

11 July 1997

Code of Banking Practice

After extensive discussion with the banking sector and consultation with other relevant parties, the Code of Banking Practice ("the Code") was issued on 11 July 1997. The Code is issued jointly by the Hong Kong Association of Banks and the Deposit-taking Companies Association. Each authorised institution should have by now received a copy of the Code.

The HKMA welcomes the issue of the Code and fully endorses its recommended practices and standards. The Code will help to further enhance the transparency and quality of banking services in Hong Kong as well as Hong Kong's status as an international financial centre.

However, the desired objectives of the Code can only be realised with the full commitment of institutions in implementing its proposals. The HKMA therefore seeks the cooperation of each institution in taking active steps to ensure full compliance with the Code as soon as possible. The HKMA and the industry Associations will continue to work in close collaboration to ensure that the target compliance dates as set out in the Code can be achieved. To this end, a compliance survey will be carried out at the end of the six-month and twelve-month periods from the effective date of the Code. The HKMA will also monitor institutions' progress on compliance as part of its regular supervision.