

LCQ16: Opening of bank accounts by non-commercial organisations

Following is a question by Dr the Hon Chan Han-pan and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (June 18):

Question:

I have received a number of requests for assistance involving the opening of bank accounts by non-commercial organisations and, among them, some "three-nil buildings" are still unable to open bank accounts six to eight months after the formation of owners' corporations (OCs), rendering the OCs unable to raise funds for their operation. On the contrary, it takes only one to two months on average for commercial organisations to open accounts. There are views that the difficulties encountered by OCs in opening accounts have seriously affected the livelihood of the grass roots and run counter to the Government's objective of improving the community. In this connection, will the Government inform this Council:

(1) whether it knows the total number of complaints received by the Hong Kong Monetary Authority (HKMA) in the past three years about non-commercial organisations encountering difficulties (e.g. excessively long processing time) in opening bank accounts;

(2) whether it knows if HKMA has put in place measures to streamline the requirements for banks in vetting and approving applications from non-commercial organisations for opening accounts (in particular social service accounts such as those for OCs), so as to shorten the processing time;

(3) whether it will amend the Banking Ordinance (Cap. 155) or the licensing guidelines to expressly require banks to provide social service organisations with convenient procedures for opening accounts; and

(4) whether it knows if HKMA will set indicators to increase banks' incentive to process applications from organisations such as OCs for opening accounts, or impose penalties on banks against which complaints have been repeatedly lodged?

Reply:

President,

To safeguard the stability of the banking system and customer interests, banks are required to comply with the relevant laws and regulatory requirements when establishing business relationship with customers. Banks are required to conduct customer due diligence (CDD) on applicants seeking to open a bank account irrespective of whether they are commercial entities or

non-commercial entities (including Owners' Corporations (OCs)).

The Hong Kong Monetary Authority (HKMA) has been closely monitoring the situation regarding bank account opening of non-commercial entities in Hong Kong. In this connection, the HKMA reminds the banking sector from time to time that while implementing robust control measures, they should also avoid creating unreasonable barriers for legitimate businesses and entities (including OCs and other non-commercial entities) to access banking services. Banks should maintain proper communication with customers throughout the CDD process, properly handle customers' account opening applications through transparent, reasonable and efficient procedures, uphold the principle of treating customers fairly, and where appropriate flexibly and pragmatically handle account opening applications.

After consulting the HKMA, our reply to the four parts of the question is as follows:

The HKMA issued a circular to banks in April 2023 to provide further guidance on the CDD requirements with respect to account opening for commercial entities or non-commercial entities. The circular also sets out guidance on communication with customers, understanding of market developments and risk management, as well as shares past cases and good practices for the industry's reference, so as to assist banks in achieving effective outcomes and enhancing customer experience in account opening. The HKMA has also required banks to review their account opening procedures and CDD measures, and provide staff training.

In response to the HKMA's guidance, banks have introduced various facilitation measures in recent years to improve the account opening process for customers, covering OCs and other non-commercial entities. These measures include providing applicants with updates on the progress of their account opening applications, establishing review mechanisms and re-examining account opening applications upon customers' request. The HKMA has also set up a dedicated email and hotline to collect enquiries from the public and relevant stakeholders, which are handled and followed up by a dedicated team within the HKMA for account opening and maintenance (the dedicated team).

Regarding the account opening application process for OCs, as an OC is an independent body corporate set up under the Building Management Ordinance (Cap. 344), banks would adopt CDD measures applicable to a legal person. These include requiring applicants to provide relevant registration documents of the corporation, minutes or extracts of resolutions of the management committee meeting or general meeting of the OC regarding the approval for opening a bank account and appointment of authorised signatories, as well as the identification documents of the appointed authorised signatories. Banks may also request additional information or documents from the applicants having regard to the specific circumstances and their risk assessments. The turnaround time for account opening depends on the circumstances of individual cases, as well as whether the applicant has furnished the required information. As the HKMA understood from major banks, the account opening process could generally be completed in around two weeks upon receipt of the

required information and documents from applicants.

The HKMA has been maintaining close communication with the Home Affairs Department (HAD) and offering support to the OCs seeking assistance on bank account opening under the established communication and referral mechanism. In May 2025, the HKMA and the HAD held a meeting with representatives from the banking sector for a direct exchange on matters relating to bank account opening for OCs, including a discussion on the bank account opening situations following the establishment of OCs. The participating banks responded positively and have actively introduced facilitation measures to assist OCs, including publishing information in relation to bank account opening for OCs on banks' websites; providing hotlines and contact information for OCs to enquire about account opening related information with individual banks; assigning designated staff to handle enquiries and applications in relation to bank account opening for OCs; as well as offering multiple channels and appointment arrangements to facilitate account opening for OCs. To further enhance transparency and shorten the account opening turnaround time, the HKMA, the HAD and the banking sector are jointly compiling practical information related to bank account opening, so as to assist OCs to better understand the account opening requirements and make advance preparation for the necessary documentations, with a view to enhancing customer experience.

The numbers of complaints and requests for assistance received by the HKMA and the aforementioned dedicated team over the past three years regarding banks' handling of account opening applications by non-commercial entities are tabulated as follows:

	2022	2023	2024	2025 (as of end-May)
Complaint received by the HKMA	None	1 case (Note 1)	None	1 case (Note 2)
Request for assistance received by the dedicated team	2 cases (Note 3)	2 cases (Note 4)	None	None

Note 1: The bank concerned properly handled the complaint, and the complainant did not seek further assistance from the HKMA after communicating with the bank.

Note 2: The bank is following up on the case as requested by the HKMA.

Note 3: Two cases concerning OCs have been resolved.

Note 4: These involved one case concerning an OC and one case concerning other non-commercial entity, both of which have been resolved.

Apart from the above cases, the HKMA also received cases referred by the HAD and district organisations from time to time, mainly concerning the bank

account opening procedures and requirements for newly formed OCs. In this connection, the HKMA has provided appropriate assistance to these newly formed OCs, and these OCs have subsequently started to proceed with their bank account opening applications. The HKMA noted that for some of these cases, bank accounts were successfully opened within about two weeks on average after the OCs provided the required information to banks. In certain cases, bank accounts were opened within one week.

The HKMA and the banking sector have implemented a series of measures to facilitate bank account opening for various businesses and entities, while ensuring compliance with relevant laws and regulatory requirements. We consider that there is currently no need to introduce legislative amendments or set fixed targets regarding account opening matters. The HKMA will continue to maintain close communication and collaboration with the banking sector and relevant stakeholders on bank account opening matters, with a view to streamlining the related account opening processes and enhancing customer experience.