Circulars

08 Nov 2002

Guidelines on Financial Disclosure by Locally Incorporated Authorized Institutions and Interim Financial Disclosure by Locally Incorporated Authorized Institutions

Our Ref : G10/1/2C

8 November 2002

The Chief Executive
All locally incorporated authorized institutions

Dear Sir/Madam,

Guidelines on Financial Disclosure by Locally Incorporated Authorized Institutions and Interim Financial Disclosure by Locally Incorporated Authorized Institutions

Further to our letter of 4 September 2002, I am writing to inform you that an update of the guideline entitled "Financial Disclosure by Locally Incorporated Authorized Institutions" has been finalised and will be gazetted under section 16(10) of the Banking Ordinance on 15 November 2002. An update of the guideline entitled "Interim Financial Disclosure by Locally Incorporated Authorized Institutions" has also been similarly finalised.

The updates to the financial disclosure standards this year continue to be on a de minimis approach, given the significant changes expected to arise from the implementation of the Basel New Capital Accord and the Hong Kong equivalent accounting standards of International Accounting Standard (IAS) 39 and 32 on financial instruments. The changes in both guidelines are thus mainly to enhance disclosure in the areas of corporate governance, derivatives and hedging strategies and policies, breakdown of customer deposits by type, separate disclosure of gross fees and commission income and expenses, information on repossessed assets and operating assets by classes of business. The institutions to which the above guidelines apply are required to adopt them in respect of the disclosure information in their annual accounts and interim financial information disclosure statements ending on or after 31 December 2002 respectively.

The guidelines can be accessed through the HKMA's public (http://www.info.gov.hk/hkma) and private (http://www.hkfin.net) websites. If you have any questions, please feel free to contact Ms Tess Leung at 2878-8279 or Ms Kennis Hui at 2878-8228.

Yours faithfully,

Simon Topping
Executive Director (Banking Policy)

Encl.	FD-1 (PDF file, 1137KB) FD-2 (PDF file, 457KB)
c.c.	Chairman, HKAB Chairman, DTC Association Hong Kong Exchanges and Clearing Limited (Attn: Ms Estella Ng) Securities and Futures Commission (Attn: Mr Charles Grieve) President, Hong Kong Society of Accountants Auditors of Authorized Institutions Secretary for Financial Services and the Treasury (Attn: Ms Millie Kiang)

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