

2 September 2014

Mr Pat Brennan  
General Manager  
Policy Development  
Policy, Statistics and International  
Australian Prudential Regulation Authority  
GPO BOX 9836  
Sydney NSW 2001

Cc: Mr Clive Leeds  
Diversified Institutions Division  
APRA

Dear Mr Brennan,

Re: Proposed amendments to Liquidity standard and reporting instructions

With reference to APRA's letter of 1 September 2014 regarding the captioned subject, China Construction Bank Sydney Branch ("CCBS") applauds and welcomes APRA's proposal.

In CCBS's Committed Liquidity Facility application dated 23 May 2014 sent to Ms Christina Lee of APRA, we requested the use of USD Government bonds as HQLA1 because the majority of our branch's Assets and Cash flows are denominated in non-AUD.

Currently, CCBS is creating AUD HQLA1 assets using non-AUD funds to meet APRA's Liquidity requirements. This has resulted in an unwanted currency liquidity mismatch risk. The concessions given by APRA in the proposed amendments will eliminate this risk.

The reduction of survival period from 30 to 15 calendar days and the allowance of the use of MLH securities 3(c), 3(d), 3(e) and 3(g) will provide foreign ADIs, such as CCBS, a better "playing field" to compete against the local ADIs.

Yours sincerely,



Leslie Leong  
Chief Risk Officer  
China Construction Bank Sydney Branch