Hong Kong Institute of
Certified Public Accountants
香港會計師公會

By email (resolution@fstb.gov.hk) and post

12 May 2015

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Resolution Regime Consultation
Financial Services Branch
Financial Services and the Treasury Bureau
24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Sirs,

An Effective Resolution Regime for Financial Institutions in Hong Kong – Second Consultation Paper

Thank you for inviting the views of the Hong Kong Institute of CPAs on the second consultation paper on an effective resolution regime for financial institutions ("FIs") in Hong Kong. The Institute's restructuring and Insolvency Faculty Executive Committee has considered the proposals and its views are contained in the attachment.

Should you have any questions on this submission, please feel free to contact me at the Institute on 22877084 or at <peter@hkicpa.org.hk>

Yours sincerely,

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Attachment

An Effective Resolution Regime for Financial Institutions in Hong Kong – Second Consultation Paper: Views of Hong Kong Institute of CPAs Restructuring and Insolvency Faculty Executive Committee

Question 1: Do you agree with the revised scope of the regime in respect of LCs as set out in paragraph 29?

This seems to be reasonable.

Question 2: Do you have any views on the factors that should be taken into account when assessing the local systemic importance of insurers?

Market share in relation to key segments of the insurance market is one factor that may need to be taken into account, as the ability of other insurers to absorb the additional demand might be in question were an insurer with a large share of the relevant segment to fail. One thinks of the impact of the collapse of HIH in Australia.

Question 3: With a view to ensuring that all FIs which could be critical or systemic on failure are within scope of the regime and recognising that the risks posed by any given types of FI may change over time, do you agree that providing the FS with a power to designate additional FIs as being within scope is appropriate?

Yes, but there needs to be a proper, transparent and orderly process for designating FIs not initially covered by the resolution regime as being within its scope, which should include sufficient advance notification to/ consultation with stakeholders.

Question 4: Do you agree that in cases where one or more FIs within scope of the regime are part of mixed activity groups, the presumption should be that resolution will be undertaken at the level of a locally incorporated financial services holding company (FSHC)? And that resolution at the level of a locally incorporated mixed activity holding company (MAHC) would be undertaken only in exceptional circumstances where orderly resolution cannot otherwise be achieved?

While we agree with the above proposal, we also note that there is no intention to require that all FIs within the scope of the regime to restructure into a locally-incorporated FSHC, except where the absence of a FSHC represents a material barrier to orderly resolution. In relation to the extension of the local resolution regime to branches of overseas FIs operating in Hong Kong, it is stated (paragraph 39) that the "primary objective of this approach is to facilitate orderly, coordinated cross-border resolution", although the resolution authority ("RA") will also be able to resolve a branch independently under certain circumstances. In this connection, we repeat a point made in our submission on the first consultation paper ("CP1"), that it should be made clear how it is to be determined and ensured that local creditors will not be disadvantaged, relative to foreign creditors, where a Hong Kong branch is a part a resolution process initiated by the home RA . As we indicated previously, this is important given that for historical policy reasons, Hong Kong has often favoured the establishment of branches of foreign FIs over locally-incorporated subsidiaries.

Question 5: Do you agree with the proposed definition of, and approach to, setting the regime's scope in respect of, affiliated operational entities ("AOEs")?

Given the purpose of potentially bringing AOEs into the regime, which is to ensure continuity, we would suggest that an AOE be defined as providing an essential service or services to an FI, not merely as providing a service or services.

Question 6: Do you have views on how AOEs might be more precisely defined, without restricting the resolution authority's ability to achieve orderly resolution of an affiliated FI?

Other than the principle that the AOEs should provide the services essential to support the FI's critical financial services, it may not be appropriate to set out an exhaustive list of services, as the situation may vary case-by-case. However, the services should include information technology, human resources, as well as legal and accounting services. It should also be recognised that some of these services may be being provided to a Hong Kong FI by an offshore entity. It seems to be increasingly common, for example, for banks to have some of their back office and IT services located outside Hong Kong (in the Mainland or elsewhere). How will this situation be addressed given that it may provide a barrier to orderly resolution?

Question 7: Do you agree that it would be appropriate to extend the scope of the proposed resolution regime to recognised exchange companies that are considered systemically important to the effective functioning of the Hong Kong financial market?

We agree.

Question 8: Do you agree with the factors to be taken into consideration in designation of systemically important recognised exchange companies set out above? Do you have suggestions as to what other factors should also be taken into consideration?

Generally, we agree but the catch all at paragraph 58 may be too open-ended as it would seem to give the SFC unfettered discretion to specify other factors.

Question 9: Do you have any views on whether it is necessary to introduce an additional resolution objective in respect of the protection of client assets considering the policy intention behind the drafting of resolution objective (ii) in paragraph 63?

It would need to be made clear how such an objective would sit together with the second objective, given that, as indicated in CP2 (paragraph 66), the second objective is already intended to require an RA to ensure outcomes in a resolution that are no worse than would have been the case in a liquidation for depositors, investors and policy holders protected by the Deposit Protection Scheme (DPS), the Investor Compensation Fund and other compensation/ insurance schemes, as well as having regard to other relevant protections in a liquidation. It is unclear whether an additional resolution objective on the protection of client assets would be intended to serve a different purpose to the above and the priority that would be given to it?

Questions 10-12: Do you agree that an LRA should be designated for each cross-sector financial group containing "in scope" FIs by the FS once the legislation establishing the regime has passed?

Do you agree that the designation of the LRA should be based upon the resolution authorities' assessment of the relative systemic importance of the individual "in scope" FIs within a cross-sector financial group and that the resolution authority of the FI assessed to pose the greatest systemic risk be designated as the LRA for that group?

Do you agree that the role of the LRA should be one of coordination and, when required, ultimate decision-maker?

We agree, in principle, with these proposals. However, in relation to question 11, provision needs to be made for determining the lead resolution authority ("LRA") in the situation where the individual RAs cannot agree which FI, within a cross-sector financial group, poses the greatest systemic risk. There should also be provision for reviewing the designation of an LRA over time, as the relative system risk attributable to different FIs within a group may change over time.

Question 13: Do you agree that the proposals for providing temporary DPS cover should reduce the incentives for transferred depositors to withdraw excess balances immediately on completion of a business transfer in resolution?

We agree. The arrangement will need to be communicated clearly to depositors so that they do not seek to withdraw the transferred deposits immediately from the acquiring bank. The impact of the proposed changes arising from the 2014 consultation on amending the DPS to a gross payment regime will also need to be taken into account, if the proposals are implemented.

Question 14: Do you have any views on the steps and processes, outlined in paragraphs 104 to 106, with a view to making the bail-in process operational?

More information should be provided on how the valuation process will be conducted. Is it envisaged, for example, that there will be a panel of pre-qualified valuers and how will the issue of their potential exposure to liability be dealt with? While the need for the option of a statutory bail-in process is understood in situations where there would otherwise be a risk of systemic financial failure, it may not be appropriate to state as part of the justification, in paragraph 102, that "[e]xposing shareholders and creditors to the cost of failure in this way should sharpen their incentives to curb excessive risk-taking in the normal course of business",. It is unlikely, in most cases, where a systemically important FI finds itself in financial difficulties, that this would be attributable to excessive risk taking by its shareholders and general body of creditors. It is also noted, from paragraph 108(vi), that it is proposed that liabilities that relate to commercial claims for goods and services critical to a relevant FI's daily functioning will be excluded from a bail-in. It should be made clear prior other the implementation of the resolution regime, which services will be regarded as critical. This is also relevant to questions 5 and 6.

Question 15 -17: Do you have views on the scope of the bail-in power within the resolution regime and specifically on (i) the list of liabilities identified in paragraph 108 which would always be excluded from bail-in and (ii) the grounds for excluding further liabilities from any bail-in on a case-by-case basis as identified in paragraph 110?

Do you have views on how the list of excluded liabilities in paragraph 108 should be expanded to ensure that the bail-in option is suitable for use with FIs other than banks, and specifically in relation to insurers, FMIs and NBNI FIs?

Do you have views on the proposed approach to bail-in of liabilities arising from derivatives as outlined in paragraph 111?

We broadly agree with the list of liabilities to be excluded, although the reasons for item (vii) being on the list, i.e., unsecured short-term inter-bank liabilities with an original maturity of less than 7 days (except those that are intra-group) is not entirely clear.

There needs to be as much certainty for all parties potentially affected by a resolution. Making decisions on a case-by-case basis is not conducive to achieving certainty and should be minimised as far as possible. It should be made clear at what point in the process affected parties will be informed whether or not particular liabilities are subject to a bail-in.

Regarding the point made in paragraph 113, while it is understood that the local RA may need to make efforts to recognise and/ or support resolution actions being taken by a foreign RA, which may include recognising the exercise of bail-in powers by a foreign RA, we would draw your attention to the response to question 4, above, and a similar question raised in our submission on CP1: How can it be ensured that the interests of local creditors will be adequately protected where a Hong Kong branch is a part of a resolution process initiated by a foreign RA? This is an important point, particularly given the number of branches of foreign FIs Hong Kong,

Question 18: Do you agree that an additional condition is required for TPO? Is the additional condition, proposed in paragraph 115, appropriate?

We agree.

Question 19: Do you agree with the scope, timing and conditions proposed for temporary stays on early termination rights in financial contracts?

We generally agree.

Question 20: Do you have views on whether a temporary stay on early termination rights should apply solely to financial contracts or whether broader provision should be made?

Consideration should be given to extending the stay to non-financial contracts.

Question 21: Do you have views on whether there are other issues which need to be considered in relation to staying early termination rights in resolution?

We have no particular views on this.

Question 22: Do you have views on how best to implement a temporary stay of early termination rights such that it is effective in supporting resolution of FMIs in particular?

We have no particular views on this.

Questions 23-24: Do you have views on the proposals for the temporary suspension of insurance policyholders' surrender rights, including the proposed duration of the suspension?

Do you have views on the proposals for a temporary stay on reinsurers of an insurer or of another reinsurer in resolution to terminate or not reinstate coverage relating to periods after the commencement of resolution?

We have no particular views on this.

Question 25: Do you agree with the proposals set out above to provide the resolution authority with powers to require an FI to make changes to improve its resolvability?

As acknowledged in CP2, these are potentially intrusive powers. We would agree, therefore, that the use of them by an RA should be subject to a consultation process with a relevant FI and that there should be a right of appeal against a decision by an RA to exercise these powers. It is not clear whether the consultation process is intended to be between the RA and the FI only, but it would seem, on the face of it, that shareholders of the FI should also be kept in the picture, even though a wider awareness that the process is taking place could have an impact on the public perception of the financial stability of the FI.

Question 26: Do you agree with the proposal that the resolution authority should be notified of an intention to petition for an in-scope FI's winding-up and be afforded a maximum 14 day notice period to determine whether or not to initiate resolution before that winding-up petition can be presented to the court?

While we appreciate that an RA should be notified in advance to assess whether a resolution should be initiated, we consider that 14 days is too long a period to deprive creditors of the right to petition. During this period, significant changes may take place, including substantial changes in the value of financial instruments. This could be highly pertinent in making a determination as to whether a creditor is worse off than in liquidation, if a resolution is initiated at the end of that 14-day period. We would propose, therefore, that the notice period be shortened to 48 hours. It should be noted that, in most cases, where a systemically important FI is in financial trouble, it is likely that the relevant regular will already be aware of the situation.

Question 27: Do you have views on which of the approaches outlined in paragraph 141 above might best deliver continuity of services from a residual FI and which are essential to secure continuity of the business transferred to an acquirer?

We would favour approach (a) where a person would be appointed to control and manage the residual FI under powers similar to a manager under section 52 of the Banking Ordinance. This would defer the need to wind up the residual FI immediately, and it would appear to be a practical approach where the residual FI involves more than one entity or jurisdiction. Deferment of the winding up could also minimise any licensing and/ or contractual issues that may arise from the continuing provision of essential services, particularly to the transferred business.

Under the United Kingdom's corporate administration procedure, an administrator may be appointed to manage and control the residual FI, where the administrator can provide support for a period of time to the commercial purchaser or bridge institution that has assumed parts of the business. This also allows the flexibility to revise or adjust the initial transfer arrangements. Currently, there is no similar statutory framework in Hong Kong and, in this regard, we would urge the government to expedite the introduction of the proposed corporate rescue framework, which could include provisions relevant to the resolution regime.

Under approach (b), establishing a service company to assume the assets and liabilities relevant to supporting the transferred business may be useful, to the extent that the service company could operate relatively detached from old debts (given all or part of the liabilities could remain in the residual FI). However, determining the point of entry for the transfer could be difficult where the residual FI involves many entities in different jurisdictions (single point for one entity, or multiple points for many entities). Moreover, post-transfer revisions and adjustments to the businesses acquired by the commercial purchaser or bridge institution would not be possible. It would also be difficult for the liquidators of the residual FI to conduct any investigation on the FI's past affairs, particularly where the FI's records, assets and liabilities have been transferred to the service company.

In relation to paragraphs 143, we consider that anti-avoidance provisions, similar to those available to a liquidator under the Companies (Winding Up and Miscellaneous Provisions) Ordinance ("CWUMPO"), may be desirable under a resolution regime, to enable certain transactions entered into in the run up to, and/ or following, commencement of a resolution, to be avoided or adjusted. In our response to CP1 we suggested that consideration be given to empowering an RA to investigate the causes of failure in respect of an FI covered by the resolution regime, given that criminal activities could have a significant impact on an FI and could impose barriers to the success of certain resolution options. We reiterate that point here. It may be desirable, for example, for an RA to have a power similar to section 221 of CWUMPO to investigate possible transactions that an RA considers should be avoided or adjusted.

Question 28: Do you agree that the regime should empower the resolution authority to impose a temporary moratorium on payments to unsecured creditors and to restrict the enforcement of security interests in line with proposals set out above? Do you have views as to the exclusions to which this power should be subject?

We agree with the above proposal, provided that the moratorium is limited in duration, e.g., two working days as proposed. At the same time, we would like to reiterate our support for the introduction of a framework for corporate rescue, which may assist in

such circumstances.

Question 29: Do you agree that the regime should empower the resolution authority to appoint a resolution manager in line with the proposals set out above?

We agree with the proposal and suggest that further consideration be given to the qualifications required of the resolution manager. We would suggest that the basic skills needed are similar to those required for managing a corporate rescue procedure, i.e., those of a "provisional supervisor" under the government's proposed framework for corporate rescue or "provisional supervision". Under that framework, members of relevant regulated professions in Hong Kong, namely CPAs and solicitors holding practising certificates, are among those eligible to take up appointments. On top of any basic criteria, knowledge of restructuring/ business recovery would be desirable and, in individual cases, specific industry knowledge and experience may also be called for. We would also refer you to the Institute's specialist qualification and designation in insolvency, which are well-regarded qualifications in the Hong Kong restructuring and insolvency market. We should be happy to provide more information, if required, and/ or to meet representative of the Financial Service and the Treasury Bureau to elaborate on our recommendations in relation to this or other aspects of the consultation.

Question 30: Do you agree that the regime should provide the resolution authority with the necessary powers to secure the continuity of essential services as set out in paragraph 156?

We agree with the proposal, but it should be made clear under what circumstances an AOE would be brought within the scope of the resolution regime and, alternatively, when an AOE would remain outside of the regime but may be required by an RA to continue to provide essential services to an FI undergoing resolution.

Question 31: Do you agree that resolution should result in the automatic removal of all the directors, the CEO and Deputy Chief Executive Officer ("DCEO") (where relevant) of an FI in resolution and that the resolution authority should have powers to remove other senior management at its discretion?

We do not think that the directors, CEO and DCEO of an FI should automatically be removed from office by process of law in the event of a resolution. It is envisaged that their roles will be taken over by someone appointed by the RA and it is likely that the new manager will require their assistance, at least in the short term. The relevant parties will be part of the "institutional memory" of the FI and, if they are automatically removed, it may be difficult for the manager to gain their assistance and support. It would be more appropriate for there to be a specific provision removing their powers of management. It is also quite possible that the need for resolution has not been brought about through the actions or inaction of the directors, CEO and DCEO, but may, instead, have been due to extraneous factors beyond their control, in which case, again, it may be preferable to retain their services during the process of resolution or part of it.

Question 32: Do you agree that the resolution authority should be able to apply to the court to seek remuneration claw-back from those parties identified in paragraph 165 whose actions or omissions have caused or materially contributed to an FI entering resolution?

We agree.

Question 33: Do you have views on whether remuneration claw-back should apply to both fixed and variable remuneration (both vested and unvested) or only to variable remuneration (both vested and unvested)?

Generally, we would suggest that claw-back should be limited to variable remuneration, except in cases of wilful misconduct, dishonesty, fraud, etc. Claw-back should also apply to termination payments.

Question 34: In light of the practices adopted in other jurisdictions, do you have views on how far back in time a remuneration claw-back power should reach?

It seems reasonable to consider a period between one to five years.

Question 35: Do you agree that the indicative criteria to assess the independence and expertise of an No creditor worse off than in liquidation (NCWOL) valuer, as set out in Box F, are appropriate and that a degree of judgment will be inherent in assessing whether these, or any other, factors are relevant in individual cases?

There should be some guidelines on conflicts, even though some judgment may ultimately have to be exercised.

Question 36: Do you agree that the resolution authority should appoint the NCWOL valuer, guided by the indicative criteria set out in Box F?

While we agree that the indicative criteria provide useful parameters, we suggest that it may also be beneficial to consider additional factors that would demonstrate knowledge and expertise in restructuring and insolvency. In this regard, the Institute's specialist qualification and designation in insolvency may also be relevant indicators.

We would suggest that consideration be given to setting up a panel of suitably qualified valuers in advance, so that appointments can be made expeditiously when required.

The proposed indicative criteria, particularly the fourth bullet point (i.e., sufficient technical and human resources to carry out the valuation) appear to suggest that an NCWOL valuer will not be an individual, but a firm or team of individuals. If so, the availability of a range of skills would be desirable, including knowledge of financial products and financial services, as well as skills in restructuring and insolvency. As regards the latter, we would suggest that a NCWOL valuer should be required to have on board one or more experienced insolvency practitioners. As indicated above, holders of the Institute's specialist designation in insolvency would be among the suitable candidates.

It would seem that it is not intended that appointments as NCWOL valuers should be personal appointments, but this also needs to be clarified.

Question 37: Do you agree with the proposed grounds for removal of a NCWOL valuer, as set out in paragraph 174? Do you agree that the proposed mechanism for seeking removal on those grounds is appropriate?

We agree with the most grounds for removal, although "bias" seems to be quite subjective and could be an invitation to disgruntled creditors and shareholders to seek the removal of a valuer in the hope of getting a more favourable valuation. If there were no conflicts of interest at the time of appointment or subsequently, on what grounds is it envisaged that bias might be established? (See also our response to question 42 below.)

It needs to be made clear when an RA would be in a position to remove a valuer, given that some issues may not arise until a valuer's report has been produced. Furthermore, an RA should be able to initiate removal on its own accord, if one or more of the grounds for removal apply.

Would joint appointments of two valuers be possible and, if so, what would be the impact on the appointment should one of the valuers be removed? This also relates to the question of whether or not it is envisaged that appointments would be personal appointments.

Question 38: Do you agree that the treatment of the outgoing valuer's work up to the point of removal is a matter for any incoming valuer, who should clearly explain that treatment in his/her final valuation?

We agree with the proposal. The issue of the respective valuers' liabilities, and indeed the liability of NCWOL valuers generally, also needs to be considered.

Question 39: Do you agree that the three overarching valuation principles identified in paragraphs 176 (i) to (iii) should be applied each time an NCWOL valuation is undertaken? Do you have views on other valuation principles that should underpin an NCWOL valuation?

While we agree with the overarching principles, a NCWOL valuation would be an exercise based on a hypothetical liquidation under a set of assumptions. The parameters for those assumptions may need to be agreed before the valuation work commences; i.e., there needs to be a more specific set of principles, otherwise the grounds for appeal would be too wide.

Question 40: Do you agree that the right to receive NCWOL compensation (if due) should be restricted to those creditors and shareholders who held liabilities of a failed FI as at the point resolution proceedings formally commenced and who suffer an economic loss as a direct result of the resolution authority's actions?

This needs to be considered carefully. The reference date for determining who should be regarded as creditor for the purposes of eligibility to receive NCWOL compensation and the reference date for valuing any compensation due should be aligned.

It is stated in the first high-level valuation principle (paragraph 176(i)) that "[a] key assumption underpinning a determination of whether any NCWOL compensation is due to affected creditors and shareholders of an FI in resolution is the date on which it should be assumed that a non-viable FI would have entered into liquidation (had it not been placed into resolution)", and that "this reference date should be that which marks the earliest point it could be assumed that the FI would otherwise have entered into liquidation (absent a resolution)". It is then suggested: "While this will be further considered, one option is that the date on, and the time at, which the resolution authority issues the public notice announcing the formal commencement of resolution proceedings would be used".

The above suggestion must be seen in the context of the proposal, at paragraph 138, that an RA must be notified of an intention to petition for an in-scope FI's winding-up and be allowed up to 14 days to determine whether or not to initiate a resolution (see question 26). Therefore, the commencement of a winding up could be deferred for two weeks pending a decision by an RA on whether to initiate a resolution procedure. Under the circumstances, it could be disadvantageous to creditors to use the time that the RA issues the public notice announcing the commencement of resolution proceedings as the reference date, because during that two-week period the value of creditors' debts may have changed significantly and quite possibly reduced. This is one reason why, in our response to question 26, we object to a 14-day notification period and instead propose a maximum period of 48 hours.

Question 41: Do you have views on how a mechanism might be provided for to expedite the payment of NCWOL compensation due where at least part of any valid NCWOL claims can reliably be identified?

We have no particular comments at this stage.

Question 42: Do you agree that the Resolution Compensation Tribunal (RCT) should be established under the regime to hear appeals of: (i) the shareholders and creditors of an FI in resolution, and/or (ii) the resolution authority against a NCWOL valuation?

We agree that a tribunal should be established to hear the above appeals. This proposal is another reason why it may not be necessary include bias as a ground for removal of an NCWOL valuer (see our response to question 37, above).

Question 43: Do you agree with the proposed composition of, and process for appointment to, the RCT?

With regard to the list of members, we suggest that, given that the expertise of a valuer would be necessary to understand the matter on appeal, a list of suitably qualified valuers should be readily available, so that they could be promptly appointed to a particular appeal. These valuers could be drawn from the list of NCWOL valuers (see questions 35 and 36), subject to any potential conflicts of interests.

Question 44: Do you have any views on the powers that should be available to the RCT in addition to those identified in paragraph 186?

The types of orders that the RCT is empowered to make should also be specified.

Question 45: Do you agree that applicants should have the right to appeal against a determination of the RCT on a point of law, as set out in paragraph 187?

We agree with the proposal.

Question 46: Do you have any further comments on the way in which it is proposed that the various types of protected financial arrangement would be safeguarded and remedies for inadvertent breaches executed?

We have no particular comments at this stage.

Question 47: How could a similar safeguard be provided for to support use of the bail-in option?

We have no particular comments at this stage.

Question 48: Do you have any views on the factors the authorities should take into account in developing effective protections from civil liability for: (i) the resolution authority and its staff and agents; and (ii) the directors, officers and employees of an FI in resolution in a cross-border context?

We agree that protections for civil liability should extend only to actions taken in good faith.

Question 49: Do you agree with the proposal to provide the relevant authorities the power to defer or exempt compliance with the following requirements, as discussed above: (i) the disclosure requirements under Part XIVA and Part XV of the SFO, the Listing Rules and the Takeovers Code; (ii) the shareholders' approval requirements under the Listing Rules; and (iii) the general offer obligation under the Takeovers Code?

We agree, subject to reasonable limits on such deferrals or exemptions, which are for a specific purpose and should no longer apply once the original grounds for seeking them no longer apply.

Question 50: Are the costs identified in Box G those that might, most commonly, be met through resolution funding arrangements established under the regime? Do you agree that these should be set out only in a non-exhaustive list to allow for the structuring of resolutions appropriate to individual FIs?

We agree.

Question 51: Do you agree that it would be appropriate to set overarching principles which would guide the resolution authority in setting levies to recover costs incurred in any individual resolution? Do you have views on what those principles should be?

We agree that overarching principles should be set, although we have no specific comments on what those should be at this stage.

Question 52: Do you agree that it would be appropriate to set specific "cross-border conditions" which must be met before the local resolution regime may be used to support foreign resolution measures?

We agree.

Question 53: Are the conditions identified in paragraph 239 above appropriate? Do you consider that in addition to being satisfied that foreign resolution measures are consistent with the objectives set for resolution locally, a further requirement should be set with regard to considering the fiscal implications?

We consider that considering the fiscal implications should be a factor, given that one of the three guiding resolution objectives is, all things being equal, to seek to contain the cost of resolution and so protect public funds.

Question 54: Do you have any views on how to accommodate the scenarios outlined in Box H?

We have no particular comments at this stage.

Hong Kong Institute of CPAs
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