



7 May 2013

Mr Hugo Chiu  
Legislative Council  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear Mr Chiu,

**Subcommittee on Banking (Disclosure) (Amendment) Rules 2013 and  
Banking (Capital) (Amendment) Rules 2013**

I write in response to your letter of 30 April 2013 seeking views from Members of the Banking Advisory Committee and the Deposit-taking Companies Advisory Committee ("Advisory Committees") on the Banking (Disclosure) (Amendment) Rules 2013 ("BDAR 2013") and the Banking (Capital) (Amendment) Rules 2013 ("BCAR 2013").

As part of the process required under section 60A and section 97C of the Banking Ordinance, the BDAR 2013 and the BCAR 2013 were circulated to Members of the Advisory Committees for consultation respectively in November 2012 and March 2013.

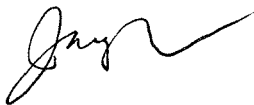
During the consultation, Members of the Advisory Committees noted that the BDAR 2013 were necessary disclosure requirements (corresponding to the new Basel III capital standards) which had been concluded following extensive industry consultation. Members also acknowledged the importance of the disclosure requirements in raising the quality and consistency of disclosure in relation to regulatory capital in the banking sector in Hong Kong, and in enabling Hong Kong to follow the implementation timetable set by the Basel Committee for the Basel III regulatory framework (of which the disclosure requirements form a part). The HKMA also confirmed during consultation with the industry that the disclosure requirements in the BDAR 2013 reflected the minimum disclosure standards set by the Basel Committee, with flexibility concerning the location for making disclosure (i.e. either through published financial reports, websites or publicly available regulatory reports) continuing to be available under the BDAR 2013.

Members were supportive of the changes introduced in the BCAR 2013 to align the capital requirements with the latest guidance of the Basel Committee.

I circulated your letter to the Members of the Advisory Committees on 2 May but Members did not raise any further comments in respect of the BDAR 2013 and the BCAR 2013.

I hope the above is helpful and please feel free to let me know if you require any further information.

Yours sincerely,



60 (Jasmin Fung)  
Secretary  
Banking Advisory Committee /  
Deposit-taking Companies Advisory Committee