Our Ref: B1/15C
B9/210C

14 April 2025

The Chief Executive
All Licensed banks

Dear Sir / Madam,

Handling of Cash at Bank of Deceased Account Holders

I am writing to draw your attention to the "Guideline on handling cash at bank of deceased account holders" issued by the Hong Kong Association of Banks ("HKAB") ("the HKAB Guideline") in respect of the new practice to enable cash at bank accounts of deceased account holders to be released to probate grantees more efficiently ("the New Practice"), and the Announcement of "Amendment of Grant, Bank Accounts" issued by the Judiciary ("Judiciary Announcement") today. The Hong Kong Monetary Authority ("HKMA") supports the New Practice.

Background

Under the laws of Hong Kong, applicants for a grant in respect of the estate of a deceased are required to state, among other information, the bank account balances as at the date of the death of the deceased in Specified Forms (N4.1 and N4.2) to the Probate Registry. After issuance of the grants, banks may release the money to the grantees according to the grants. However, sometimes there may be minor variations to the bank account balances when the grants are presented to banks for collection of money due to various reasons (such as interest income credited to or fees and charges debited from the accounts). As a result, the grantees may be requested by banks, for the sake of prudence, to apply to the Probate Registry for amendments of the grants such that the balances stated in grants would match exactly those at the time of release of money to the grantees. However, the above practice of seeking amendments to grants for minor variations would result in additional time and cost to all parties, including the grantees, banks and the Probate Registry, before the money is finally released. This is also not conducive to supporting the livelihood of the grantees, who may be suffering from difficulties after the death of a family member.

The New Practice

The New Practice seeks to minimise the unnecessary time and effort of grantees going back and forth between banks and the Probate Registry for amendments of grants arising from minor variations to the cash held at the bank accounts of the deceased, thereby enabling earlier release of money to the beneficiaries of the estates who may need the money timely to meet various needs, and at the same time enhancing efficiency for banks and the Probate Registry in dealing with such matters.

Under the HKAB Guideline, where the bank account balance as of the deceased date stated on a probate application is different from what is stated in the record of a bank as at the money release date, the bank may, subject to its discretion after taking into account the particular circumstances of each case, nonetheless proceed to release money in the bank accounts if the deviation from the actual bank balance is traceable and/or reasonable and neither the following thresholds (the "**Thresholds**") has been exceeded:

(a) if a grantee's estimated amount or amount known to him/her, in respect of the total value of all accounts in one bank, is likely to be less than $1 million, banks may release to the grantee the bank account balances without any amendment to the grant according to the actual balance of each bank account if it does not exceed the higher of $10,000 or 110% of the stated amount; or

(b) if a grantee's estimated amount or amount known to him/her, in respect of the total value of all accounts in one bank, is likely to be $1 million or more, banks may release to the grantee the bank account balances without any amendment to the grant according to the actual balance of each bank account if it does not exceed the stated amount by the lower of $200,000 or 10% of the stated amount.

In essence, the banks may, at their discretion, from the effective date of the New Practice, release money to the grantees according to the actual balance of each bank account of the deceased **without amendment to the grant,** subject to the Thresholds as mentioned above. Please refer to the HKAB Guideline which provides the operational details of the New Practice.

An important principle of the New Practice is to facilitate early release of estate money. To achieve this, banks may release the money so long as any "additional" money at the bank accounts after the date of death of the deceased is traceable and/or reasonable. Banks are expected to have in place processes and procedures in handling requests from grantees, and exercise judgement to determine whether such variations are traceable and/or reasonable.

If there are any questions about this circular, please send them to deceasedaccounts@hkma.iclnet.hk.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

c.c.
Judiciary Administrator (Attn: Ms Karyn Chan, Deputy Judiciary Administrator (Operations))
The Chairperson, The Hong Kong Association of Banks