HONG KONG MONETARY AUTHORITY
香港金融管理局

Resolution Office 處置機制辦公室

Our Ref: B9/213/8C-260724

24 July 2026

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Code of Practice chapters regarding valuation in resolution issued under the Financial Institutions (Resolution) Ordinance (Cap. 628) ("FIRO")

I am writing to inform you that, following consultation with the industry, today the Monetary Authority ("MA") is issuing VIR-1 "The HKMA's Approach to Valuation in Resolution" and VIR-2 "Valuation in Resolution Capabilities", two new chapters of the Code of Practice, pursuant to section 196 of the FIRO.

The chapter VIR-1 outlines the valuations required under the FIRO and sets out how the valuations are generally anticipated to be carried out, including the methodologies, process and output. The chapter VIR-2 provides guidance on the capabilities and arrangements an authorized institution should put in place to support timely and robust valuation in resolution, as well as the MA's approach to implementation. Comments received during the industry consultation have been incorporated as appropriate.

Separately, as part of a periodic review, the MA is issuing an updated version of RA-1 "Operational Independence of the Monetary Authority as Resolution Authority". The changes are housekeeping in nature, including updating outdated information, aligning the format with recent Code of Practice chapters, and fine-tuning the bilingual translation.

On-line access to these chapters is available on the HKMA's public website (https://brdr.hkma.gov.hk/eng/cop) and Supervisory Communication Website (https://brdr.stet.iclnet.hk/eng/cop).

Should you have any questions, please contact Mr Elton Lam (etmlam@hkma.gov.hk) or Mr Keith Lao (kcklao@hkma.gov.hk) of the Resolution Office.

Yours faithfully,

Arthur Yeung
Head (Resolution Office)

Encl.

cc: The Chairperson, The Hong Kong Association of Banks
The Chairperson, The DTC Association
FSTB (Attn: Mr Crystal Chiu)