



HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

22 Aug 2007

Treasury Markets Activities

Our Ref. : B10/1C

22 August 2007

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Treasury Markets Activities

In order to ensure that treasury markets activities in Hong Kong (e.g. the trading of foreign currencies, securities, derivatives and other instruments) continue to flourish and to be conducted in a safe and sound manner, it is important that authorized institutions (Als) should recognise the need for continuing enhancement of their capabilities in this area, in respect of both systems and controls and people.

In particular, it is important for Als to ensure that their employees engaged in such activities, whether in the front or middle/back office, have the necessary professional knowledge and expertise to perform their duties and adhere to sound market practices and relevant market codes and standards. In this regard, it may be opportune to mention the role that the Treasury Markets Association (TMA) can play.

As you will probably recall, the TMA, the industry association representing a wide range of institutions and practitioners involved in various treasury markets in Hong Kong, was established in January 2006 by institutionalising the previous Treasury Markets Forum of Hong Kong and merging it with the ACI-The Financial Markets Association of Hong Kong. One of the TMA's missions is to promote the professionalism of the treasury markets in Hong Kong through -

- (i) development of codes and standards for treasury markets (e.g. code of conduct for market practitioners); and
- (ii) provision of benchmark qualifications, via the TMA membership and its certificate programmes, for market practitioners.

The above initiatives taken by the TMA fit well with some of our supervisory expectations on Als engaging in treasury market activities. Als may therefore wish to -

- (i) take account of TMA membership (including the accomplishment of its certificate programmes) or other similar qualifications when recruiting employees for their treasury market activities;
- (ii) support their employees engaged in treasury market activities to participate in continuous professional development programmes organised by the TMA or other similar bodies; and
- (iii) make reference to the codes and standards issued by the TMA or other similar bodies, where applicable.

Yours faithfully,

William A. Ryback
Deputy Chief Executive

Last revision date : 01 August 2011