



Hong Kong Monetary Authority

Annual Self Assessment On Compliance with Code of Banking Practice

Name of Reporting Institution:

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For period: 1 June 2003 to 31 May 2004

This report is approved by:

Signature :

(Sign on hardcopy only)

Name :

Department :

Post Title :

Telephone :

Fax :

Email :

Signed by :

(Sign on hardcopy only)

Signature of Chief Executive

Name of Chief Executive

COMPLETION INSTRUCTIONS

Please read these notes carefully before completing the self-assessment.

Reporting period

1. The reporting period is from 1 June 2003 to 31 May 2004. The self-assessment report should be submitted by 31 August 2004.

General

2. This self-assessment should be carried out either by the internal audit department, the compliance department or other equivalent unit of the institution. It should be approved and signed by the head of the relevant department as well as the Chief Executive of the institution.

Part I

Specific questions

3. In assessing compliance with individual provisions of the Code, institutions should take into account any new provisions, revisions, recommendations or interpretative notes issued by the Code of Banking Practice Committee¹ during the reporting period.
4. If for any question in relation to each section, a negative response is appropriate for one or more requirements under that section, an overall negative response should be entered in the relevant box. Details of the non-compliance which gave rise to that response and any corrective action taken or underway should be provided separately in the next worksheet titled “Part 1 – Details”

Details of non-compliance

5. If a negative response was entered in the previous worksheet, please provide in the corresponding boxes details of the non-compliance. Your response must include information on:
 - the subsection(s) which involve non-compliance
 - details of non-compliance which gave rise to the negative response
 - any action taken or underway to rectify the non-compliance and
 - the target date when remedial actions will be completed.

If more than one instance of non-compliance is reported under the relevant section, you should provide the above information corresponding to each instance of non-compliance.

Part II

General questions

6. Please answer each question as appropriate. Each answer should be supplemented by a description or explanation as required in the question.

Declaration

7. If the Code does not apply to your institution, complete the “Declaration” section and return it to the HKMA. In this case, it is not necessary for the institution to complete any other part of the report.

Use of this template

8. Please do not try to modify this template on your own. In case you encounter any difficulties in completing this template, please contact Miss Gillian Hui at 2878 1275.
9. When completing “Part I – Details of non-compliance” or “Part II – General questions”, you may press the “ALT” and “ENTER” keys simultaneously to start a new paragraph within the same box.

¹ Established by the two industry associations to provide guidance on the interpretation of the Code, and to undertake review of the Code from time to time. The Committee’s interpretations and recommendations are issued as circulars by the two industry associations.

SUBMISSION INSTRUCTIONS

1. Please submit both the hard and soft copy of this report to the HKMA as follows:

Hardcopy

2. Mail the signed report to:
Banking Development Department
Hong Kong Monetary Authority
55/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong
(Ref.: Code of Banking Practice)

Softcopy

3. Sent to the HKMA via the STET system
 - Save the file to your PC and complete the report.
 - Connect to the STET network (same procedure as sending returns to the HKMA).
 - Attach the file to an email and send to the address: `code@hkma.finnet-hk.net` (do not encrypt file).
 - Disconnect from the STET network. Submission completed.
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PART I - SPECIFIC QUESTIONS

		(i) Does your institution have DOCUMENTS and/or INFORMATION which comply with the following sections of the Code:	(ii) Does your institution have effective PROCEDURES (carried out in practice and documented in operational manuals) in place to ensure compliance with the following sections of the Code:
Chapter 1 – Relationship Between Banks And Customers			
5. Terms and Conditions	5(i)	Y / N / NA	5(ii) Y / N / NA
6. Fees and Charges	6(i)	Y / N / NA	6(ii) Y / N / NA
7. Debt Recovery Expenses	7(i)	Y / N / NA	7(ii) Y / N / NA
8. Collection, Use and Holding of Customer Information	8(i)	Y / N / NA	8(ii) Y / N / NA
9. Personal Referees	9(i)	Y / N / NA	9(ii) Y / N / NA
10. Equal Opportunity	10(i)	Y / N / NA	10(ii) Y / N / NA
11. Bank Marketing	11(i)	Y / N / NA	11(ii) Y / N / NA
12. Annualised Percentage Rates (APRs)	12(i)	Y / N / NA	12(ii) Y / N / NA
13. Handling Customer Complaints	13(i)	Y / N / NA	13(ii) Y / N / NA
Chapter 2 – Accounts and Loans			
14. Opening of Accounts	14(i)	Y / N / NA	14(ii) Y / N / NA
15. Closing of Accounts	15(i)	Y / N / NA	15(ii) Y / N / NA
16. Operation of Accounts	16(i)	Y / N / NA	16(ii) Y / N / NA
17. Rights of Set-off	17(i)	Y / N / NA	17(ii) Y / N / NA
18. Deposit Accounts	18(i)	Y / N / NA	18(ii) Y / N / NA
19. Loans and Overdrafts	19(i)	Y / N / NA	19(ii) Y / N / NA
20. Residential Mortgage Lending	20(i)	Y / N / NA	20(ii) Y / N / NA
21. Guarantees and Third Party Securities	21(i)	Y / N / NA	21(ii) Y / N / NA
Chapter 3 – Card Services			
23. Issue of Cards	23(i)	Y / N / NA	23(ii) Y / N / NA
24. Terms and Conditions, Fees and Charges and Interest Rates	24(i)	Y / N / NA	24(ii) Y / N / NA
25. Rights of Set-off	25(i)	Y / N / NA	25(ii) Y / N / NA
26. Security of Cards/PINs	26(i)	Y / N / NA	26(ii) Y / N / NA
27. Transaction Records	27(i)	Y / N / NA	27(ii) Y / N / NA
28. Unauthorized Transactions	28(i)	Y / N / NA	28(ii) Y / N / NA
29. Lost Cards/PINs	29(i)	Y / N / NA	29(ii) Y / N / NA
30. Liability for Loss	30(i)	Y / N / NA	30(ii) Y / N / NA
31. Treatment of Credit Balances	31(i)	Y / N / NA	31(ii) Y / N / NA
32. Direct Mailing	32(i)	Y / N / NA	32(ii) Y / N / NA
Chapter 4 – Payment Services			
33. Cheques	33(i)	Y / N / NA	33(ii) Y / N / NA
34. Cross-border Payments	34(i)	Y / N / NA	34(ii) Y / N / NA
35. Other Payment Services	35(i)	Y / N / NA	35(ii) Y / N / NA
Chapter 5 – Recovery of Loans and Advances			
36. Debt Collection by Third Party Agencies	36(i)	Y / N / NA	36(ii) Y / N / NA
37. Management of Relationship with Debt Collection Agencies	37(i)	Y / N / NA	37(ii) Y / N / NA
Chapter 6 – Electronic Banking Services			
38. Disclosure for e-banking Services	38(i)	Y / N / NA	38(ii) Y / N / NA
39. Security in relation to e-banking	39(i)	Y / N / NA	39(ii) Y / N / NA
40. Liability for Loss	40(i)	Y / N / NA	40(ii) Y / N / NA
41. Reporting of Actual or Suspected Security Incidents	41(i)	Y / N / NA	41(ii) Y / N / NA
Chapter 7 – Stored Value Cards (or Devices)			
43. Issue of Stored Value Cards or Devices (SVCs)	43(i)	Y / N / NA	43(ii) Y / N / NA
44. Terms and Conditions and Fees and Charges	44(i)	Y / N / NA	44(ii) Y / N / NA
45. Operation of SVCs	45(i)	Y / N / NA	45(ii) Y / N / NA

PART I - DETAILS OF NON-COMPLIANCE

		If a negative response was entered in the previous worksheet, please provide in the corresponding boxes below the details of the non-compliance.						If a negative response was entered in the previous worksheet, please provide in the corresponding boxes below the details of the non-compliance.			
		Sub-section(s)	Details of non-compliance	Rectification Plan	Target completion date (MM/YYYY)			Sub-section(s)	Details of non-compliance	Rectification Plan	Target completion date (MM/YYYY)
Chapter 1 – Relationship Between Banks And Customers											
5.	Terms and Conditions	5(i)					5(ii)				
6.	Fees and Charges	6(i)					6(ii)				
7.	Debt Recovery Expenses	7(i)					7(ii)				
8.	Collection, Use and Holding of Customer Information	8(i)					8(ii)				
9.	Personal Referees	9(i)					9(ii)				
10.	Equal Opportunity	10(i)					10(ii)				
11.	Bank Marketing	11(i)					11(ii)				
12.	Annualised Percentage Rates (APRs)	12(i)					12(ii)				
13.	Handling Customer Complaints	13(i)					13(ii)				
Chapter 2 – Accounts and Loans											
14.	Opening of Accounts	14(i)					14(ii)				
15.	Closing of Accounts	15(i)					15(ii)				
16.	Operation of Accounts	16(i)					16(ii)				
17.	Rights of Set-off	17(i)					17(ii)				

			If a negative response was entered in the previous worksheet, please provide in the corresponding boxes below the details of the non-compliance.							
			Sub-section(s)	Details of non-compliance	Rectification Plan	Target completion date (MM/YYYY)				
18.	Deposit Accounts	18(i)					18(ii)			
19.	Loans and Overdrafts	19(i)					19(ii)			
20.	Residential Mortgage Lending	20(i)					20(ii)			
21.	Guarantees and Third Party Securities	21(i)					21(ii)			
Chapter 3 – Card Services										
23.	Issue of Cards	23(i)					23(ii)			
24.	Terms and Conditions, Fees and Charges and Interest Rates	24(i)					24(ii)			
25.	Rights of Set-off	25(i)					25(ii)			
26.	Security of Cards/PINs	26(i)					26(ii)			
27.	Transaction Records	27(i)					27(ii)			
28.	Unauthorized Transactions	28(i)					28(ii)			
29.	Lost Cards/PINs	29(i)					29(ii)			
30.	Liability for Loss	30(i)					30(ii)			
31.	Treatment of Credit Balances	31(i)					31(ii)			
32.	Direct Mailing	32(i)					32(ii)			

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		Sub-section(s)	Details of non-compliance	Rectification Plan	Target completion date (MM/YYYY)			Sub-section(s)	Details of non-compliance	Rectification Plan	Target completion date (MM/YYYY)
Chapter 4 – Payment Services											
33.	Cheques	33(i)				33(ii)					
34.	Cross-border Payments	34(i)				34(ii)					
35.	Other Payment Services	35(i)				35(ii)					
Chapter 5 – Recovery of Loans and Advances											
36.	Debt Collection by Third Party Agencies	36(i)				36(ii)					
37.	Management of Relationship with Debt Collection Agencies	37(i)				37(ii)					
Chapter 6 – Electronic Banking Services											
38.	Disclosure for e-banking Services	38(i)				38(ii)					
39.	Security in relation to e-banking	39(i)				39(ii)					
40.	Liability for Loss	40(i)				40(ii)					
41.	Reporting of Actual or Suspected Security Incidents	41(i)				41(ii)					
Chapter 7 – Stored Value Cards (or Devices)											
43.	Issue of Stored Value Cards or Devices (SVCs)	43(i)				43(ii)					
44.	Terms and Conditions and Fees and Charges	44(i)				44(ii)					
45.	Operation of SVCs	45(i)				45(ii)					

PART II – GENERAL QUESTIONS

- 1 a) **Is a system of internal assessment in place within your institution which monitors compliance with the Code and enables you to identify areas of non-compliance?**

Y / N / NA

- b) **If yes, please provide a brief description of this system. If no, please provide your reasons and indicate how compliance is monitored.**

Description/
Explanation:

- 2 a) **Are there channels within the internal assessment system to inform senior management of your institution about areas of non-compliance?**

Y / N / NA

- b) **How does senior management exercise oversight to ensure compliance with the Code?**

Description:

- 3 a) **Are you satisfied that all new products and services (if any) launched by your institution during the period under review comply with the Code?**

Y / N / NA

- b) **Please describe the system in place to ensure that all new products and services launched will be in compliance with the Code?**

Description:

- 4 a) **Are you satisfied that appropriate training has been provided to relevant staff to enable them to understand the requirements of the Code?**

Y / N / NA

- b) **Please provide a brief report on staff training, citing examples of the methods and materials used to train staff about the Code and its requirements.**

Description:

DECLARATION

We hereby declare that the Code of Banking Practice does not apply to our institution/operation in Hong Kong for the period 1 June 2003 to 31 May 2004. The reason being (please state below:)

Signed by
(sign on hardcopy only)

Signature of Chief Executive

Name of Chief Executive