DISCLOSURE GUIDELINES FOR OVERSEAS INCORPORATED AUTHORIZED INSTITUTIONS 2000

Introduction

1. This paper invites comments on the additional information recommended by the Hong Kong Monetary Authority (HKMA) to be disclosed by the overseas incorporated authorized institutions.

Amendments

2. The Disclosure Guidelines for Overseas Incorporated Authorized Institutions (Guideline) was issued by the HKMA in 1998 and was subsequently updated from time to time. In the current exercise, the HKMA proposes to add disclosure details of credit risk weighted amounts and replacement costs of contingent liabilities and commitments, exchange rate contracts, interest rate contracts and other derivatives as item (ii) under Part II Off-balance Sheet Exposures. The insertion of this item will provide more meaningful information for risk assessment of the off balance sheet exposures of authorized institutions. You may wish to note that the HKMA also proposes to include the same information in the upcoming revisions to the interim disclosure requirements of locally incorporated authorized institutions to ensure a level playing field.

3. The HKMA has also incorporated other minor clarification and textual changes to the Guideline for consistency purposes.

4. Updates are shown in bold italics in the revised Guideline which is attached.

Effective Date

5. The above recommendations are intended to apply to relevant authorized institutions incorporated outside Hong Kong in respect of their Disclosure Statements for financial year end or interim financial periods ending on or after 30 June 2000.

Hong Kong Monetary Authority
May 2000