



HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

28 Dec 2001

Supervisory Policy Manual ("SPM") CG-4: "Establishment of Overseas Banking Subsidiaries: §51A" SA-2: "Outsourcing"

Our Ref : B1/15C
B1/21C

28 December 2001

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Supervisory Policy Manual ("SPM")

CG-4: "Establishment of Overseas Banking Subsidiaries: §51A"
SA-2: "Outsourcing"

I am pleased to inform you that, following consultation with the industry, the Monetary Authority is issuing two modules of the SPM today.

The module on "[Establishment of Overseas Banking Subsidiaries: §51A](#)", a statutory guideline issued under section §7(3) of the Banking Ordinance, applies only to locally incorporated authorized institutions ("AIs") while the module on "Outsourcing" is issued as a guidance note and applies to all AIs.

We are grateful for the input provided on these modules by the two industry Associations and the Office of the Privacy Commissioner for Personal Data in respect of the issue of data privacy in the latter module.

The modules will take immediate effect. The HKMA expects AIs to make every effort to comply with the minimum requirements stipulated or follow the best practices recommended, where applicable to them, in these modules. The HKMA will monitor AIs' compliance with the modules through regular off-site reviews and on-site examinations.

On-line access to the above modules is available under the icon of "Supervisory Policy Manual" in the HKMA's public (<http://www.info.gov.hk/hkma/eng/bank/spma/index.htm>) and private (<http://www.hkfin.net>) web-sites.

Should you have any questions relating to the Manual or the individual modules, please feel free to contact either me or Ms Michelle Quek on 2878-8218.

Yours faithfully

Simon Topping
Executive Director (Banking Policy)

c.c. The Chairman, Hong Kong Association of Banks
 The Chairman, The Deposit-taking Companies Association
 Mr Christopher J Roberts, Office of the Privacy Commissioner for Personal
 Data

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