HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Conduct Department 銀行操守部

Our Ref.: C9/105
B1/15C

16 July 2010

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Risk Management Controls over Internet Banking Account Aggregation Service

In the light of the growing customers' demand for the internet banking account aggregation service ("Account Aggregation Service"), I am writing to set out the risk management controls that authorized institutions (AIs) are required to put in place when introducing such a service to their customers.

Account Aggregation Service generally refers to a service that allows customers to manage their bank accounts maintained in different institutions and/or jurisdictions through a common internet banking operating platform with a single sign-on user ID and password. Such a service may allow a customer to access his bank accounts opened with different AIs, institutions in Mainland China, and/or overseas institutions (e.g. the AIs' branches/affiliates) for, inter alia, balance enquiries, cross-border fund transfers and/or securities trading activities through a single sign-on user ID and password.

While Account Aggregation Service brings convenience to customers, it also creates new risk management challenges to AIs. AIs are therefore required to discuss their plans with the Hong Kong Monetary Authority (HKMA) in advance, implement effective risk management controls and conduct an independent assessment of the service before launching Account Aggregation Service. Proper due diligence should be conducted to ensure that the service complies with the applicable legal and regulatory requirements of the relevant jurisdictions. In ensuring continuing compliance with the supervisory requirements of the HKMA, AIs are also expected to review the controls of the service regularly. Detailed risk management controls in relation to Account Aggregation Service are set out in the **Annex** of this letter.

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If you have any questions on this letter, please feel free to contact Mr Shu-pui Li at 2878 1826 or Ms Teresa Chu at 2878 1563.

Yours faithfully,

Meena Datwani
Executive Director (Banking Conduct)

Encl.