Our Ref : B1/15C
G16/1C

28 December 2017

The Chief Executive
All Registered Institutions

Dear Sir / Madam,

Guidance Note Issued by the Securities and Futures Commission ("SFC") on Benefits of Cooperation in Investigations and Enforcement Proceedings ("Guidance Note")

I am writing to draw your attention to the captioned Guidance Note of December 2017. As frontline regulator of Registered Institutions (RIs), the Hong Kong Monetary Authority (HKMA) conducts investigations into regulated activities carried out by RIs under the Securities and Futures Ordinance and the fitness and properness of their relevant individuals (ReIs) and executive officers (EOs). Such investigations may result in disciplinary actions by the HKMA under the Banking Ordinance or the referral of our investigation findings to the SFC, as appropriate.

The HKMA values and recognises cooperation in such investigations and any subsequent enforcement proceedings, and will make reference to the principles and factors set out in the Guidance Note as appropriate when assessing cooperation by the parties concerned. If the HKMA decides after an investigation that a case should be referred to the SFC for it to consider taking appropriate follow-up actions including enforcement proceedings, the HKMA will also convey to the SFC, for its consideration, the HKMA's observations on the degree of cooperation rendered by the parties concerned.

RIs, EOs and ReIs are encouraged to take proactive steps to demonstrate cooperation in the HKMA's investigations and enforcement proceedings in the interests of saving time, costs and resources for all parties concerned.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)

Encl.

c.c. SFC (Attn: Mr Thomas Allan Atkinson, Executive Director (Enforcement))