

CHRONOLOGY OF EVENTS (FEBRUARY 97 – APRIL 97)

26 FEB	<p>The Hong Kong Monetary Authority (HKMA) and the Autoridade Monetária e Cambial de Macau (AMCM) signed a Memorandum of Understanding which aims at strengthening supervisory co-operation between the two regulatory authorities.</p>
27 FEB	<p>The HKMA announced that the amount of foreign reserves held in the Exchange Fund was US\$65.9 billion as at the end of January 1997, up from the corresponding figure of US\$63.8 billion at the end of December 1996. Including forward transactions to be settled, Hong Kong's foreign reserves at the end of January 1997 stood at US\$71.1 billion, compared with US\$69.6 billion at the end of December 1996.</p> <p>This is the first time the HKMA moved on to monthly disclosure on foreign exchange reserves of Hong Kong, as part of the ongoing effort to increase transparency of the HKMA's operations.</p>
7 MAR	<p>The HKMA and the International Monetary Fund jointly organised the "Conference on Financial Integration in Asia and the Role of Hong Kong". The conference discussed the key aspects of regional economic and financial integration and the challenges and opportunities of growing regional integration for Hong Kong.</p>
10 MAR	<p>The HKMA issued a letter to the chief executives of all locally incorporated authorised institutions (AIs) announcing that the Tenth Schedule to the Banking Ordinance has been amended on 28 February to dispense with the requirements for a locally incorporated AI to publish the full list of names of all persons who are directors and managers of the institution and the names of all subsidiaries of the institution. The amendment has taken effect on 11 April.</p>
20 MAR	<p>The directors of the Hong Kong Mortgage Corporation Limited were appointed by the Financial Secretary, Chairman of the 15-member Board. Mr Joseph Yam, Chief Executive of the HKMA, is Deputy Chairman.</p>
25 MAR	<p>The HKMA and Vtech Computers Systems Ltd signed a sponsorship agreement under which a total of 550 personal computers would be supplied by the company to meet the requirements stipulated by the World Bank Group and the International Monetary Fund (IMF) for the 1997 World Bank / IMF Annual Meetings. The HKMA also announced that \$45 million in cash had so far been received as cash sponsorship while sponsorship in kind was estimated to amount to \$25 million.</p>
26 MAR	<p>The HKMA and the Reserve Bank of New Zealand (RBNZ) jointly announced that a bilateral repurchase (repo) agreement in US Treasuries between the two institutions had been signed. This is the HKMA's 10th repo agreement with central banks in the region. The HKMA has already signed nine similar agreements with Australia, China, Indonesia, Japan, Malaysia, the Philippines, Singapore, Thailand and Korea.</p>

26 MAR	The Liquidity Adjustment Facility's bid and offer rates were increased to 4.25% and 6.25% from 4% and 6% respectively. The following day, the Hong Kong Association of Banks announced a 25 basis point increase in interest rates on retail deposits with maturities of less than seven days.
27 MAR	The HKMA announced the audited results of the Exchange Fund at end-1996 with total assets of the Fund up 16% to HK\$534.5 bn (1995: HK\$460.7 bn) and a 7.9% growth in accumulated earnings. The foreign currency assets (i.e. foreign reserves) within the Exchange Fund totalled US\$63.8 bn at end-1996, placing Hong Kong seventh in the world in overall foreign exchange reserves. The HKMA also announced that foreign reserves at end-February 1997 was US\$63.8 bn.
21 APR	As a step towards closer bilateral relations between Australian and Hong Kong financial systems, the HKMA and the Reserve Bank of Australia (RBA) had agreed that the Central Moneymarkets Unit (CMU) of the HKMA will join RBA's Reserve Bank Information and Transfer System (RITS). CMU is the central clearing and settlement system for debt securities in Hong Kong and RITS is a similar system for Australian government paper. RBA will explore with the HKMA further reciprocal arrangements to extend more widely the benefits that such co-operative arrangements can provide.
23 APR	The HKMA announced the launch of the Lantau Link Philatelic Numismatic Cover (PNC) which is issued, by the HKMA on behalf of the Government, to commemorate the opening of the Lantau Link. The Lantau Link PNC is Hong Kong's first PNC. It features a Brilliant Uncirculated HK\$10 coin with the design of a suspension bridge symbolising the smooth transition in 1997; and a first-day cover with a special Lantau Link stamp franked with a specially designed postmark.
24 APR	The HKMA announced that the amount of foreign reserves within the Exchange Fund, excluding forward transactions yet to be settled, was US\$63.4 billion as at end-March 1997.
25 APR	The HKMA issued a letter to the chief executives of all authorised institutions (AIs) reminding them of the importance of a timely solution to the Year 2000 (Y2K) problem. The HKMA also announced its initiatives in ensuring Y2K compliance, including a Y2K seminar organised jointly with HKAB and DTCA, a questionnaire survey and ongoing monitoring of the implementation of AIs' plan to fix the problem. AIs are required to submit their formal plans on Y2K compliance by 30 June 1997 and the HKMA expects that the Y2K compliant systems should be in place before 31 December 1998.
30 APR	The 1996 Annual Report of the HKMA was published and tabled in the Legislative Council. The report reviews the achievements of the HKMA since its establishment in 1993 and also sets out the challenges for the HKMA in the years ahead.