



Our Ref: CB/BK/023
CB/BK/320

8 July 2016

Ms. Angel Shek
Clerk to Bills Committee
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Ms. Shek,

**Bills Committee on Bank of Communications (Hong Kong) Limited (Merger)
Bill**

In response to the enquiry from Members of the Bills Committee on the timing of when the Hong Kong Monetary Authority implemented the supervisory policy that non-locally incorporated banks with sizeable retail banking business in Hong Kong should operate in the form of a locally-incorporated bank (instead of a branch), having reviewed our records, we are now in a position to report that the said policy was formally introduced in 2011.

We shall be grateful if you could help inform the Chairman and Members of the Bills Committee, please.

Yours sincerely,

Raymond Chan
Executive Director (Banking Supervision)