



HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

19 Jan 2001

Supervisory Policy Manual ("the Manual")

Our Ref: B1/21C
B1/15C

19 January 2001

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Supervisory Policy Manual ("the Manual")

I write to inform you about the roll-out of the Manual and the issue of the first batch of modules.

Following consultation with the banking industry, the Monetary Authority issued by notice in the Gazette today the first three credit modules of the Manual as statutory guidelines under section 7(3) of the Banking Ordinance. These modules, which cover "General Principles of Credit Risk Management", "Credit Approval, Review and Records" and "Credit Administration, Measurement and Monitoring", provide a set of basic but important credit management guidelines for authorised institutions to follow. In finalising the guidelines, we have taken into account comments received from the industry Associations and made various changes to address their comments.

The above guidelines will take immediate effect. The HKMA expects all authorised institutions to review their current practices and make every effort to adopt the minimum standards stipulated in the guidelines. The HKMA will monitor institutions' compliance with the guidelines through regular off-site reviews and on-site examinations.

The Manual is now available for on-line access in the HKMA's public (<http://www.hkma.gov.hk>) and private (<http://www.hkfin.net>) web-sites. It contains a table of contents, the modules on "Introduction" and "Glossary" as well as those modules that have been formally issued or are currently under industry consultation. As such, you will be able to access the three finalised credit modules and six other draft credit modules that are currently under consultation through the above web-sides. Our intention is to roll out the Manual in stages, as batches of modules are finalised. If you wish to check the HKMA's guidelines in areas not covered in the finalised modules, please refer to the webpage containing all existing circulars and guidelines issued by the HKMA.

Should you have any questions relating to the Manual or the individual modules, please feel free to contact Ms Rita Yeung on 2878-1388 or Mr Angus Chan on 2878-1287.

Yours faithfully,

D T R Carse
Deputy Chief Executive

c.c. Chairman, Hong Kong Association of Banks
 Chairman, The Deposit-taking Companies Association

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