

Explanatory Notes on Proposed Revisions to the Templates of Return of Liquidity Position of an Authorized Institution (MA(BS)1E)

Part 1: Summary Certificate of Liquidity Position

Section (I): Summary of information on Liquidity Coverage Ratio (LCR)

Item	Remarks
1.7(a) and 1.7(b)	Two memorandum items (i.e. 1.7(a) and 1.7(b)) are added to collect information from reporting category 1 institution regarding cryptoassets and cryptoliabilities for LCR calculation purposes. Item 1.7(a) – report the total weighted amounts of cryptoassets as reported under items A1 to A3 of Section (I) of Part 2, as level 1 assets, level 2A assets or level 2B assets. Item 1.7(b) – report the total weighted amounts of tokenised claims from customers or counterparties, as reported under items B1 to B6 of Section (I) of Part 2, as retail deposits (taken by HK office or overseas offices), small business funding (taken by HK office or overseas offices), operational deposits, or unsecured wholesale funding.

Section (II): Summary of information on Liquidity Maintenance Ratio (LMR)

Item	Remarks
2.3(a) and 2.3(b)	Two memorandum items (i.e. 2.3(a) and 2.3(b)) are added to collect information from reporting category 2 institution regarding cryptoassets and cryptoliabilities for LMR calculation purposes. Item 2.3(a) – report the total weighted amounts of cryptoassets as reported under items A1 to A8 of Section (I) of Part 3 as liquefiable assets. Item 2.3(b) – report the total weighted amounts of tokenised claims from customers or counterparties as reported under items B1 to B3 of Section (I) of Part 3 as qualifying liabilities.