



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B1/15C
B9/151C
B9/135C

30 December 2016

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Banking (Disclosure) (Amendment) Rules 2016 and Banking (Specification of Class of Exempted Charges) (Amendment) Notice 2016

I am writing to inform you that the Banking (Disclosure) (Amendment) Rules 2016 (“BDAR 2016”) and the Banking (Specification of Class of Exempted Charges) (Amendment) Notice 2016 (“Amendment Notice 2016”) were published in the Gazette today.

BDAR 2016

The amendments are principally designed to incorporate into the Banking (Disclosure) Rules (Cap. 155 sub. leg. M) the requirements prescribed by the Basel Committee on Banking Supervision under its *Revised Pillar 3 disclosure requirements* of January 2015. These are in turn designed to enhance the existing Pillar 3 disclosure requirements from the perspectives of user-relevance, consistency and comparability of disclosure among banks and across jurisdictions.

Amendment Notice 2016

The notice seeks to provide authorized institutions incorporated in Hong Kong with a degree of exemption from the limitation imposed by section 119A of the Banking Ordinance on the creation of charges, in order to facilitate the local implementation of the international standards on the exchange of margin.

The two pieces of subsidiary legislation will be tabled before the Legislative Council for negative vetting on 11 January 2017. Subject to the views of the

Legislative Council, the BDAR 2016 are anticipated to come into operation on 31 March 2017 and will apply to the first quarterly, interim or annual disclosure statements required to be made by AIs in relation to their 2017 financial year; and the Amendment Notice 2016 is expected to come into operation on 3 March 2017. We will inform you once the negative vetting process is completed.

Yours faithfully,

Karen Kemp
Executive Director (Banking Policy)

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