HONG KONG MONETARY AUTHORITY
香港金融管理局

Resolution Regime – Code of Practice

FMI-1	Resolution Planning – Continuity of Access to Financial Market Infrastructure Services	V.1 - Consultation

Purpose

Section 196 of the Financial Institutions (Resolution) Ordinance (Cap. 628) ("FIRO") empowers the Monetary Authority ("MA") as the resolution authority in relation to banking sector entities to issue a code of practice ("Code of Practice") about any matter relating to the functions given to the MA by the FIRO.

This publication is a chapter of the Code of Practice. It sets out the MA's expectations in relation to the *ex-ante* capabilities and arrangements an authorized institution ("AI") should put in place to maintain, in a resolution scenario[1], the continuity of access ("CoA") to certain financial market infrastructure ("FMI")[2] services, the discontinuation of which could lead to the collapse of (or present a serious impediment to the performance of) one or more of the AI's critical financial functions ("CFFs")[3] or impact the

[1] A resolution scenario includes the resolution of an AI or its holding company initiated by a resolution authority in Hong Kong, as well as the transfer of losses contractually from the AI to its holding company via write-down and/or conversion of internal TLAC in a group wide resolution. For the purpose of meeting the expectations outlined in this chapter, an AI needs to take into account different stages of resolution, including in the lead-up to and during resolution.

[2] Under section 2(1) of the FIRO, "financial market infrastructure" means a multilateral system among participating financial institutions used for clearing, settling or recording payments, securities, derivatives or other financial transactions and includes any payment system, central securities depository, securities settlement system, central counterparty and trade repository.

[3] Under section 2(1) of the FIRO, "critical financial function" means an activity or operation carried on, or a service provided, by a financial institution –
(a) on which an entity (other than a group company of the financial institution) relies; and
(b) that, if discontinued, would be likely to –
(i) lead to the disruption of services that are essential to the economy of Hong Kong;
(ii) undermine the general confidence of participants in the financial market in Hong Kong; or
(iii) give rise to contagion within the financial system of Hong Kong,
for any reason including the size, interconnectedness, complexity or cross-border activities of, or the market share held by, the financial institution or the group of companies of which the financial institution is a member.

effective implementation of the preferred resolution strategy ("critical FMI services"). It also provides guidance to AIs on the MA's approach to resolution planning and resolvability assessment (including the potential need to remove impediments to orderly resolution) as regards CoA to critical FMI services. In this chapter, references to the MA refer to the MA acting in his capacity as resolution authority.

This chapter of the Code of Practice should be read in conjunction with chapter RA-2, "The HKMA's Approach to Resolution Planning" ("RA-2")[4] and chapter CI-1, "Resolution Planning – Core Information Requirements" ("CI-1")[5] of the Code of Practice.

Application

To all AIs.

Structure

1. Introduction
2. CFFs, critical FMI services and preferred resolution strategies
3. Scope of FMI services

[4] https://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/resolutions/RA-2_The_HKMA_approach_to_resolution_planning.pdf

[5] https://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/resolutions/CI-1_Resolution_Planning_Core_Information_Requirements.pdf

4. Identification of providers of critical FMI services and maintenance of related information

5. Assessment of the requirements and conditions for maintaining CoA to critical FMI services

6. Development of measures, including the preparation of a contingency plan, for maintaining CoA to critical FMI services

7. Governance

8. The MA's approach to implementation

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1. Introduction

1.1 In the resolution of an AI, the continued performance of CFFs by the AI and the effective implementation of the resolution strategy could depend on, among others, the AI's continued access to critical FMI services. The inability of an AI to maintain CoA to critical FMI services, whether such services are provided to an AI either by an FMI, or through an intermediary ("FMI intermediary" [6]), is therefore an impediment[7] to the orderly resolution of the AI. In order to address this impediment to resolution, the MA expects an AI to have in place *ex-ante* capabilities and arrangements for maintaining CoA to critical FMI services in a resolution scenario ("CoA to FMI capabilities").

1.2 The Financial Stability Board ("FSB") has identified CoA to critical FMI services as an important element to resolvability and has issued related guidance[8] in July 2017 on arrangements to support CoA to FMIs for a firm in resolution ("*FSB Guidance*"), complementing the *Key Attributes of Effective Resolution Regimes for Financial Institutions*[9]. This chapter of the Code of Practice sets out the MA's expectations with regard to an AI's CoA to FMI capabilities that are broadly in line with the FSB Guidance regarding the arrangements applicable to firms as FMI service users. In essence, the key steps expected for an AI include, among others, (i) identifying providers of critical FMI services and maintaining related information (Section 4), (ii) assessing the

[6] An "FMI intermediary" is an entity that provides FMI services to other firms in order to facilitate the firms' direct or indirect access to an FMI.

[7] There is a risk that providers of FMI services could suspend or terminate access by a financial institution in accordance with the terms of their agreements or scheme rules, in particular if any default event provision is triggered.

[8] https://www.fsb.org/2017/07/guidance-on-continuity-of-access-to-financial-market-infrastructures-fmis-for-a-firm-in-resolution-2/

[9] https://www.fsb.org/wp-content/uploads/r_141015.pdf

requirements and conditions for maintaining CoA to critical FMI services (Section 5), and (iii) developing measures, including the preparation of a contingency plan, for maintaining CoA to critical FMI services (Section 6).

1.3 The MA may consider an AI's CoA to FMI capabilities when developing resolution plans to support strategies for securing an orderly resolution of the AI (or of the AI's holding company)[10]. The MA may also consider an AI's CoA to FMI capabilities when conducting a resolvability assessment of the AI (or of the AI's holding company) to help determine whether there are, and if so, the extent of the effect of, any impediments to its orderly resolution[11].

1.4 An AI is expected to be able to demonstrate that it has in place the CoA to FMI capabilities as part of the HKMA's bilateral resolution planning programme. If an AI does not meet the expectations set out in this chapter, the MA may form the opinion that a significant impediment exists to the orderly resolution of the AI. The MA may direct the AI, pursuant to section 14 of the FIRO, to take any measures in relation to its structure (including group structure), operations (including intra-group dependencies), assets, rights or liabilities that are, in the opinion of the MA, reasonably required to remove or mitigate the effect of this impediment.

1.5 The rest of this chapter provides guidance on the matters that an AI should address when putting in place CoA to FMI capabilities, and the MA's approach to implementation. Section 2 explains the relationship between CFFs, critical FMI services and preferred resolution strategies. Section 3 provides guidance on the scope of FMI services in respect of

[10] See section 13(1) of the FIRO.

[11] See section 12(1) of the FIRO.

which the expectations outlined in this chapter apply. Section 4 outlines the expectation that an AI should identify its providers of critical FMI services and maintain related information. Section 5 outlines the expectation that an AI should assess the requirements and conditions for maintaining CoA to critical FMI services. Section 6 outlines the expectation on an AI to develop measures, including the preparation of a contingency plan, for maintaining CoA to critical FMI services. Section 7 addresses expectations on governance arrangements related to CoA to critical FMI services. Lastly, section 8 sets out the MA's approach to implementing the expectations set out in this chapter.

2. CFFs, critical FMI services and preferred resolution strategies

2.1 The HKMA's approach to resolution planning involves the setting of a preferred resolution strategy for an AI. The preferred resolution strategy determined for an AI sets out a presumptive path for the MA to secure an orderly resolution of the AI in a manner that is consistent with the resolution objectives[12] under the FIRO, including maintaining the continued performance of CFFs.

2.2 In the case of a large and complex AI, its size and complexity could make it difficult for a swift separation and transfer of CFFs and related businesses over a resolution weekend. Also, given the systemic importance of such an AI, it is possible that a wider range of its financial functions are considered to be CFFs. Therefore, the preferred resolution strategy for such an AI may involve the imposition of losses on the AI through the application of the statutory bail-in stabilization option or a contractual loss transfer[13] to stabilize the AI as a whole (including any branches and/or downstream subsidiaries which are covered by its preferred resolution strategy). Such an AI should be able to demonstrate that its CoA to FMI capabilities could support the continuity of its business as a whole in the stabilization phase of resolution and also support any post-stabilization restructuring needs.

2.3 For an AI with a preferred resolution strategy involving the stabilization of the whole bank, while the actual business reorganization plan may only be confirmed at the time of, or shortly after, resolution, it is

[12] Refer to section 8(1) of the FIRO.

[13] Refer to paragraphs 2.21 – 2.23 of the Code of Practice chapter LAC-1, "Resolution Planning – LAC requirements" ("LAC-1"): https://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/resolutions/LAC-1_Resolution_Planning-LAC_Requirements_ENG.pdf.

envisaged that post-stabilization restructuring may involve transferring, divesting and/or winding down of assets, rights, liabilities, business lines, and/or legal entities. The CoA to FMI capabilities of such an AI should therefore be able to support the different potential transfer or divestment scenarios.

2.4 For a smaller and simpler AI with a preferred resolution strategy that envisages the application of a transfer stabilization option (e.g. partial property transfer)[14], the AI should be able to demonstrate that its CoA to FMI capabilities could support the continuity of the relevant businesses that are envisaged to be transferred under the preferred resolution strategy, including the continued performance of any CFFs, and support any post-stabilization restructuring needs.

[14] Refer to paragraph 2.18 of LAC-1.

3. Scope of FMI services

3.1 Under section 2(1) of the FIRO, "financial market infrastructure" means a multilateral system among participating financial institutions used for clearing, settling or recording payments, securities, derivatives or other financial transactions and includes any payment system, central securities depository, securities settlement system, central counterparty and trade repository.

3.2 To facilitate an orderly resolution, an AI's CoA to FMI capabilities are expected to cover all critical FMI services for the AI, regardless of the mode of participation, that is, whether the FMI service is accessed through direct participation or indirect participation in the FMI:

(a) Direct participation means an AI directly accesses the FMI service provided by an FMI;

(b) Indirect participation means an AI indirectly accesses the FMI service provided by an FMI via an intermediary, whether it is a third party ("third party FMI intermediary") or a group company[15] of the AI ("intra-group FMI intermediary").

For the avoidance of doubt, providers of critical and non-critical FMI services referenced in this chapter include FMIs, third party FMI intermediaries and intra-group FMI intermediaries.

3.3 The MA's expectations set out in this chapter cover the FMI services used by an AI, its overseas branches and downstream subsidiaries, as well as other entities, to the extent that they are part of the preferred resolution strategy as determined by the MA.

[15] Please refer to section 2 of the FIRO for the definition of "group company".

4. Identification of providers of critical FMI services and maintenance of related information

4.1 The MA expects an AI to identify critical FMI services it uses, the providers of these services and maintain related information to facilitate CoA to these critical FMI services. For this purpose, the AI is expected to keep a centralised record of the providers of all the FMI services it uses through both direct and indirect participation in the FMI and develop a methodology to assess which of the providers provide it with critical FMI services taking into account the need for continued performance of CFFs and the preferred resolution strategy determined by the MA.

4.2 An AI should be able to provide to the MA an overview of all the FMI services relationships, and to justify the basis for the FMI services being assessed as critical versus non-critical[16]. It should be able to demonstrate that the risks arising from losing access to the non-critical FMI services do not pose a significant impediment to orderly resolution. The list of critical FMI services should be kept under regular review (at least annually) by the AI.

4.3 An AI should map each critical FMI service and the provider of such service by receiving entity, core business line, CFF as well as product and service[17] (referred to as "FMI service mapping" in this chapter)[18].

[16] The basis for assessing whether the FMI services are critical or not should be related to the potential impact of discontinued or degraded access on the AI's performance of CFF(s) and the effective implementation of the preferred resolution strategy. An AI may also take into account, among others, the potential impact on the AI's core business lines and, to the extent feasible, on the business of its key clients for the relevant entities that act as intermediaries in delivering FMI services to other institutions.

[17] Refer to paragraph 3.5.2 and Annex 1 of CI-1.

[18] The FMI service mapping is expected to be consistent with the mapping of essential services conducted

4.4 For each provider of critical FMI services identified, an AI should, at a minimum, maintain up-to-date information on, and be able to provide to the MA upon request, the following[19]:

(a) Description of the critical FMI services received and mode of participation (i.e. direct, indirect via third party FMI intermediary or indirect via an intra-group FMI intermediary);

(b) Name of the provider of critical FMI services, and name of the related FMI (if the provider is an FMI intermediary);

(c) Contracts with the provider of critical FMI services and summary of basic information such as parties to contracts, the place of incorporation of the parties, and the governing law of the contracts;

(d) FMI service mapping described in paragraph 4.3 above;

(e) Relevant oversight or supervisory authority of the provider;

(f) Transactional data on usage of the critical FMI services[20] and relevant positions at the provider of critical FMI services[21], with respect to the AI's proprietary accounts and client accounts;

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as per paragraph 4.11 of the Code of Practice chapter OCIR-1, "Resolution Planning – Operational Continuity in Resolution" ("OCIR-1"): https://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/resolutions/OCIR-1_Operational_Continuity_in_Resolution.pdf.

[19] An AI is expected to maintain the quantitative information as outlined under paragraph 4.4(f) to 4.4(i) for a year worth of recent data. Depending on the nature or type of the critical FMI services, the MA may further specify the expected form of such information (e.g. average, peak, total, monthly/daily/hourly breakdowns, client type breakdowns, etc.).

[20] E.g. the volume and value of the transactions cleared by the provider of critical FMI services.

[21] E.g. the value of the securities positions that a central counterparty holds on behalf of an AI.

(g) Size of liquidity and funding needed (including any collateral required) to meet/pre-fund all critical FMI service obligations[22];

(h) Usage, size, and terms and conditions (including details of any withdrawal provision) of the committed and uncommitted credit facilities made available by the provider of critical FMI services; and

(i) Key clients and total number of clients using the respective critical FMI services through the AI.

4.5 The up-to-date information underpinning the identification of critical FMI services and the FMI service mapping should be organised and stored in systems or portals in an accessible and searchable form, e.g. a central data repository or several linked repositories.

[22] E.g. intraday liquidity requirements, required contribution to default funds, margin required, as well as other payment, settlement and delivery obligations.

5. Assessment of the requirements and conditions for maintaining CoA to critical FMI services

5.1 An AI should assess, including through engagement with the providers of critical FMI services, the requirements and conditions for maintaining CoA to each critical FMI service and maintain up-to-date information regarding:

(a) the AI's substantive obligations (both financial and non-financial) under the contractual arrangements with the providers of critical FMI services, and any additional requirements and conditions[23] that may be imposed on the AI when it is under financial stress and/or in resolution;

(b) the information required from the AI and the reporting frequency thereof that would be essential for the providers of critical FMI services in their decision-making process in allowing the AI's CoA to such critical FMI services when the AI is under financial stress and/or in resolution; and

(c) the potential actions[24] that the providers of critical FMI services may take when the AI is under financial stress and/or in resolution to restrict, suspend or terminate the AI's access, including whether these actions would be automatic or subject to the discretion of these providers of critical FMI services; how the AI would be notified; and within which timeline and in which circumstances these actions might be

[23] In the case of additional financial requirements and conditions, the information should include, amongst others, (i) the maximum possible amount under the contractual arrangements with the provider of critical FMI services, and (ii) the most likely amount of such additional financial requirements and conditions.

[24] Examples of potential actions include restriction, suspension or termination of (i) the membership/ participation in the FMI; (ii) the ability to send new transactions; and (iii) the ability to use ancillary services.

taken.

5.2 Consideration should also be given to any potential differences in the requirements and conditions outlined in paragraph 5.1 if a group company of the AI is under financial stress and/or in resolution.

6. Development of measures, including the preparation of a contingency plan, for maintaining CoA to critical FMI services

6.1 Based on the assessment of the requirements and conditions for maintaining CoA to each critical FMI service (the expectations of which are outlined under section 5), an AI is expected to take *ex-ante* measures to ensure that adequate arrangements are in place to support CoA to critical FMI services in a resolution scenario.

6.2 Contractually, an AI should review its bilateral contracts or service level agreements with providers of critical FMI services, and also the relevant FMI rule books or the FMI membership agreements, for inclusion of "resolution-proof" terms in order to achieve the following outcomes:

(a) ensuring that any default event provision, suspension or termination of services will not be triggered solely as a result of entry into resolution of the AI or any of its group companies, provided that substantive obligations (including payment and delivery obligations) applicable to the AI or any of its group companies under the contracts or the service level agreements continue to be performed; and

(b) providing for the transfer, assignment or novation of the contract to enable critical FMI services to be transferred by the service recipient to a different recipient as needed.

6.3 An AI should prepare a contingency plan for maintaining CoA to critical FMI services taking into account the related conditions and requirements as well as the preferred resolution strategy set by the MA.

6.4 The contingency plan should include, at a minimum, the following elements:

(a) summary of the critical FMI services and the providers of such services, as well as the requirements and conditions for maintaining CoA to such services;

(b) an impact analysis of the consequences of any restriction, termination or suspension of access to each critical FMI service on the AI's ability to perform its CFFs and on the implementation of the preferred resolution strategy;

(c) the measures the AI could take to maintain CoA to critical FMI services, including any measures to meet the substantive obligations under the contractual arrangements with the providers of critical FMI services, and all of the additional requirements and conditions that may be imposed by the providers of critical FMI services when the AI (or its group company) is under financial stress and/or in resolution[25];

(d) the capability of projecting and explaining, in a timely manner and on the basis of sound assumptions and models, the estimated liquidity and funding needed (including any collateral required) to maintain CoA to critical FMI services[26];

[25] Such measures could include a credible plan for sourcing additional collateral to obtain secured funding for meeting the additional financial requirements.

[26] An AI may leverage its LFIR capabilities and arrangements as expected by the MA under the FIRO Code of Practice chapter LFIR-1 "Resolution Planning – Liquidity and Funding in Resolution" in meeting this expectation. For example, under section 3 of LFIR-1, an AI should, among others, develop a methodology for estimating the liquidity and funding needed to facilitate orderly resolution, including satisfying obligations related to payment, clearing and settlement activities, and such methodology should allow for the performance of sensitivity analysis.

(e) the arrangements for maintaining robust communication with providers of critical FMI services, including (i) the main contact points for communications with each provider of critical FMI services; (ii) the timing, channel, and process of such communications and the key information that may need to be communicated to providers of critical FMI services; and (iii) any key barriers or risks to communication and the corresponding mitigation measures;

(f) the arrangements to ensure continuity of any essential services[27] (such as communication channels for payment instructions, software or IT programs, etc.) which the AI requires to maintain CoA to critical FMI services; and

(g) the operational and organisational arrangements (such as internal processes, IT systems and human resources) that would be deployed to operationalise the contingency plan in the lead-up to and during resolution.

6.5 An AI should put in place arrangements that support the transfer of its access to critical FMI services to a bridge institution or a third party purchaser as part of the stabilization or post-stabilization phase of resolution, including arrangements that support the transferability/ portability of payment operations[28], centrally cleared contracts and

[27] An AI may leverage its OCIR arrangements as expected by the MA under the OCIR-1 in meeting this expectation. Section 4 of OCIR-1 sets out the matters that the MA expects an AI to consider when assessing OCIR risk and the arrangements an AI is generally expected to put in place to address these.

[28] Examples of arrangements for transferability of payment operations could be: (i) a centralised repository for all FMI membership agreements; (ii) standardised documentation for payment services, covering issues including notice periods, termination provisions and continuing obligations, to facilitate orderly exit; (iii) a draft Transitional Services Agreement, if needed, will allow the AI to continue to provide uninterrupted payment services on behalf of the bridge institution or the new purchaser, by using existing staff and infrastructure; (iv) a "purchaser's pack" that includes key information on the payment operations and credit exposures, and lists of key staff, to facilitate transfers of payment operations to a surviving

underlying client positions. The arrangements should address any challenges (e.g. legal, financial, technological, and operational challenges) of ensuring that the transferee can retain access to the relevant provider(s) of critical FMI services.

6.6 An AI is expected to assess the risk to its CoA to critical FMI services holistically. If the risk posed by the restriction, termination or suspension of a specific critical FMI service to the orderly resolution of the AI is material after taking into account the criticality of a specific FMI service and the contractual arrangement with the provider, other mitigating measures should be considered, including putting in place credible arrangements for switching to an alternative provider and/or sourcing similar services from more than one provider of the relevant FMI service.

6.7 An AI is expected to test and validate, at least on an annual basis, its measures (including the contingency plan and any contingency arrangement) for maintaining CoA to critical FMI services to ensure they are, and remain, fit for purpose. The measures should be updated to incorporate any lessons learned therefrom.

6.8 An AI should develop robust management information system capabilities to support the timely production and provision of relevant qualitative and quantitative information in relation to CoA to critical FMI services. These should include the ability to meet an increased demand of up-to-date management information from the providers of critical FMI services and the relevant supervisory and resolution authorities in a resolution scenario.

entity, bridge institution or purchaser; and (v) understanding of any procedures set out by the providers of critical FMI services for facilitating the access by the bridge institution or the purchaser.

7. Governance

7.1 An AI is expected to have in place appropriate governance arrangements, including oversight, decision-making and organisational arrangements, to support the ability to maintain CoA to critical FMI services and to ensure that all the measures and the related information are accurate and up-to-date. The governance arrangements and processes should be embedded into the AI's overarching governance and organisational arrangements in place to support the HKMA's resolution planning process as explained in paragraph 8.1 of RA-2.

7.2 As part of this, an AI is expected to maintain effective governance arrangements over its activities for building up its CoA to FMI capabilities, and for ensuring that the expectations outlined in this chapter are met on an ongoing basis. For this purpose, an AI is expected to assign an officer of appropriate seniority with accountability for overseeing the work to ensure the effectiveness of the AI's CoA to FMI capabilities and the effective implementation of the MA's expectations set out in this chapter. Furthermore, the board of directors of the AI should be kept adequately informed of the CoA to FMI capabilities which the AI puts in place to meet the expectations outlined in this chapter.

7.3 The governance arrangements for preparing and developing the measures including the contingency plan for maintaining CoA to critical FMI services, including data gathering and consolidation, quality reviews, and management sign-offs, should be properly documented. An AI should also ensure effective arrangements are in place for the measures to be activated quickly in a crisis, including escalation processes, triggers, timelines as well as arrangements for monitoring

the conditions for maintaining CoA to critical FMI services.

8. The MA's approach to implementation

8.1 In line with the MA's proportionate and risk-based approach to resolution planning, the MA expects to prioritise all Domestic Systemically Important Authorized Institutions and other locally incorporated AIs with total consolidated assets of more than HKD 150 billion for resolution planning. The MA expects each of these prioritised AIs to be able to demonstrate that its CoA to FMI capabilities meet the expectations outlined in this chapter as part of the MA's bilateral resolution planning programme[29] with the AI.

8.2 The MA will communicate the expected timeline on an individual AI's work towards satisfying the expectations outlined in this chapter through the resolution planning priorities letters. The development and implementation of adequate CoA to FMI capabilities by an AI should be an iterative process between the MA and the AI, taking into account different factors such as the nature, scale and complexity of the AI, its CFFs, its core business lines, the critical FMI services it relies on, the status of its existing capabilities and arrangements, the preferred resolution strategy determined by the MA and the resolution objectives.

8.3 As a starting point, an AI is expected to self-assess its existing capabilities and arrangements against the expectations set out in this chapter. An AI is then expected to submit to the MA, at a minimum, the following:

(a) an overview of all the FMI services relationships;

(b) providers of critical FMI services identified (and including the name of the related FMI if the provider is an FMI intermediary)

[29] See Part 8 of RA-2.

and the justification for the FMI services being assessed as critical versus non-critical;

(c) summary of CoA to FMI capabilities including governance arrangements and the assessment against each of the expectations set out in this chapter;

(d) its proposed work plan, including the approach, timeline and key milestones, towards meeting the expectations in respect of an AI's CoA to FMI capabilities set out in this chapter.

8.4 The MA will review the above submission and discuss with the AI regarding the effectiveness of its CoA to FMI capabilities in the context of the AI's preferred resolution strategy as determined by the MA. The MA may require submission of information, records or documents in relation to these capabilities and arrangements, including any related testing and validation work[30].

8.5 Where an AI is part of a cross-border group, the MA intends to work closely with the relevant non-Hong Kong resolution authorities on resolution planning bilaterally and/or through cross-border resolution planning fora. The MA may take account of information obtained from its interactions with a non-Hong Kong resolution authority when assessing the effectiveness of an AI's CoA to FMI capabilities and in considering whether any impediment to the orderly resolution of the AI exists, in accordance with the relevant non-Hong Kong resolution plan (to the extent that the non-Hong Kong resolution plan has been adopted by the MA). Nevertheless, the expectations in this chapter will apply to the AI regardless of whether the group is subject to, and meets, similar standards in other jurisdictions.

[30] The MA may impose such a requirement pursuant to section 158 of the FIRO.

8.6 It is acknowledged that due to the interrelationships between some of the expectations in this chapter and some existing regulatory requirements or supervisory expectations, an AI may already have in place capabilities and arrangements which could be suitably leveraged or adapted for the purposes of meeting expectations outlined in this chapter. In such instances, the MA expects an AI to demonstrate that the relevant existing capabilities or arrangements adequately address resolution-specific risks and factors relating to maintaining CoA to critical FMI services.