



HONG KONG MONETARY AUTHORITY
香港金融管理局

Resolution Office

處置機制辦公室

Our Ref: B9/213/1C
B9/213/6C

22 July 2022

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Code of Practice Chapter LFIR-1 “Resolution Planning - Liquidity and Funding in Resolution” issued under the Financial Institutions (Resolution) Ordinance (Cap. 628) (“FIRO”)

I am writing to inform you that, following consultation with the industry, the Monetary Authority (“MA”) is issuing today LFIR-1 “Resolution Planning – Liquidity and Funding in Resolution”, a new chapter of the code of practice pursuant to section 196 of the FIRO.

The chapter sets out the MA’s expectations as to the capabilities and arrangements that an authorized institution (“AI”) should have in place, in business as usual, in order to address the potential impediment to orderly resolution that would arise if an AI were unable to assess its liquidity and funding needs and access funding in resolution. Comments received during the industry consultation have been addressed as appropriate.

Separately, the MA is issuing an updated version¹ of chapter RA-1 “Operational Independence of the Monetary Authority as Resolution Authority” to reflect certain changes in the reporting lines within the Resolution Office of the HKMA since its establishment. The Resolution Office remains operationally independent and continues to report directly to the MA as a resolution authority under the FIRO.

On-line access to the two chapters is available under the “Code of Practice” icon on the HKMA’s public website (<https://www.hkma.gov.hk/eng/>) and the Supervisory Communication Website (<https://www.stet.iclnet.hk>).

¹ Sections 1.3.1 and 1.3.2 have been updated.

Should you have any questions, please contact Mr Edmond Lam (echlam@hkma.gov.hk) of the Resolution Office.

Yours faithfully,

Elizabeth Coupe
Head (Resolution Office)

Encl

cc: The Chairperson, The Hong Kong Association of Banks
The Chairperson, The DTC Association
FSTB (Attn: Ms Almaz Leung)