



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B9/62/2C

25 October 2010

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Representation on Non-protection of Offshore Deposits

In the light of increasing popularity of Renminbi deposits that may be placed outside Hong Kong, I am writing to remind all authorized institutions that deposits taken by authorized institutions at any of their offices outside Hong Kong (“offshore deposits”), irrespective of their currency denomination, are not subject to any deposit guarantee or protection in Hong Kong.

In this connection, authorized institutions should ensure that before a customer places an offshore deposit through an authorized institution’s office in Hong Kong, a notice, in writing or by the means in which the deposit is made, should be given to the customer that the offshore deposit is not protected by the full deposit guarantee provided by the government or the deposit protection scheme in Hong Kong. Authorized institutions should also obtain the customer’s acknowledgement that he/she has received and understands the notice. The detailed requirements have been stipulated in the statutory guideline issued by the HKMA in December 2008. Similar requirements are also imposed by the set of representation rules issued under the Deposit Protection Scheme Ordinance.

If you have any questions, please feel free to contact Ms Eve Law at 2878-1197.

Yours faithfully,

Meena Datwani
Executive Director (Banking Conduct)