



HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

24 Jun 2003

Guidance Note on Taxi Financing ("GN")

Our Ref: B9/53C

24 June 2003

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Guidance Note on Taxi Financing ("GN")

The data collected from members of the Panel established under paragraph (g) of the GN suggests that the income of taxi operators recorded a decline in Q2/2003 compared with the previous quarter. The lower income level reflected the worsened business environment of taxi operators, which we believe was largely a result of the SARS outbreak.

As Hong Kong has just been taken off the WHO's list of SARS-infected areas and the business of taxi operators is showing signs of recovery, the HKMA has decided to maintain the Maximum Finance Amount (i.e. the loan cap) per taxi licence, as specified in paragraph (a) of the GN, unchanged at **HK\$2.25 million** until the end of September 2003 to allow more time for assessing developments in market condition. The other provisions of the GN will also remain unchanged. Meanwhile, authorized institutions are expected to continue to ensure that their taxi financing businesses are conducted in a prudent manner taking into account the latest market situation.

Yours faithfully,

Y.K. Choi
Executive Director (Banking Supervision)

c.c. The Hong Kong Association of Banks
 The DTC Association
 The Finance House Association of Hong Kong Limited

Last revision date : 01 August 2011