

What's inside?

HKMA circular on handling of dormant accounts and unclaimed deposits	1
Enhanced guidance on sharing of personal data with third parties for direct marketing purposes	2
HKAB publishes guideline on banking services for persons with dementia	2
HKMA's reminder on the Credit Reference Platform	3

HKMA circular on handling of dormant accounts and unclaimed deposits

Simon Deane and Natalie Chan

A circular issued by the Hong Kong Monetary Authority (**HKMA**) on 18 November 2021 sets out his expectations on authorised institutions (**AIs**) as regards the handling of dormant accounts and unclaimed deposits of customers. AIs are expected to take a risk-based and proportionate approach in handling dormant accounts, taking into account factors such as the age of the account holder, the amount left unclaimed and the length of the dormancy.

Some notable suggested measures include the following:

- Educate the customers to avoid having inactive and dormant accounts and facilitate recovery of lost accounts with due diligence.
- Monitor the inactive and dormant accounts to ensure that there is no unauthorised transaction and update the relevant customers periodically.
- Authenticate the identity of the customers upon reactivation of the inactive and dormant accounts.
- Ascertain the status of the account holders of those unclaimed deposit accounts with the Immigration Department for possible deceased account holders and handle any unclaimed deposits according to the relevant law.

For more information, please see [here](#).

Enhanced guidance on sharing of personal data with third parties for direct marketing purposes

Simon Deane and Natalie Chan

The HKMA issued guidance to AIs in November 2021 to strengthen the protection of personal data of banking customers. When sharing customers' personal data collected through online channels (including mobile apps) with third parties for the purposes of direct marketing by the third parties, AIs should either (i) ask customers to approach the third parties directly so that the customers can provide their personal data and/or consent directly to the third parties; or (ii) redirect the customers from the AIs' websites / mobile apps to the websites / mobile apps of the third parties so as to provide their personal data and/or consent for direct marketing by such third parties directly.

For the avoidance of doubt, third parties include group companies of AIs.

Under the redirection approach, apart from complying with the relevant provisions of the Personal Data (Privacy) Ordinance and the data protection principles, AIs should also be mindful of the following:

- Provision of reminder message before the redirection is performed to alert customers to the fact that there will be a redirection and explain the purpose(s) of the redirection.
- Reminder messages should be clear and readily readable (e.g. with a reasonable font size and layout).
- AIs should not bundle the redirection and/or any transfer of personal data of customers to third parties in the process of bank account opening or provision of banking services.
- AIs should carefully assess what kinds of data the third parties require, and only share a minimum amount of customer personal data on a "need-to-know" basis.
- Explicit consent for sharing the customers' personal data to third parties should be obtained by the AIs before the redirection and additional consent is required for using the personal data for direct marketing purposes by the third parties.

To access a full version of the Guidance, please see [here](#).

HKAB publishes guideline on banking services for persons with dementia

Simon Deane and Sally Lau

The Hong Kong Association of Banks issued a guideline on banking services for persons with dementia (**Guideline**) in December 2021 with the aim of providing more accessible banking services to customers with dementia to meet their daily needs and to protect their banking assets.

The Guideline applies to all banks providing retail banking services and the contents are principle-based. Banks must formulate their own implementation details and implement the recommendations within twelve months.

Under the Guideline, an authorised person holding an enduring power of attorney that has come into effect, executed in Hong Kong in the form prescribed under the Enduring Powers of Attorney Ordinance and successfully registered with the High Court of Hong Kong may apply to open a dedicated Hong Kong Dollar personal savings account (**Basic Account**) on behalf of a person with dementia. The Guideline further provides guidance and recommendations in relation to the role and responsibilities of the authorised person, services provided to Basic Account holders, and customer protection measures for Basic Account holders.

In addition, it is recommended that banks actively promote the banking services available to persons with dementia and produce promotional materials with respect to the application procedures, account synopsis and other relevant information about Basic Accounts. Banks should also provide appropriate training to their staff to enhance their awareness and understanding of dementia and the relevant legislation, such as the Disability Discrimination Ordinance (Cap. 487).

To access a full version of the Guideline, please see [link](#).

Our Litigation & Dispute Resolution Department also published an article concerning the Guideline on 7 February 2022. For more information, please see [link](#).

HKMA's reminder on the Credit Reference Platform

Simon Deane and Sally Lau

On 17 December 2021, the Hong Kong Monetary Authority (**HKMA**) issued a circular to remind authorised institutions (**AIs**) of timely preparation for their participation in the Credit Reference Platform (**CRP**) which is scheduled for launch by the end of 2022.

The Hong Kong Association of Banks, the Hong Kong Association of Restricted Licence Banks and Deposit-Taking Companies and the Hong Kong S.A.R. Licensed Money Lenders Association Ltd. (collectively, **Industry Associations**) have been working together on the initiative of introducing more than one credit reference agency for consumer credit data in Hong Kong, in order to ensure a smooth launch of the CRP as scheduled. The HKMA's reminder was for AIs to take timely action to prepare for their participation in the CRP. In particular, AIs were reminded to follow the advice of the Industry Associations issued from time to time and work closely with Hong Kong Interbank Clearing Limited, the CRP Platform Operator, to achieve the key milestones in the coming months in the run-up to the target launch date of the CRP.

For more information, please see [link](#).

Want to know more?

Teresa Lau
Partner

teresa.lau@deacons.com
+852 2825 9701

Erica Wong
Partner

erica.wong@deacons.com
+852 2825 9418

Simon Deane
Consultant

simon.deane@deacons.com
+852 2825 9209

The information contained herein is for general guidance only and should not be relied upon as, or treated as a substitute for, specific advice. Deacons accepts no responsibility for any loss which may arise from reliance on any of the information contained in these materials. No representation or warranty, express or implied, is given as to the accuracy, validity, timeliness or completeness of any such information. All proprietary rights in relation to the contents herein are hereby fully reserved.

0322© Deacons 2022