

**Bills Committee on Banking (Amendment) Bill 2017**

**List of follow-up actions arising from the meeting  
on 21 November 2017**

The Administration was requested by members at the meeting on 21 November 2017 to provide the following information:

- (a) sample(s) of recovery plan setting out the measures that the authorized institutions ("AIs"),<sup>1</sup> in particular the medium-sized banks, will take to stabilize and restore their financial resources and viability under severe stress;
- (b) the penalties for committing an offence relating to recovery planning for AIs in Hong Kong vis-à-vis those in other jurisdictions, including the United Kingdom, Australia and Singapore; as well as vis-à-vis the penalties under legislation regulating other financial institutions in Hong Kong, such as the insurance companies and the approved trustees of the Mandatory Provident Fund schemes;
- (c) whether the Hong Kong Monetary Authority ("HKMA") would consider issuing letters to directors of AIs (including independent non-executive directors) direct under certain circumstances to ensure that they have been notified of the important requirements or instructions issued by HKMA, such as the recovery planning requirements;
- (d) whether there are any requirements/restrictions imposed on directors or persons who are responsible for implementing the recovery plan (in particular in relation to the resignation of directors or other responsible officers) for AIs in order to protect the interests of the public and other stakeholders;
- (e) whether the recovery plan mandates major shareholders of AIs to any commitments (e.g. prior agreement/undertaking on capital injection by shareholders) under severe stress;

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<sup>1</sup> AIs refer to licensed banks, restricted licence banks, and deposit-taking companies authorized under the Banking Ordinance (Cap. 155).

- (f) what technical comments have been given by the banking industry during consultation on HKMA's proposals for the implementation of the new Basel Committee on Banking Supervision exposure limits framework and recovery planning requirements; and what corresponding actions have been taken by HKMA; and
- (g) whether the recovery plan for AIs would include measures which would adversely affect the general public, such as call loan arrangements or reduction in the debts of AIs under severe stress.

Council Business Division 4  
Legislative Council Secretariat  
21 December 2017