HONG KONG MONETARY AUTHORITY
香港金融管理局
Banking Policy Department

Our Ref: B1/15C
B9/197C
B1/21C

22 September 2026

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

New Supervisory Policy Manual (SPM) Module GS-2 on "Transition Planning"

I am writing to inform you that, following two rounds of industry consultation, the Hong Kong Monetary Authority ("HKMA") is issuing today a new SPM module GS-2 on "Transition Planning" (**Annex 1**) as a guidance note.

Following the issuance of SPM module GS-1 on "Climate Risk Management" in 2021, there have been developments in climate risk management, particularly in transition planning. As such, the HKMA considers it timely to set out the related considerations and provide guidance to AIs on enhancing their resilience and managing the risks and opportunities associated with the net-zero transition in a new SPM module. The new SPM module, GS-2, also supports the vision of "Banking for net zero" set out in the Sustainable Finance Action Agenda launched by the HKMA in 2024. [1]

Consistent with GS-1, GS-2 applies to all AIs and is risk-focused. While certain concepts and elements in GS-2 have already been included in GS-1, GS-2 elaborates on and supplements GS-1. AIs should therefore read this module in conjunction with GS-1 and any applicable modules when implementing GS-2.

The primary objective of GS-2 is for AIs to establish a robust and proportionate transition planning process. The HKMA will adopt a proportionate and pragmatic approach when assessing AIs' implementation, considering the size,

[1] HKMA, *Sustainable Finance Action Agenda*, October 2024.

nature and complexity of each AI's operations, the materiality of climate-related risks the AI is exposed to, and the practical challenges that AIs face in transition planning.

AIs should take an iterative approach to implementing the requirements set out in GS-2. To facilitate and guide their transition planning, AIs should have transition planning documentation in place by 1 July 2030. After 24-month of the issuance of GS-2, AIs should be prepared to demonstrate their progress in implementing GS-2 and demonstrate their readiness to have their transition planning documentation in place by 1 July 2030. To assist AIs' preparation of transition planning documentation, the HKMA will provide, for informational and reference purposes only, examples of information at a future date that AIs may consider including in their transition planning documentation.

The new module is available at the HKMA's public website (https://brdr.hkma.gov.hk/eng/spm) and the Supervisory Communication Website (https://brdr.stet.iclnet.hk/eng/spm).

Should you have any questions regarding the new module, please contact Ms Karen Li (kkwli@hkma.gov.hk) or Mr Warwick Yuen (wchyuen@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)