Circulars

31 Oct 2002

Hong Kong Approach to Consumer Debt Difficulties

Our Ref : B9/32C

31 October 2002

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

The Hong Kong Association of Banks, the DTC Association, the Finance House Association and the HKSAR Licensed Money Lenders Association have issued the "Hong Kong Approach to Consumer Debt Difficulties" (The "Approach"). The Approach sets out formal but non-statutory guidelines on how members of the Associations should deal with personal customers who have genuine difficulty in repaying consumer loans granted by financial creditors.

The Approach is endorsed by the Hong Kong Monetary Authority (HKMA) and has the strong support of the HKMA and the Associations. Therefore, the HKMA expects your institution to follow the guidelines set out in the Approach. Copies of the Approach are being circulated by the industry Associations to their members.

Yours faithfully,

D T R Carse
Deputy Chief Executive

c.c. Secretary, Hong Kong Association of Banks
Secretary, The DTC Association
Ms Kinnie Wong, Financial Services and the Treasury Bureau