



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B1/21C

11 April 2025

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Revised Supervisory Policy Manual (SPM) Module CR-G-7 on “Collateral and Guarantees”

I am writing to inform you that, following consultation with the two industry Associations, the Monetary Authority is issuing today a revised version of the SPM module CR-G-7 “Collateral and Guarantees”.

The revisions to the SPM module primarily aim to—

- (a) address the increasing complexity of authorized institutions’ credit activities;
- (b) reflect the property valuation requirements in respect of real estate exposures set out in [paragraph 20.75\(2\) of CRE20](#) under the Basel III final reform package; and
- (c) ensure consistency with the related guidance set out in “[FSB principles for sound residential mortgage underwriting practices](#)” issued by the Financial Stability Board in April 2012.

The guidance set out in the revised SPM module will apply to all authorized institutions on a proportionate basis, having regard to the nature, scale, complexity, and credit risk profile of their credit activities and credit risk mitigants. Authorized institutions are expected to review whether their risk management systems are consistent with the guidance set out in the revised SPM module that is

applicable to them and complete any necessary changes within two years from the date of issuance of the revised SPM module.

On-line access to the revised SPM module is available at the HKMA's Banking Regulatory Document Repository accessible through the public website¹ or the Supervisory Communication Website².

Should you have any questions regarding the above, please feel free to contact us at credit_risk_sa@hkma.gov.hk.

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)

¹ <https://brdr.hkma.gov.hk/eng/spm>

² <https://brdr.stet.iclnet.hk/eng/spm>