

# Banking (Capital) (Amendment) Rules 2023 (Commencement) Notice 2024 gazetted

The Banking (Capital) (Amendment) Rules 2023 (Commencement) Notice 2024 (Commencement Notice) was gazetted today (October 10) to appoint January 1, 2025, as the commencement date for Parts 3 and 5 of the Banking (Capital) (Amendment) Rules 2023 (BCAR).

The BCAR was approved by negative vetting of the Legislative Council in February 2024. Its main purpose is to incorporate the Basel III final reform package promulgated by the Basel Committee on Banking Supervision (BCBS) into local legislation. Part 3 of the BCAR provides for amendments in relation to credit risk, the output floor, operational risk and sovereign concentration risk. Part 5 of the BCAR deals with amendments in relation to market risk and credit valuation adjustment (CVA) risk.

A Government spokesperson said, "The full implementation of Basel III standards will ensure the resilience of our banking system to financial shocks, and reinforce Hong Kong's status as an international financial centre."

A Hong Kong Monetary Authority (HKMA) spokesperson said, "The HKMA has given due consideration to the views of the banking industry in determining the local implementation timeline for the Basel III final reform package. Its full adoption will ensure that the regulatory framework in Hong Kong remains aligned with international standards agreed by the BCBS."

The Commencement Notice will be tabled before the Legislative Council next Wednesday (October 16) for negative vetting.