

Our Ref : G4/26/1C

8 May 1997

The Chief Executive
All authorized institutions

The Chief Representative
All representative offices

Dear Sir/Madam,

Banking (Amendment) Ordinance 1997

I am writing to inform you that the Banking (Amendment) Ordinance 1997 ("the Ordinance") will come into full operation on 15 May 1997. The commencement notice was published in the Gazette today. As you are aware, the main purpose of the Ordinance is to introduce a legal framework for the regulation of the issue of multi-purpose stored value cards and the approval of money brokers who provide broking services in the interbank deposit and foreign exchange market.

Concurrent with the commencement of the provisions relating to multi-purpose cards and money brokers, we have prepared two new chapters for incorporation into the Guide to Applicants for Authorizations under the Banking Ordinance to explain how the MA would exercise his functions and powers under the Ordinance in relation to these areas. Of particular relevance to banks is the chapter on authorization of multi-purpose cards which sets out the types of information which need to be provided to the HKMA by bank-issuers of multi-purpose cards. The contents of these two new chapters will be issued as guidelines under sections 16(10) (for multi-purpose cards) and section 118C(7) (for money brokers) of the Ordinance. Copies of these guidelines are

enclosed for your information. They were also published in the Gazette today with the same effective date as that of the Ordinance.

Yours faithfully,

(Y K Choi)
Acting Deputy Chief Executive

Encl.

c.c. The Chairman, HKAB
 The Chairman, DTCA