



HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

29 Jun 2001

Supervisory Policy Manual ("SPM")

Our Ref.: B1/21C
B1/15C

29 June 2001

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Supervisory Policy Manual ("SPM")

I am pleased to inform you that, following consultation with the industry, the Monetary Authority is issuing six credit modules of the SPM today.

Five of the modules are being issued as statutory guidelines: "[CR-G-6 Interest Recognition](#)", "[CR-G-7 Collateral and Guarantees](#)", "[CR-G-9 Connected Lending](#)" and "[CR-G-10 Problem Credit Management](#)" under section 7(3) of the Banking Ordinance; and "[CR-G-12 Credit Derivatives](#)" under section 16(10) of the Ordinance. The sixth, "[CR-S-2 Syndicated Lending](#)", is being issued as a guidance note.

We are grateful for the input provided on these modules by the two industry associations, the Banking Advisory and Deposit Taking Companies Advisory Committees, individual authorized institutions, and (on the syndicated lending module) the Asia Pacific Loan Market Association.

The modules will take immediate effect. The HKMA expects authorized institutions to review their current practices and make every effort to comply with the minimum standards applicable to them as stipulated in the modules. Where appropriate (in accordance with their size, complexity and scope of activities) institutions should also take steps to achieve the best practices recommended in the modules. The HKMA will monitor institutions' compliance with the modules through regular off-site reviews and on-site examinations.

On-line access to the above modules is available under the icon of "Supervisory Policy Manual" in the HKMA's [public](#) and private (<http://www.hkfin.net>) web-sites.

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

Yours faithfully,

Simon Topping
Executive Director (Banking Policy)

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

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