



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
B10/15C
B9/135/1C
G12/230C
G16/9C
G12/34/6C
C2/5C

22 August 2018

The Chief Executive

All Authorized Institutions, Approved Money Brokers, Stored Value Facility Licensees and System Operators or Settlement Institutions of Designated Systems

Dear Sir / Madam,

Guidance Note on Cooperation with the HKMA in Investigations and Enforcement Proceedings

I am writing to inform you that the Hong Kong Monetary Authority (“HKMA”) has issued today the captioned Guidance Note to provide an overview of how the HKMA considers and recognises cooperation in its investigations and enforcement proceedings and highlight the benefits of cooperation.

The HKMA encourages early and substantial cooperation because it assists the detection, efficient investigation and prompt rectification of statutory and regulatory breaches and misconduct and fosters a culture of responsibility and self-improvement. Cooperation generally saves time, costs and resources for all parties concerned. The HKMA recognises the benefits of cooperation and may reduce sanctions if appropriate in all the circumstances of the case. The earlier and more substantial the cooperation, the more likely a person will benefit from cooperating with the HKMA.

To encourage cooperation, the Guidance Note explains how the HKMA assesses cooperation and gives examples of cooperation which include proactive rectification of deficiencies, taking responsibility, providing statements of admitted facts and promptly paying appropriate compensation to customers.

The Guidance Note does not apply to criminal cases in respect of which the Department of Justice has sole discretion over prosecutions.

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On-line access to the Guidance Note is available on the HKMA public website (<http://www.info.gov.hk/hkma>) and private websites (<http://www.stet.iclnet.hk> and <http://www.rri.iclnet.hk>).

If you have any question regarding the Guidance Note, please contact Ms Michelle Chui at 2516-7755 or Ms Nancy Chau at 2516-2006.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)

c.c. SFC (Attn: Mr Thomas Allan Atkinson, Executive Director (Enforcement))
IA (Attn: Stephen Po, Executive Director (Market Conduct))
MPFA (Attn: Ms Cynthia Li, Head (Enforcement))