



HONG KONG MONETARY AUTHORITY  
香港金融管理局

F052

*Banking Policy Department*

Our Ref.:

5 November 2007

Corporate Communications Department  
Re: Consultation Paper on Periodic Financial Reporting  
Hong Kong Exchanges and Clearing Limited  
12<sup>th</sup> Floor  
One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

*(By Mail & By Fax: 2524 - 0149)*

Dear Sir,

**Consultation Paper on Periodic Financial Reporting**

Thank you for the opportunity to comment on the consultation paper issued in August 2007 on "Periodic Financial Reporting".

In general, we are supportive of the proposals as they would increase transparency and bring Hong Kong reporting standards in line with international practices. However, it should be noted that the implementation of the proposals, particularly the mandatory quarterly reporting, will lead to significant resource implications on banking companies in Hong Kong. This is mainly in view of the increased disclosure requirements on banks introduced by the Banking (Disclosure) Rules made by the Monetary Authority and the operation of the International Financial Reporting Standard 7: *Financial Instruments - Disclosures*, both effective from January 2007. Also, the proposals of shortening the reporting deadlines for half-year and annual reporting by main board issuers may pose significant challenges to concerned banking companies and their external auditors in ensuring the timeliness and quality of reporting.

I hope that the above comments are helpful. Should the Exchange require more information, please feel free to contact me or Theresa Kwan, Senior Manager at

Yours faithfully, \_\_\_\_\_

Rose Luk  
Head (Banking Policy Division)

c.c. Secretary, The Hong Kong Association of Banks

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