Annex

DRAFT

Banking (Disclosure) (Amendment) Rules 2014

Banking (Disclosures) (Amendment) Rules 2014

(Made by the Monetary Authority under section 60A of the Banking Ordinance (Cap. 155))

1. Commencement

These Rules come into operation on [ ] 2015.

2. Banking (Disclosures) Rules amended

The Banking (Disclosures) Rules (Cap. 155 sub. leg. M) are amended as set out in sections 3 to [ ].

3. Section 2 amended (interpretation)

(1) Section 2(1)—

Add in alphabetical order

"***applicable JCCyB ratio*** (…) has the meaning given by section 3N of the Capital Rules;

countercyclical capital buffer ratio (…) has the meaning given by section 3E of the Capital Rules;

derivative exposures (…), in relation to the leverage ratio of an authorized institution, has the meaning given by the quarterly template on leverage ratio issued by the Monetary Authority under section 63 of the Ordinance;

G-SIB (…) has the meaning given by section 3E of the Capital Rules;

HQLA (…) has the meaning given by section 2(1) of the Liquidity Rules;

JCCyB ratio (…) has the meaning given by section 3N of the Capital Rules;

leverage ratio (…), in relation to an authorized institution, means the ratio calculated in accordance with the

quarterly template on leverage ratio issued by the Monetary Authority under section 63 of the Ordinance;

Liquidity Rules (…) means the Banking (Liquidity) Rules (Cap. 155 sub. leg. [ ]);

off-balance sheet exposures (…), in relation to the leverage ratio of an authorized institution, has the meaning given by the quarterly template on leverage ratio issued by the Monetary Authority under section 63 of the Ordinance;

on-balance sheet exposures (…), in relation to the leverage ratio of an authorized institution, has the meaning given by the quarterly template on leverage ratio issued by the Monetary Authority under section 63 of the Ordinance;

private sector credit exposures (…) has the meaning given by section 3N of the Capital Rules;

securities financing transaction exposures (…), in relation to the leverage ratio of an authorized institution, has the meaning given by the quarterly template on leverage ratio issued by the Monetary Authority under section 63 of the Ordinance;".

(2) After section 2(2)—

Add

"(2A) Rule 2 of the Liquidity Rules applies to the interpretation of these Rules as that rule applies to the interpretation of the Liquidity Rules.".

4. Section 6 amended (medium and location of disclosure and issue of press release)

(1) Section 6(8)—

Repeal

"Subject to sections 24(4) and (5) and 45(4) and (5),"

Substitute

"Subject to sections 24(4) and (5), 24A(6), 30(10), 45(4) and (5), 45A(6) and 51(10),".

(2) Section 6(9)—

Repeal

"Subject to sections 24(4) and (5) and 45(4) and (5),"

Substitute

"Subject to sections 24(4) and (5), 24A(6), 30(10), 45(4) and (5), 45A(6) and 51(10),".

5. Section 13 amended (comparative information)

Section 13(1)(b)—

Repeal

"liquidity ratio"

Substitute

"liquidity disclosures".

6. Section 24A added

After section 24—

Add

"**24A. Leverage ratio disclosures**

(1) Subject to subsections (7) and (8), an authorized institution must disclose the following information regarding its leverage position as set out in its submission of the quarterly template on leverage ratio to the Monetary Authority under section 63 of the Ordinance—

(a) the leverage ratio exposure measure of the institution with breakdown into the following exposures—

(i) on-balance sheet exposures (other than those included in subparagraphs (ii) and (iii));

(ii) derivative exposures;

(iii) securities financing transaction exposures; and

(iv) off-balance sheet exposures (other than those included in subparagraphs (ii) and (iii) above);

(b) the Tier 1 capital of the institution; and

(c) the leverage ratio of the institution.

(2) An authorized institution must disclose—

(a) a summary comparison table reconciling the institution's balance sheet assets from its interim financial statements with the leverage ratio exposure measure disclosed under subsection (1); and

(b) (if the differences shown from the reconciliation are material) a detailed explanation for the differences.

(3) An authorized institution must disclose an explanation of the key drivers of material changes in the institution's leverage ratio observed from the end of the previous reporting period to the end of the current reporting period.

(4) For the purposes of section 6(1)(ab), an authorized institution must make the quantitative disclosures required by subsections (1) and (2) by using the standard

disclosure templates specified by the Monetary Authority.

(5) An authorized institution must do either of the following—

(a) including the disclosures under subsections (1), (2) and (3) in the interim financial statements published by it;

(b) providing a direct link in its interim financial statements to the relevant sections of its website where the disclosures referred to in paragraph (a) can be found.

(6) An authorized institution must establish and maintain an archive of all disclosures made by it under subsections (1), (2) and (3) that relate to reporting periods ending on or after 1 January 2015.

(7) Where an authorized institution is required under section 3C of the Capital Rules to calculate its capital adequacy ratio on a consolidated basis, the institution must disclose the following calculated on that basis—

(a) its leverage ratio; and

(b) its Tier 1 capital and exposure measure used in the computation of the leverage ratio.

(8) Where subsection (7) does not apply to an authorized institution, the institution must disclose the following calculated on a solo basis or solo-consolidated basis—

(a) its leverage ratio; and

(b) its Tier 1 capital and exposure measure used in the computation of the leverage ratio.".

7. Section 24B added

After section 24A—

Add

"**24B. Countercyclical capital buffer ratio requirement**

An authorized institution must disclose the following information regarding the countercyclical capital buffer ratio requirement applicable to it under Part 1B of the Capital Rules—

(a) the institution's countercyclical capital buffer ratio; and

(b) the geographic breakdown of—

(i) the sum of the institution's risk-weighted amounts (as represented by RWA_j in Formula 1A under section 3O of the Capital Rules) in relation to each jurisdiction in which the institution has private sector credit exposures; and

(ii) the applicable JCCyB ratios for the jurisdictions concerned used by the institution for calculating the countercyclical capital buffer ratio.".

8. Section 25 amended (general disclosures)

(1) Section 25(1)—

Repeal

"cross-border"

Substitute

"international".

(2) Section 25(1)(b)—

Repeal

"banks, public sector entities and others"

Substitute

"banks, official sector, non-bank private sector and unallocated by sector".

(3) Section 25(5)—

Repeal the definition of *cross-border claim*

Substitute

"***international claim*** (…), in relation to an authorized institution, has the meaning given by the return of international banking statistics based on which the institution is required to submit information on its international claims to the Monetary Authority under section 63 of the Ordinance;".

(4) Section 25(5), definition of ***major country or geographical segment***, paragraph (a)—

Repeal

"cross-border" (wherever appearing)

Substitute

"international".

(5) Section 25(5), definition of ***recognized risk transfer***, paragraph (a)—

Repeal

"cross-border"

Substitute

"international".

9. Section 28 amended (non-bank Mainland exposures)

Section 28—

Repeal

"return for non-bank Mainland exposures"

Substitute

"return of Mainland activities".

10. Section 30 substituted

Section 30—

Repeal the section

Substitute

"**30. Liquidity disclosures**

(1) Subject to subsections (2), (11), (12) and (13), an authorized institution that is a category 2 institution must disclose its average LMR for the interim reporting period.

(2) For subsection (1), a category 2 institution must calculate its average LMR as the arithmetic mean of the average LMR for each calendar month as reported in the return relating to liquidity position submitted by the institution to the Monetary Authority under section 63 of the Ordinance for the period.

(3) Subject to subsections (5), (6), (7), (11), (12) and (13), an authorized institution that is a category 1 institution must disclose information relating to its LCR for—

(a) the quarter ending on the interim reporting date; and

(b) the quarter immediately preceding the quarter mentioned in paragraph (a).

(4) For the purposes of section 6(1)(ab), a category 1 institution must make the disclosures required by subsection (3) by using the standard disclosure templates specified by the Monetary Authority.

(5) For subsection (3), a category 1 institution, subject to subsection (5A), must calculate its LCR for each quarter as the arithmetic mean of the LCR as at the end of each calendar day in the quarter as reported in the return relating to liquidity position submitted by the institution to the Monetary Authority under section 63 of the Ordinance for the quarter.

(5A) A category 1 institution may, with the prior consent of the Monetary Authority, calculate its LCR for each quarter preceding 1 January 2017 as the arithmetic mean of the LCR as at each month-end in the quarter as reported in the return relating to liquidity position submitted by the institution to the Monetary Authority under section 63 of the Ordinance for the quarter.

(6) For subsection (3), a category 1 institution must disclose all the components, in unweighted and weighted values (as applicable), used in the calculation of the LCR, in the following manner—

(a) the unweighted value of inflows and outflows must be calculated as the outstanding balances of the various relevant assets, liabilities and off-balance sheet items that are included in the calculation of the LCR as required under the Liquidity Rules;

(b) the weighted value of HQLA must be calculated as the value after application of the relevant haircuts under the Liquidity Rules;

(c) the weighted value of inflows and outflows must be calculated as the value after application of the relevant inflow and outflow rates under the Liquidity Rules; and

(d) the total HQLA and total net cash outflows must be disclosed as an adjusted value, where—

(i) the adjusted value of HQLA is the value of the total HQLA net of haircuts and taking into account any applicable ceilings on level 2B assets and the total of level 2A and level 2B assets; and

(ii) the adjusted value of total net cash outflows must be calculated after taking into account the ceiling on inflows, if applicable.

(7) For subsection (3), a category 1 institution must disclose, at a minimum, the following information where it is considered by the institution to be significant to the calculation of its LCR—

(a) the key drivers of material changes in the LCR disclosed in subsection (3) and the evolution of the contribution of inputs to the calculation of the LCR over time;

(b) material changes in the institution's LCR observed from the end of the previous reporting period to the end of the current reporting period as well as changes over time;

(c) the composition of the institution's HQLA;

(d) concentration of funding sources;

(e) derivative exposures and potential collateral calls;

(f) currency mismatch in the LCR;

(g) a description of the degree of centralization of liquidity management and the interaction between the consolidation group's units; and

(h) other inflows and outflows in the LCR calculation—

(i) that are not captured in the LCR standard disclosure templates referred to in subsection (4); but

(ii) that the institution considers to be relevant for the understanding of its liquidity profile.

(8) An authorized institution must disclose information relating to the institution's approach to liquidity risk management that is necessary and relevant for the understanding of the liquidity risk position and liquidity management of the institution.

(9) An authorized institution must do either of the following—

(a) including the disclosures under subsections (1) and (3) in the interim financial statements published by it;

(b) providing a direct link in its interim financial statements to the relevant sections of its website where the disclosures referred to in paragraph (a) can be found.

(10) An authorized institution must establish and maintain an archive of all disclosures made by it under subsections (1), (3), (6), (7) and (8) that relate to reporting periods ending on or after 1 January 2015.

(11) Where an authorized institution is required under rule 11 of the Liquidity Rules to calculate its LCR or LMR on a consolidated basis, the institution must disclose its LCR or LMR on a consolidated basis.

(12) Where subsection (11) does not apply to an authorized institution, the institution must disclose its LCR or LMR on an unconsolidated basis.

(13) Disclosures made by an authorized institution under this section must be presented in Hong Kong dollars.

(14) Rule 2 of the Liquidity Rules applies to the interpretation of this section as that rule applies to the interpretation of the Liquidity Rules.".

11. Section 45A added

After section 45—

Add

"**45A. Leverage ratio disclosures**

(1) Subject to subsections (7) and (8), an authorized institution must disclose the following information regarding its leverage position as set out in its submission of the quarterly template on leverage ratio to the Monetary Authority under section 63 of the Ordinance—

(a) the leverage ratio exposure measure of the institution with breakdown into the following exposures—

(i) on-balance sheet exposures (other than those included in subparagraphs (ii) and (iii));

(ii) derivative exposures;

(iii) securities financing transaction exposures; and

(iv) off-balance sheet exposures (other than those included in subparagraphs (ii) and (iii) above);

(b) the Tier 1 capital of the institution; and

(c) the leverage ratio of the institution.

(2) An authorized institution must disclose—

(a) a summary comparison table reconciling the institution's balance sheet assets from its annual financial statements with the leverage ratio exposure measure disclosed under subsection (1); and

(b) (if the differences shown from the reconciliation are material) a detailed explanation for the differences.

(3) An authorized institution must disclose an explanation of the key drivers of material changes in the institution's leverage ratio observed from the end of the previous reporting period to the end of the current reporting period.

(4) For the purposes of section 6(1)(ab), an authorized institution must make the quantitative disclosures required by subsections (1) and (2) by using the standard disclosure templates specified by the Monetary Authority.

(5) An authorized institution must do either of the following—

(a) including the disclosures under subsections (1), (2) and (3) in the annual financial statements published by it;

(b) providing a direct link in its annual financial statements to the relevant sections of its website where the disclosures referred to in paragraph (a) can be found.

(6) An authorized institution must establish and maintain an archive of all disclosures made by it under subsections

(1), (2) and (3) that relate to reporting periods ending on or after 1 January 2015.

(7) Where an authorized institution is required under section 3C of the Capital Rules to calculate its capital adequacy ratio on a consolidated basis, the institution must disclose the following calculated on that basis—

(a) its leverage ratio; and

(b) its Tier 1 capital and exposure measure used in the computation of the leverage ratio.

(8) Where subsection (7) does not apply to an authorized institution, the institution must disclose the following calculated on a solo basis or solo-consolidated basis—

(a) its leverage ratio; and

(b) its Tier 1 capital and exposure measure used in the computation of the leverage ratio.".

12. Section 45B added

After section 45A—

Add

"**45B. Countercyclical capital buffer ratio disclosures**

An authorized institution must disclose the following information regarding the countercyclical capital buffer ratio requirement applicable to it under Part 1B of the Capital Rules—

(a) the institution's countercyclical capital buffer ratio; and

(b) the geographic breakdown of—

(i) the sum of the institution's risk-weighted amounts (as represented by RWA_j in Formula

1A under section 3O of the Capital Rules) in relation to each jurisdiction in which the institution has private sector credit exposures; and

(ii) the applicable JCCyB ratios for the jurisdictions concerned used by the institution for calculating the countercyclical capital buffer ratio.".

13. Section 45C added

After section 45B—

Add

"**45C. Disclosure requirements for G-SIBs**

(1) An authorized institution—

(a) that was a G-SIB either in the annual reporting period or in the immediately preceding annual reporting period; or

(b) whose consolidation group had, as at the immediately preceding 31 December, a leverage ratio exposure measure of its consolidation group exceeding EUR 200 billion or equivalent (using the exchange rate applicable at the immediately preceding 31 December), where so directed by the Monetary Authority,

must disclose information regarding its group's systemic importance.

(2) For subsection (1), an authorized institution must base its disclosures on the position as at 31 December of the immediately preceding financial year, or such other date as approved by the Monetary Authority.

(3) An authorized institution under subsection (1) must do either of the following—

(a) including the disclosures under subsection (1)(b) in the annual financial statements published by it;

(b) providing a direct link in its annual financial statements to the relevant sections of its website where the disclosures referred to in paragraph (a) can be found.

(4) For the purposes of section 6(1)(ab), an authorized institution under subsection (1) must make the disclosures required by that subsection by using the standard disclosure templates specified by the Monetary Authority.".

14. Section 46 amended (general disclosures)

(1) Section 46(7)—

Repeal

"cross-border"

Substitute

"international".

(2) Section 46(7)(b)—

Repeal

"banks, public sector entities and others"

Substitute

"banks, official sector, non-bank private sector and unallocated by sector".

(3) Section 46(11)—

Repeal the definition of *cross-border claim*

Substitute

"***international claim*** (…), in relation to an authorized institution, has the meaning given by the return of international banking statistics based on which the institution is required to submit information on its international claims to the Monetary Authority under section 63 of the Ordinance;".

(4) Section 46(11), definition of ***major country or geographical segment***, paragraph (a)—

Repeal

"cross-border" (wherever appearing)

Substitute

"international".

(5) Section 46(11), definition of ***recognized risk transfer***, paragraph (a)—

Repeal

"cross-border"

Substitute

"international".

15. Section 51 substituted

Section 51—

Repeal the section

Substitute

"51. Liquidity disclosures

(1) Subject to subsections (2), (11), (12) and (13), an authorized institution that is a category 2 institution must disclose its average LMR for the annual reporting period.

(2) For subsection (1), a category 2 institution must calculate its average LMR as the arithmetic mean of the average LMR for each calendar month as reported in the return relating to liquidity position submitted by the institution to the Monetary Authority under section 63 of the Ordinance for the period.

(3) Subject to subsections (5), (6), (7), (11), (12) and (13), an authorized institution that is a category 1 institution must disclose information relating to its LCR for—

(a) the quarter ending on the annual reporting date; and

(b) the quarter immediately preceding the quarter mentioned in paragraph (a).

(4) For the purposes of section 6(1)(ab), a category 1 institution must make the disclosures required by subsection (3) using the standard disclosure templates specified by the Monetary Authority.

(5) For subsection (3), a category 1 institution, subject to subsection (5A), must calculate its LCR for each quarter as the arithmetic mean of the LCR as at the end of each calendar day in the quarter as reported in the return relating to liquidity position submitted by the institution to the Monetary Authority under section 63 of the Ordinance.

(5A) A category 1 institution may, with the prior consent of the Monetary Authority, calculate its LCR for each quarter preceding 1 January 2017 as the arithmetic mean of the LCR as at each month-end in the quarter as reported in the return relating to liquidity position submitted by the institution to the Monetary Authority under section 63 of the Ordinance for the quarter.

(6) For subsection (3), a category 1 institution must disclose all the components, in unweighted and weighted values (as applicable), used in the calculation of the LCR, in the following manner—

(a) the unweighted value of inflows and outflows must be calculated as the outstanding balances of the various relevant assets, liabilities and off-balance sheet items that are included in the calculation of the LCR as required under the Liquidity Rules;

(b) the weighted value of HQLA must be calculated as the value after application of the relevant haircuts under the Liquidity Rules;

(c) the weighted value of inflows and outflows must be calculated as the value after application of the relevant inflow and outflow rates under the Liquidity Rules; and

(d) the total HQLA and total net cash outflows must be disclosed as the adjusted value, where—

(i) the adjusted value of HQLA is the value of the total HQLA net of haircuts and taking into account any applicable ceilings on level 2B assets and the total of level 2A and level 2B assets; and

(ii) the adjusted value of total net cash outflows must be calculated after taking into account the ceiling on inflows, if applicable.

(7) For subsection (3), a category 1 institution must disclose, at a minimum, the following information where it is considered by the institution to be significant to the calculation of its LCR—

(a) the key drivers of material changes in the LCR disclosed in subsection (3) and the evolution of the contribution of inputs to the calculation of the LCR over time;

(b) material changes in the institution's LCR observed from the end of the previous reporting period to the end of the current reporting period as well as changes over time;

(c) the composition of the institution's HQLA;

(d) concentration of funding sources;

(e) derivative exposures and potential collateral calls;

(f) currency mismatch in the LCR;

(g) a description of the degree of centralization of liquidity management and interaction between the consolidation group's units; and

(h) other inflow and outflows in the LCR calculation—

(i) that are not captured in the LCR standard disclosure templates referred to in subsection (4); but

(ii) that the institution considers to be relevant for the understanding of its liquidity profile.

(8) An authorized institution must disclose information relating to the institution's approach to liquidity risk management that is necessary and relevant for the understanding of the liquidity risk position and liquidity management of the institution.

(9) An authorized institution must do either of the following—

(a) including the disclosures under subsections (1) and (3) in the annual financial statements published by it;

(b) providing a direct link in its annual financial statements to the relevant sections of its website where the disclosures referred to in paragraph (a) can be found.

(10) An authorized institution must establish and maintain an archive of all disclosures made by it under subsections (1), (3), (6), (7) and (8) that relate to reporting periods ending on or after 1 January 2015.

(11) Where an authorized institution is required under rule 11 of the Liquidity Rules to calculate its LCR or LMR on a consolidated basis, the institution must disclose its LCR or LMR on a consolidated basis.

(12) Where subsection (11) does not apply to an authorized institution, the institution must disclose its LCR or LMR on an unconsolidated basis.

(13) Disclosures made by an authorized institution under this section must be presented in Hong Kong dollars.

(14) Rule 2 of the Liquidity Rules applies to the interpretation of this section as that rule applies to the interpretation of the Liquidity Rules.".

16. Section 88 amended (medium and location of disclosure and issue of press release)

(1) Section 88(7)—

Repeal

"Where an authorized institution"

Substitute

"Subject to section 103(10), where an authorized institution".

(2) Section 88(8)—

Repeal

"Where an authorized institution"

Substitute

"Subject to section 103(10), where an authorized institution".

17. Section 90 amended (comparative information)

(1) Section 90(1)(a)—

Repeal

"liquidity ration disclosure"

Substitute

"liquidity disclosures".

(2) Section 90(1)(b)—

Repeal

"liquidity ration disclosure"

Substitute

"liquidity disclosures".

18. Section 98 amended (general disclosures)

(1) Section 98(1)—

Repeal

"cross-border"

Substitute

"international".

(2) Section 98(1)(b)—

Repeal

"banks, public sector entities and others"

Substitute

"banks, official sector, non-bank private sector and unallocated by sector".

(3) Section 98(4)—

Repeal the definition of *cross-border claim*

Substitute

"***international claim*** (…), in relation to an authorized institution, has the meaning given by the return of international banking statistics based on which the institution is required to submit information on its international claims to the Monetary Authority under section 63 of the Ordinance;".

(4) Section 98(4), definition of ***major country or geographical segment***, paragraph (a)—

Repeal

"cross-border" (wherever appearing)

Substitute

"international".

(5) Section 98(4), definition of ***recognized risk transfer***, paragraph (a)—

Repeal

"cross-border"

Substitute

"international".

19. Section 101 amended (non-bank Mainland exposures)

Section 101—

Repeal

"return for non-bank Mainland exposures"

Substitute

"return of Mainland activities".

20. Section 103 substituted

Section 103—

Repeal the section

Substitute

"**103. Liquidity disclosures**

(1) Subject to subsections (2), (11) and (12), an authorized institution that is a category 2 institution must disclose its average LMR for the reporting period.

(2) For subsection (1), a category 2 institution must calculate its average LMR as the arithmetic mean of the average LMR for each calendar month as reported in the return relating to liquidity position submitted by the institution to the Monetary Authority under section 63 of the Ordinance for the period.

(3) Subject to subsections (5), (6), (7), (11) and (12), an authorized institution that is a category 1 institution must disclose information relating to its LCR for

(a) the quarter ending on the reporting date; and

(b) the quarter immediately preceding the quarter mentioned in paragraph (a).

(4) For the purposes of section 6(1)(ab), a category 1 institution must make the disclosures required by subsection (3) using the standard disclosure templates specified by the Monetary Authority.

(5) For subsection (3), a category 1 institution, subject to subsection (5A), must calculate its LCR for each quarter as the arithmetic mean of the LCR as at the end of each calendar day in that quarter as reported in the return relating to liquidity position submitted by the institution to the Monetary Authority under section 63 of the Ordinance.

(5A) A category 1 institution may, with the prior consent of the Monetary Authority, calculate its LCR for each quarter preceding 1 January 2017 as the arithmetic mean of the LCR as at each month-end in the quarter as reported in the return relating to liquidity position submitted by the institution to the Monetary Authority under section 63 of the Ordinance for the quarter.

(6) For subsection (3), a category 1 institution must disclose all the components, in unweighted and weighted values (as applicable), used in the calculation of the LCR, in the following manner—

(a) the unweighted value of inflows and outflows must be calculated as the outstanding balances of the various relevant assets, liabilities and off-balance sheet items that are included in the calculation of the LCR as required under the Liquidity Rules;

(b) the weighted value of HQLA must be calculated as the value after application of relevant haircuts under the Liquidity Rules;

(c) the weighted value of inflows and outflows must be calculated as the value after application of the relevant inflow and outflow rates under the Liquidity Rules; and

(d) the total HQLA and total net cash outflows must be disclosed as the adjusted value, where—

(i) the adjusted value of HQLA is the value of the total HQLA net of haircuts and taking into account any applicable ceilings on level 2B assets and level 2A and level 2B assets; and

(ii) the adjusted value of total net cash outflows must be calculated after taking into account the ceiling on total expected cash inflows, if applicable.

(7) For subsection (3), a category 1 institution must disclose, at a minimum, the following information where it is considered by the institution to be significant to the calculation of its LCR—

(a) the key drivers of material changes in the LCR disclosed in subsection (3) and the evolution of the contribution of inputs to the calculation of the LCR over time;

(b) material changes in the institution's LCR observed from the end of the previous reporting period to the end of the current reporting period as well as changes over time;

(c) the composition of the institution's HQLA;

(d) concentration of funding sources;

(e) derivative exposures and potential collateral calls;

(f) currency mismatch in the LCR;

(g) a description of the degree of centralization of liquidity management and interaction between the consolidation group's units; and

(h) other inflow and outflows in the LCR calculation—

(i) that are not captured in the LCR standard disclosure templates referred to in subsection (4); but

(ii) that the institution considers to be relevant for the understanding of its liquidity profile.

(8) An authorized institution must disclose information relating to the institution's approach to liquidity risk management that is necessary and relevant for the understanding of the liquidity risk position and liquidity management of the institution.

(9) An authorized institution must do either of the following—

(a) including the disclosures under subsections (1) and (3) in the financial statements relating to the reporting period published by it;

(b) providing a direct link in the financial statements relating to the reporting period to the relevant sections of its website where the disclosures referred to in paragraph (a) can be found.

(10) An authorized institution must establish and maintain an archive of all disclosures made by it under subsections (1), (3), (6), (7) and (8) that relate to reporting periods ending on or after 1 January 2015.

(11) An authorized institution must disclose its LCR or LMR on a Hong Kong office basis.

(12) Disclosures made by an authorized institution under this section must be presented in Hong Kong dollars.

(13) Rule 2 of the Liquidity Rules applies to the interpretation of this section as that rule applies to the interpretation of the Liquidity Rules.".

Monetary Authority

2014

Explanatory Note

These Rules are made by the Monetary Authority …

2.