



HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

27 Oct 2006

Implementation of Basel II

Our Ref: B9/75C

27 October 2006

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Implementation of Basel II

Following the consultation on the Banking (Capital) Rules and Banking (Disclosure) Rules conducted in August and September respectively, I write to inform you that the two sets of Rules were published in the Gazette today. The consultation comments received have been addressed in the gazetted version, where appropriate. A Feedback Statement setting out our responses to the comments received has been posted on our website (www.hkma.gov.hk) under the "Basel II" icon.

The two sets of Rules are subsidiary legislation and will be tabled before the Legislative Council (LegCo) for negative vetting on 1 November 2006. Subject to the views of LegCo, the two sets of Rules will come into operation on 1 January 2007. We shall inform you when the negative vetting process is completed.

Meanwhile, please note that the following notices have also been gazetted today:

- (1) [Banking \(Amendment\) Ordinance 2005 \(19 of 2005\) \(Commencement\) Notice 2006](#) - to bring into operation sections 2, 3, 4, 6 and 7 of and the Schedule to the Ordinance, which are Basel II related provisions;
- (2) [Banking \(Specification of Multilateral Development Bank\) Notice](#); and
- (3) [Banking \(Specification of Public Sector Entity in Hong Kong\) Notice](#).

The three notices will come into operation on 1 January 2007. Notices (2) and (3) are made in light of the impending repeal of the Third Schedule, as well as the commencement of the new section 2(19) of, and section 1A of the Fourth Schedule to, the Banking Ordinance, as amended by the Banking (Amendment) Ordinance 2005 (Notice (1) refers).

Yours faithfully,

William A. Ryback
Deputy Chief Executive

c.c. The Chairman, The Hong Kong Association of Banks
 The Chairman, The DTC Association
 FSTB (Attn: Ms Angelina Kwan)

Last revision date : 01 August 2011