

Termination of Bank Accounts of Remittance Agents

This note sets out the Administration's response to Hon. Albert Chan's concerns about termination of bank accounts of remittance agents as reflected in his letter of 13 October 2009 to the Chairman of the Legislative Council Financial Affairs Panel.

2. Banks have their own customer acceptance policies and internal procedures, which set out banks' requirement for obtaining necessary information to identify customers, and understand the latter's business nature and risks. Whether or not to continue certain business relationship is a commercial decision for individual banks. According to the Hong Kong Monetary Authority (HKMA), based on the latest information available to them, most of the major retail banks are currently offering banking services to remittance agents and are willing to open new accounts with remittance agents in accordance with the banks' internal policies and requirements.

3. In the past few months, the Financial Services and the Treasury Bureau (FSTB) and HKMA received requests for assistance from a number of remittance agents who received notification of termination of bank accounts from one banking group. To follow up these requests, FSTB and HKMA met with representatives of the remittance industry and reflected the industry's views to the banking group, and urged the banking group to be transparent and reasonable in their dealing with customers and work out a mutually acceptable solution with the affected customers. We understand that the concerned banking group has been in contact with the affected remittance agents to follow up their requests.

Hong Kong Monetary Authority
Financial Services and the Treasury Bureau

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