HONG KONG MONETARY AUTHORITY
香港金融管理局

Our ref: B1/21C
B1/15C
B9/124C

6 July 2017

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Supervisory Policy Manual module RE-1 "Recovery Planning" – further guidance for overseas-incorporated AIs with branch operations in Hong Kong and smaller locally-incorporated AIs

I am writing to inform you of the third "wave" of implementation of the Supervisory Policy Manual module RE-1 "Recovery Planning" (SPM RE-1)[1] and provide further guidance to authorized institutions (AIs) covered in this wave.

As provided in SPM RE-1, all AIs are expected to develop and maintain a recovery plan commensurate with the nature, scale, significance and complexity of their operations. To date the majority of locally incorporated licensed banks have prepared recovery plans and submitted their plans to the Hong Kong Monetary Authority (HKMA) via two separate "waves". The third "wave" of implementation of SPM RE-1 will cover overseas-incorporated AIs with branch operations in Hong Kong (branches) and smaller, less complex locally-incorporated AIs (smaller AIs). AIs in this latest wave will be individually notified of the timeline for submitting recovery plans and related information to the relevant Banking Supervision Department case teams.

To facilitate the development of recovery plans, a set of further guidance is provided at Annex. This further guidance should be read in conjunction with SPM RE-1.

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[1] http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/supervisory-policy-manual/RE-1.pdf

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Should you have any questions regarding this circular and the guidance, please do not hesitate to contact Ms Echo Chan at ewhchan@hkma.gov.hk and Mr Leo Lai at lchlai@hkma.gov.hk.

Yours sincerely,

Daryl Ho
Executive Director (Banking Policy)

Encl

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