Our Ref. : B1/15C 30 May 2000

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Role of the Receiving Bank in New Share Issues

I write to inform you that, following consultation with the industry, the HKMA is today issuing the attached Guideline on the Role of the Receiving Bank in New Share Issues. The Guideline, which supplements but does not supercede our earlier Guideline Number 5.1.4, issued 5 February 1994 on this subject, provides guidance to authorized institutions, in the light of recent experience, on various considerations in relation to performing the role of receiving bank in new share issues. The Monetary Authority would expect institutions intending to perform this role to have due regard to these considerations.

This letter and the Guideline are also available in the HKMA's private website for authorized institutions (www.hkfin.net). Should you have any questions in relation to the Guideline, please feel free to contact Mr Simon Topping on 2878 1661.

Yours faithfully,

D T R Carse
Deputy Chief Executive

Encl.

cc The Chairman, The Hong Kong Association of Banks
The Chairman, The Deposit-taking Companies Association