



HONG KONG MONETARY AUTHORITY  
香港金融管理局

*Banking Policy Department*

Our Ref: B1/15C, B9/75C

15 November 2024

The Chief Executive  
All Authorized Institutions

Dear Sir/Madam,

**Commencement of Basel III final reform package**

Further to our letter of 10 October 2024, I am writing to inform you that the 28-day period for the negative vetting of the Banking (Capital) (Amendment) Rules 2023 (Commencement) Notice 2024 (“Commencement Notice”) by the Legislative Council has expired without extension.

As a result, Parts 3 and 5 of the Banking (Capital) (Amendment) Rules 2023 (“BCAR”) <sup>1</sup>, excluding certain transitional sections specified in the Commencement Notice, will come into operation on 1 January 2025.<sup>2</sup>

Yours faithfully,

Martin Sprenger  
Acting Executive Director (Banking Policy)

cc: The Chairperson, The Hong Kong Association of Banks  
The Chairperson, The DTC Association  
FSTB (Attn: Mr Justin To)

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<sup>1</sup> Part 3 of the BCAR provides for amendments in relation to credit risk, the output floor, operational risk and sovereign concentration risk. Part 5 of the BCAR deals with amendments in relation to market risk and credit valuation adjustment (“CVA”) risk.

<sup>2</sup> Consequential amendments to the Banking (Disclosure) Rules, the Banking (Liquidity) Rules and the Banking (Exposure Limits) Rules relating to the Basel III final reform package will simultaneously come into operation on 1 January 2025.