HONG KONG MONETARY AUTHORITY
香 港 金 融 管 理 局

Banking Policy Department

Our Ref: B1/15C
B1/21C
B9/156C

24 January 2025

The Chief Executive
All Locally Incorporated Authorized Institutions

Dear Sir/Madam,

Revised Supervisory Policy Manual (SPM) Module CA-G-5 on "Supervisory Review Process"

I am writing to inform you that, following consultation with the two industry Associations, the Monetary Authority is issuing by notice in the Gazette today a revised version of the SPM module CA-G-5 "Supervisory Review Process" as a statutory guideline under section 7(3) of the Banking Ordinance.

The changes in the revised module are primarily to align the module with the Basel III final reform package as incorporated in the Banking (Capital) (Amendment) Rules 2023. The rest are to reflect the latest policy requirements (e.g. regarding climate-related financial risks) as well as to clarify the policy intent of certain provisions.

The revised module will generally take effect on its date of issuance. The exception is for those provisions in it that make reference to climate-related financial risks, whose effective date will be deferred to a date no earlier than 1 January 2026 (to be announced at a later stage) in order to allow the industry more time to prepare for compliance.

On-line access to the revised module is available at the HKMA's public website[1]

[1] https://www.hkma.gov.hk/eng/regulatory-resources/regulatory-guides/supervisory-policy-manual/

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and the Supervisory Communication Website[2].

Should you have any questions regarding the above, please contact Mr Andy Cheung at 2878 1022 or Ms Christine Wu at 2878 1996.

Yours faithfully,

Donald Chen
Executive Director (Banking Policy)

Encl

cc: The Chairperson, The Hong Kong Association of Banks
The Chairperson, The DTC Association
FSTB (Attn: Mr Timothy Wong)

[2] http://www.stet.iclnet.hk