HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

08 Feb 2010

Guidance Paper on Cover Payment Messages Related to Cross-border Wire Transfers

Our Ref.: B10/1C

8 February 2010

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Guidance Paper on Cover Payment Messages Related to Cross-border Wire Transfers

I am pleased to inform you that, following the consultation with the industry, the HKMA is issuing the above guidance paper today (enclosed).

The paper sets out the HKMA's supervisory expectation in relation to the processing of cross-border wire transfers by AIs. It focuses on AIs' responsibilities in their respective roles as ordering, cover intermediary and beneficiary AIs in handling cover payment messages. It has been developed by reference to the Basel Committee on Banking Supervision's Paper on "Due Diligence and Transparency regarding Cover Payment Messages related to Cross-border Wire Transfers" issued in May 2009 (http://www.bis.org/publ/bcbs154.pdf?noframes=1).

AIs should endeavour to incorporate the guidance contained in the enclosed paper into their systems for the handling of cover payment messages as soon as practicable but not later than twelve months from the date of this letter.

The guidance in the enclosed paper is in addition to, and does not replace, relevant provisions in the Guideline on Prevention of Money Laundering and its Supplement previously issued by the HKMA.

Yours faithfully,

Karen Kemp
Executive Director (Banking Policy)

Encl. Cover Payment Messages related to Cross-border Wire Transfers (236KB)

Last revision date : 01 August 2011