

CALENDAR OF EVENTS 2004

FEBRUARY

25 Banks in Hong Kong introduce personal renminbi deposit, exchange and remittance services.

APRIL

28 The HKMA signs an agreement with the China Government Depository Trust & Clearing Co. Ltd (CDC) to establish a direct link between the HKMA's Central Moneymarkets Unit and CDC's Government Securities Book-Entry System. The aim is to foster cross-border debt securities settlement between Mainland China and Hong Kong.

MAY

5 The Deposit Protection Scheme Ordinance is passed by the Legislative Council. The Ordinance provides for the establishment of a deposit protection scheme (DPS) in Hong Kong with the aim of enhancing deposit

protection in Hong Kong and contributing to the stability of the financial system. The DPS, to be managed by an independent Deposit Protection Board, is expected to start providing deposit protection in 2006.

JUNE

8 The HKMA issues a revised Supplement to the Guideline on Prevention of Money Laundering and a set of Interpretative Notes. The Supplement sets out the latest "Know-Your-Customer" principles. It covers the account opening process for various types of new customers and the on-going monitoring process for existing customers. It also incorporates the latest requirements relating to terrorist financing.

30 The HKMA announces that the Chief Executive of the Hong Kong SAR has appointed the Chairman and Members of the Hong Kong Deposit Protection Board. The Board is chaired by Professor Andrew Chan Chi-fai (Chairman and Member) and has six other Members (including two ex officio Members — the Monetary Authority and Secretary for Financial Services and the Treasury).

JULY

1 Mr Peter Pang is appointed Deputy Chief Executive of the HKMA. The post had been vacant since January 2003.

2 The Legislative Council passes the Clearing and Settlement Systems Ordinance. The Ordinance establishes a statutory regime for the Monetary Authority to designate and oversee clearing and settlement systems which are material to the monetary or financial stability of Hong Kong or to the functioning of Hong Kong as an international financial centre.

SEPTEMBER

28 The Bank for International Settlements triennial survey on the turnover of foreign exchange and derivatives shows that Hong Kong advanced one place from the 2001 survey to rank sixth in the global foreign exchange market, and seventh in the global foreign exchange and OTC derivatives market.

30 The HKMA issues a circular to all authorized institutions stressing the importance of putting in place appropriate precautionary measures to guard against fraud relating to fake bank websites and e-mails.

OCTOBER

11 \$20, \$50 and \$1,000 denominations in the new series of Hong Kong banknotes go into circulation.

NOVEMBER

1 Hong Kong's new Commercial Credit Reference Agency is launched.

4 The Clearing and Settlement Systems Ordinance comes into effect.

16 An International Monetary Fund Staff Mission to Hong Kong expresses support for the Linked Exchange Rate system and considers that the HKMA's response to strong-side pressures on the Hong Kong dollar has enhanced the resilience of the Linked Exchange Rate system.

DECEMBER

6 The HKMA announces that the Hong Kong dollar has been included in the Continuous Linked Settlement (CLS) System, a global clearing and settlement system for cross-border foreign exchange transactions operated by CLS Bank International (CLS Bank). The inclusion of the Hong Kong dollar into the CLS System enables foreign exchange transactions involving the Hong Kong dollar to be settled through the CLS System on a payment-versus-payment basis, thus removing the settlement risk in these transactions.

16 The Executives' Meeting of East Asia and Pacific Central Banks (EMEAP) Group announces the launch of the Asian Bond Fund 2 (ABF2). All 11 members of the Group, including Hong Kong, will invest in the ABF2. The ABF2, which will have an initial size of around US\$2 billion, will invest in domestic currency bonds issued by sovereign and quasi-sovereign issuers in all EMEAP economies except Australia, Japan and New Zealand.