HONG KONG MONETARY AUTHORITY
香 港 金 融 管 理 局

Circulars

06 Nov 2003

Supervisory Policy Manual : IC-3 "Reporting Requirements Relating to Authorized Institutions' External Auditors under the Banking Ordinance"

Our Ref: B1/15C
B1/21C

6 November 2003

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Supervisory Policy Manual :

IC-3 "Reporting Requirements Relating to Authorized Institutions' External Auditors under the Banking Ordinance"

I am pleased to inform you that, following consultation with the two industry Associations and the Hong Kong Society of Accountants, the HKMA is issuing the above module today.

This module provides guidance in respect of the reporting obligations of AIs' external auditors under the Banking Ordinance. It covers not only the existing requirements such as reporting on the accuracy of banking returns and the adequacy of systems of control, but also the new reporting requirements under Sections 63A and 63B of the Banking Ordinance. These two new sections require external auditors to submit a report to the Monetary Authority (MA) if they become aware of any matter that in their opinion adversely affects an AI's financial position to a material extent or constitutes on the part of a registered AI a failure to comply with certain provisions or rules made under the Securities and Futures Ordinance.

On-line access to the module is available under the icon of "Supervisory Policy Manual" in the HKMA's public (http://www.info.gov.hk/hkma) and private (http://www.hkfin.net) web-sites. Should you have any questions relating to the module, please feel free to contact Ms Michelle Quek on 2878-8218 or Mr Angus Chan on 2878-1287.

Yours faithfully,

Simon Topping
Executive Director (Banking Policy)

c.c. The Chairman, Hong Kong Association of Banks
The Chairman, The DTC Association
Ms Winnie CW Cheung, Hong Kong Society of Accountants
SFTB (Attn: Mr Edmond Lau)

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