



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B1/21C
B1/15C

24 January 2020

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Supervisory Policy Manual (SPM)
SB-2: “Leveraged Foreign Exchange Trading” (Revised)

I am writing to inform you that, following consultation with the banking industry, the Monetary Authority issues by notice in the Gazette today a revised version of the above SPM module as a statutory guideline under section 7(3) of the Banking Ordinance.

The first version of SPM module SB-2 was issued in 2003, which was prepared in the light of the commencement of the Securities and Futures Ordinance and the then new securities and futures supervisory regime. As part of our regular review exercise for SPM modules, the Hong Kong Monetary Authority (“HKMA”) considers it appropriate to incorporate in this module the general principles on expected business conduct in respect of leveraged foreign exchange trading activities. There is no change to the regulatory standards or the HKMA’s approach to supervising the business conduct of Authorized Institutions in respect of the making of unsolicited calls in connection with leveraged foreign exchange trading.

On-line access to the SPM module is available under the icon for “Supervisory Policy Manual” on the HKMA’s public (<http://www.hkma.gov.hk>) and private (<http://www.stet.iclnet.hk>) websites.

Should you have any questions relating to this SPM module, please contact Ms Anita Chan at 2878 1538 or Ms Phielle Lau at 2878-1750.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

Encl.

c.c. The Chairman, Hong Kong Association of Banks
 The Chairman, The DTC Association
 The Chairman, Private Wealth Management Association
 FSTB (Attn: Ms Estrella Cheung - Principal Assistant Secretary
 (Financial Services))
 SFC (Attn: Mr Paul Yeung - Commission Secretary and Senior Director)