

HKMA CONTINUES ITS FOCUS ON CORPORATE GOVERNANCE WITH CIRCULAR TO HARMONISE SECTION 72B WITH "MANAGER IN CHARGE" REGIME

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Legal Briefings - By **Hannah Cassidy, Jeremy Birch and Gillian McKenzie**

Yesterday, the Hong Kong Monetary Authority (**HKMA**) introduced by way of a [circular](#) new measures to heighten management accountability at Registered Institutions (**RI**s) for conducting or supervising the conduct of businesses that constitute regulated activities (**RA**s). These measures are detailed in a set of [FAQs](#) accompanying the circular.

This clarification is not unexpected given questions raised around how the Securities and Futures Commission's (**SFC**) Manager in Charge (**MIC**) regime would be harmonised with the regime administered by the HKMA under section 72B of the *Banking Ordinance* (**BO**) (please see our briefing on the MIC regime [here](#)). However, the new guidance will require RIs to consider their existing governance frameworks and amend where appropriate to ensure full compliance with the HKMA's expectations.

TIMETABLE FOR IMPLEMENTING THE NEW CIRCULAR AND FAQs

- **16 March 2018** - RIs may commence submitting to the HKMA and the SFC relevant information on individuals who are principally responsible for businesses conducting RAs, together with an organisation chart depicting the RI's management and governance structure (**Required Information**).

16 April 2018 - Existing RIs are expected to submit the Required Information to the HKMA and the SFC on or before this date. Authorised institutions (**AIs**) applying for registration as an RI or for addition of RAs on or after this date should submit the Required Information to the HKMA in support of their applications.

Given the tight timeline, RIs should begin reviewing their organisational structure and identifying who is principally responsible for each business conducting RAs, and making any necessary changes to comply with this new guidance.

Please click [here](#) to read our full briefing.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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