bank under the standardized approach for credit risk.

The two pieces of subsidiary legislation will be tabled before the Legislative Council for negative vetting on 9 May 2018, with a view to them taking effect on 30 June 2018. The BDAR 2018 will first apply to an AI concerning the required disclosures of its interim reporting period (and of its quarterly reporting period which ends on the same date as its interim reporting period) in relation to its 2018 financial year. We will inform you once the negative vetting process is completed.

Yours faithfully,

Daryl Ho
Executive Director (Banking Policy)

cc: The Chairperson, The Hong Kong Association of Banks
The Chairman, The DTC Association
FSTB (Attn: Ms Eureka Cheung)