



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B4/1C, B9/196C

By email & by hand

13 January 2025

Ms Mary Huen
Chairperson
The Hong Kong Association of Banks
Unit 2202, 22/F, Gloucester Tower
The Landmark
Central
Hong Kong

Dear Ms Huen,

Soft consultation: prudential treatment of cryptoasset exposures

Further to the consultation in February 2024¹, I am writing to seek the Association's comments on the enclosed proposals for amending the Banking (Capital) Rules (BCR) and the Banking (Disclosure) Rules (BDR) for the implementation of the prudential treatment of cryptoasset exposures held by authorized institutions (see **Annexes 1 and 2**).

The proposed amendments relate to (i) Parts 1, 2, 3, 4, 5, 6, 6A, 6B, 8 and 8A as well as Schedules 7 and 10 of the BCR and (ii) Parts 1, 2, 2A and 8 of the BDR. A new Part (to be added after the current Part 11) of the BCR is also proposed in order to set out the capital requirements specific to cryptoasset exposures. These updates will be subject to further revisions and refinements following industry comments. Where necessary, supplementary guidance (e.g. in the form of frequently asked questions or supervisory policy manual modules) will be issued to facilitate the operation of the amended rules. The HKMA intends to put the new rules into effect on 1 January 2026, in line with the Basel timeline.

I would be grateful if the Association's comments on the enclosed proposals could reach us by 20 February 2025.

¹ https://www.hkma.gov.hk/media/eng/regulatory-resources/consultations/CP24_01_Cryptoasset_Exposures.pdf

Should you have any questions relating to this letter, please feel free to contact Mr Horace Lee (2878 1540, hhwlee@hkma.gov.hk) or Mr Steven Yu (2878 1324, schyu@hkma.gov.hk).

I am writing in similar terms to The DTC Association.

Yours sincerely,

Donald Chen
Executive Director (Banking Policy)

Encl

cc: FSTB (Attn: Ms Tanna Chong)