

Government to introduce resolution to adjust fees payable by banks and other financial institutions to Government prescribed in Second Schedule to Banking Ordinance

The Government served a notice to the Legislative Council (LegCo) today (May 22) to introduce a resolution under the Banking Ordinance to adjust various fees relating to banking licences, establishment of branches and local representative offices (LROs) and registration of approved money brokers (AMBs).

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "As announced in the 2024-25 Budget, the Government will review the different fees and charges in a timely manner. The Hong Kong Monetary Authority (HKMA) has recently completed a review on the fees prescribed in the Second Schedule to the Ordinance, and proposes to raise the related fees."

"In making the proposal, the HKMA has taken into consideration relevant factors, including the 'user pays' and cost recovery principles, general price inflation, and the operating cost of the financial institutions, etc. The impact on Hong Kong's competitiveness as an international financial centre has also been assessed and taken into account. As the total licence fees account for an insignificant portion of the total operating expenses of authorised institutions (AIs) and AMBs, we expect that the impact on the affected financial institutions will be minimal after the implementation of the proposal. The financial competitiveness of Hong Kong will also not be affected," Mr Hui added.

Under the Ordinance, AIs (including licensed banks, restricted licence banks and deposit-taking companies), LROs and AMBs are required to pay to the Director of Accounting Services the licence fees, the registration fees, the establishment fees of local and overseas branches or overseas representative offices, upon authorisation or approval by the Monetary Authority, and the relevant renewal fees upon the anniversary in each year of the date on which an AI was authorised (including the fees of the relevant local and overseas branches and overseas representative offices), or the LRO or AMB was approved. The levels of the fees are specified in the Second Schedule to the Ordinance.

Subject to the legislative process, the Government will move the resolution in LegCo on June 12.