HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref. : B1/15C
B9/67C

3 December 2024

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Enhancing Customer Empowerment in Anti-Fraud-and-Scam Protection through "Money Safe" Protection and Option of Disabling Internet Banking Platforms

In view of the surge in fraud and scam cases in recent years with customer losses typically involving payments from customers' bank accounts, the Hong Kong Monetary Authority (HKMA) considers that customers should be empowered to better protect their funds in bank accounts. Following consultation with the banking industry, the HKMA sets out in this circular the arrangements for introducing an extra layer of security to customers' funds in bank accounts, namely "Money Safe" (MS).

MS enables customers to protect a portion of their bank deposits from any fund outflows. Customers may choose to release MS protection for transactions after Authorized Institutions (AIs) have undertaken verification process with the customers. AIs should provide MS protection to retail banking individual customers and the requirements are set out in **Annex**. AIs should also consider offering MS or similar protection to other individual customers (e.g. private banking customers), based on the needs of such customers.

In addition, there are from time to time fraud and scam cases involving customers being manipulated to set up Internet banking platforms (i.e. Internet banking and mobile banking) for their bank accounts which are then misused and result in customer losses. As a measure that complements MS in empowering customers to reduce such risk, AIs should provide customers the option of disabling the setting

up of Internet banking platforms for their accounts, the choice of which can only be changed through verification process with the customers similar to that for releasing MS protection. By definition, this measure does not apply to digital banks. In the meantime, the HKMA is also exploring with the industry to further empower customers to deactivate online registration of third-party payees and online increase of fund transfer limit at Internet banking platforms.

All retail banks (including digital banks) are expected to introduce MS protection to retail banking individual customers as soon as practicable preferably by 30 September 2025 and in any case no later than 31 December 2025. AIs are encouraged to consider launching MS in phases and implementing measures similar to MS to support customers to protect their funds before full implementation of MS. All retail banks (excluding digital banks) are expected to introduce the option of disabling the setting up of Internet banking platforms for customer accounts as soon as practicable preferably by 30 June 2025, and individual banks with genuine difficulties in meeting the timeline may discuss with us.

Should you have any questions regarding this circular, please send them to consumerprotection@hkma.iclnet.hk.

Yours faithfully,

c.c.: The Chairman, The Hong Kong Association of Banks
The Chairman, The DTC Association
The Chairman, Private Wealth Management Association
Secretary for Financial Services and the Treasury (Attn: Mr Justin To)