

25 October 2006

Miss Salumi Chan
Clerk to Panel on Financial Affairs
Legislative Council
Legislative Council Building
8 Jackson Road
Hong Kong

Dear Miss Chan

Panel on Financial Affairs – Follow-up to Meeting on 3 July 2006

I refer to your letter dated 7 July 2006 addressed to the Chairman of the Hong Kong Association of Banks, inviting the Association to provide further information in November 2006 and to attend the Panel meeting in December 2006 to discuss the impact of branch closure of banks on the public, as well as to discuss the impact of bank charges for inactive accounts and low balance accounts on the public.

Following our meeting with the Panel on 3 July 2006, the Association has followed up with various recommendations of the Task Force on Financial Service Delivery Channels and suggestions raised by Members of the Legislative Council on 3 July 2006. We have liaised with various parties including the Housing Authority, Link, EPSCO and Octopus, as highlighted in our recommendations. We have also formed an Education Working Group under the Task Force to support the banking industry in community-wide publicity and education programmes on how to use/access ATM services for elderly customers with no IT skills living in public housing estates. This Working Group has met four times, and a plan with implementation details is being finalized. A group of technical specialists of HKAB members is also studying the feasibility of using the retina and / or finger print as an authentication method for accessing ATMs in light of overseas experience, a recommendation from the discussion of the Panel meeting on 3 July 2006.

We would update the Panel in writing on the progress of many of the recommendations of the Task Force and provide the information about bank charges levied on inactive and low balance accounts by 24 November 2006 as requested. However, as the Panel would appreciate, some of the recommendations of the Task Force are currently under discussion with external parties and within the industry and we do need more time to handle the relevant issues.

In these circumstances, we would respectfully request the Panel to consider deferring the meeting between the Association and the Panel in December 2006. We will contact you again to discuss the meeting date after submitting the progress report in November 2006.

Yours sincerely

Alan Sze
Secretary

c.c. Hon Chan Kam-lam, SBS, JP (Chairman, Panel on Financial Affairs,
Legislative Council
Ms Angelina Kwan, Secretary for Financial Services and the Treasury
Mr Andy Ching, Senior Manager, HKMA