

Our Ref.: B1/15C

3 February 1999

The Chief Executive
All authorized institutions
Dear Sir/Madam,

Survey on exposure to non-bank Chinese entities

In October 1998, the Hong Kong Monetary Authority ("HKMA") conducted a survey on authorized institutions' exposure to non-bank Chinese entities. The information has been found very useful. The HKMA would like, therefore, to conduct similar surveys on a regular basis until further notice. The survey form, which has been amended to deal with the reporting problems encountered in the last survey, and the completion instructions are enclosed.

The survey form consists of two parts. Part I collects information on a reporting institution's direct and indirect exposure (please see survey form and completion instructions) to non-bank Chinese entities. Part II collects information on the institution's exposure to individual non-bank Chinese entities.

The first survey form should cover your institution's position as at 31 December 1998 and be submitted to the HKMA by 12 March 1999. Both Part I and II of the form should be submitted for that particular survey. Thereafter, you are required to submit only Part I of the survey form on a quarterly basis within one month from the end of each quarter. Further submission of Part II will be required only on a need basis.

We are in the course of designing the standard templates to facilitate completion and submission of the survey form through the STET or STEM systems. We will inform you of the arrangements for collection of the templates as soon as they are available.

Should you have any questions relating to this letter, please feel free to contact Mr. Simon Kui (2878 1656) or Mr. P. M. Koo (2878 1536) of this office.

Yours faithfully,
Y.K. Choi
Executive Director
(Banking Supervision)