HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B9/75C
S4/3C

21 July 2025

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Chapter IV of Supplementary Guidance on the Revised Credit Risk Framework

I am writing to inform you that, following consultation with the two industry Associations, the HKMA is issuing today a revised version of Chapter IV - IRB approach of the "Supplementary Guidance on the Revised Credit Risk Framework".

The revised guidance primarily aims to reflect the updates to the Supervisory Policy Manual module CA-G-4 on "Validating Risk Rating Systems under the IRB Approach" gazetted on 18 July. Changes are also incorporated to clarify requirements and supervisory expectations, as well as to better align with the Basel Framework.

Online access to the revised guidance is available at the HKMA's Banking Regulatory Document Repository accessible through the public website[1] or the Supervisory Communication Website[2].

Should you have any questions regarding the above, please contact Mr Raymond Tsui at 2878 1623 or Mr Michael Fung at 2878 1139.

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/fltr-rslt/doc-type/CIR

[2] https://brdr.stet.iclnet.hk/eng/fltr-rslt/doc-type/CIR

55th Floor, Two International Finance Centre,
8 Finance Street, Central, Hong Kong
Website: www.hkma.gov.hk

香港中環金融街8號國際金融中心2期55樓
網址：www.hkma.gov.hk