HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

28 Nov 2002

First Annual Self-Assessment on Compliance with the Code of Banking Practice 2001/2002

Our Ref : B1/1C

28 November 2002

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

First Annual Self-Assessment on Compliance with the Code of Banking Practice 2001/2002

The industry has completed the first annual self-assessment on compliance with the Code of Banking Practice covering the period 1 December 2001 to 31 May 2002. I write to inform you of the results of this exercise.

The self-assessment was completed by 190 AIs. 63% of AIs reported full compliance, 27% reported 5 or less incidences of non-compliance and 10% reported over 5 incidences of non-compliance.

In terms of systems of control for monitoring compliance with the Code, the majority of AIs reported that they had adequate internal procedures and management oversight to ensure compliance. New products were also subject to adequate review before they were launched to ensure compliance with the Code.

The HKMA considers the overall state of compliance by the industry to be generally satisfactory, with 90% of AIs reporting either full compliance or 5 or less cases of non-compliance (out of 186 provisions of the Code).

Notwithstanding this, non-compliance with the Code should be taken seriously and should be remedied as quickly as possible. If your institution has reported instances of non-compliance with the Code, we expect you to provide a report to the HKMA before 31 January 2003 to confirm that all non-compliant areas have been rectified, or if not, the reasons why full compliance cannot be achieved. The report should be sent to the attention of your institution's usual contact in the Banking Supervision Department.

Should you have any questions, please contact Ms Jocelyn Chan at 2878 1275.

Yours faithfully,

D T R Carse
Deputy Chief Executive

c.c. Chairman - HKAB
Chairman - DTCA
Secretary, Code of Banking Practice Committee (Attn: Ms Grace Law - HKAB)
Secretary for Financial Services and Treasury (Attn: Miss Millie Kiang)

Last revision date : 01 August 2011