HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

28 Mar 2003

Supervisory Policy Manual (SPM) Module SB-1: Supervision of Regulated Activities of SFC-Registered Authorized Institutions Module SB-2: Leveraged Foreign Exchange Trading - Conduct of Unsolicited Calls

Our Ref: B1/15C
B1/21C

28 March 2003

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Supervisory Policy Manual (SPM)

Module SB-1: Supervision of Regulated Activities of SFC-Registered Authorized Institutions (superseded by SPM module SB-1 v.2 dated 27/05/2016)

Module SB-2: Leveraged Foreign Exchange Trading - Conduct of Unsolicited Calls

I am pleased to inform you that the Monetary Authority is issuing the above SPM modules as statutory guidelines under section 7(3) of the Banking Ordinance by notice in the Gazette today.

These modules are prepared in the light of the impending commencement of the new securities and futures supervisory regime, and after consultation with the industry Associations. Module SB-1 sets out the HKMA's approach to the supervision of the regulated activities of authorized institutions (AIs) that are registered, or deemed to be registered, with the Securities and Futures Commission under the Securities and Futures Ordinance.

Module SB-2 prescribes the HKMA's approach to the supervision of AIs' conduct in relation to the making of unsolicited calls in connection with leveraged foreign exchange trading as well as the appraisal of customers in this regard. This module is basically a consolidation of two existing HKMA guidelines, namely:

7.4.1 "Guideline on Leveraged Foreign Exchange Trading Issued under Section 7(3) of the Banking Ordinance (Cap 155)" dated 16 November 1995; and

7.5 "Leveraged Foreign Exchange Trading Conduct for Unsolicited Calls and Appraisal of Customers" dated 22 March 1996.

On-line access to these modules is available under the icon of "Supervisory Policy Manual" in the HKMA's public (http://www.info.gov.hk/hkma) and private (http://www.hkfin.net) web-sites.

Should you have any questions relating to these modules, please contact Mr Samuel Leung at 2878-1541 or Miss Alice Lee at 2878-1603.

Yours faithfully,

Raymond Li
Executive Director (Banking Development)

c.c.: The Chairman, Hong Kong Association of Banks
The Chairman, The Deposit-taking Companies Association
FSTB (Attn: Miss Emmy Wong)
SFC (Attn: Mrs Alexa Lam)

Last revision date : 01 August 2011