



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
G16/1C

25 August 2023

The Chief Executive
All Registered Institutions

Dear Sir / Madam,

**Risk Management Guidelines for Licensed Persons Dealing in Futures Contracts
Issued by the Securities and Futures Commission**

I am writing to draw your attention to the attached consultation conclusion on Risk Management Guidelines for Licensed Persons Dealing in Futures Contracts issued by the Securities and Futures Commission (“SFC”) (“the Guidelines”). The Guidelines provide further guidance on futures brokers’ risk management, covering risk governance framework, market risk management, commodity futures trading, concessionary margining, and client credit risk management, etc.

Registered institutions (RIs) are subject to prudential standards and risk management requirements as set out in the Banking Ordinance as well as those issued by the Hong Kong Monetary Authority from time to time, and therefore the Guidelines will not apply directly on RIs. Having said that, RIs which engage in Type 2 regulated activity are expected to make reference to the relevant requirements in the Guidelines in managing their risks associated with the activity.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

Encl.

c.c. SFC (Mr Keith Choy, Interim Head, Intermediaries)