Banking Policy Department

Our Ref: B4/1C
B9/75C

10 November 2023

By email and by hand

Mr Sun Yu
Chairperson
The Hong Kong Association of Banks
Room 525, 5/F
Prince's Building
Central
Hong Kong

Dear Mr Sun,

Implementation of Basel III final reform package

Having considered the comments received from the industry concerning the implementation timetable of the draft rules released for consultation on 3 October 2023, we would like to inform the Association of our intention to update the timetable as follows:

- All standards in the package (on credit risk, operational risk, market risk, CVA risk and the output floor) will take effect on 1 January 2025; and

- The reporting-only requirement for the new standards on market risk and CVA risk will commence on 1 July 2024, as planned.

Concerning the Association's other comments on the draft rules, we will consider if further refinements are necessary before finalising them for submission to the Legislative Council for negative vetting.

Taking this opportunity, we would like to thank the Association for all the useful responses provided in the recent and previous consultations. We will keep the industry updated on the progress of the legislative process.

I am writing in similar terms to The DTC Association.

Yours sincerely,

Richard Chu
Acting Executive Director (Banking Policy)

cc: FSTB (Attn: Mr Justin To)