Our ref.: B1/15C
S4/16C
S5/1C

8 November 2016

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Returns MA(BS)1E, MA(BS)18 and MA(BS)23

I write to inform you that, after consultation with the two industry associations, we have revised the reporting templates and the Completion Instructions (CIs) for Returns MA(BS)1E, MA(BS)18 and MA(BS)23. The revised templates and CIs will take effect from 1 January 2017.

The revisions to Return MA(BS)1E are primarily to allow category 1 institutions to use a lower outflow rate of 3% when calculating the expected cash outflows arising from "stable retail deposits" and other similar outflow items for the purposes of the Liquidity Coverage Ratio. Some consequential amendments reflecting the recent revision of SPM module LM-1 and the expiry of the transitional arrangements have also been made.

The revisions in respect of Returns MA(BS)18 and MA(BS)23 are mainly to reflect changes in the frequency of required reporting, with a view to reducing Authorized Institutions' reporting burden.

The revised reporting templates and the CIs are provided in Annex 1 to Annex 3 of this letter. The updated electronic files containing the returns will be available from the HKMA's supervisory communication website (http://www.stet.iclnet.hk) after reporting of the December 2016 position under the respective returns is completed.

If you have any questions about this circular, please feel free to contact Eric Ng (2878-8603), Eve Law (2878-1197) or Thomas Wong (2878-1219).

Yours sincerely,

Karen Kemp
Executive Director (Banking Policy)

Encl.

c.c. The Chairperson, The Hong Kong Association of Banks
The Chairman, The DTC Association
FSTB (Attn: Eureka Cheung)