



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Our ref.: B4/1C  
S4/16C  
B1/21C

2 June 2016

*By email and by hand*

Ms May Tan  
Chairperson  
The Hong Kong Association of Banks  
Room 525, 5/F Prince's Building  
Central  
Hong Kong

Dear Ms Tan,

**Supervisory Policy Manual (SPM): Consultation on revised module LM-1 on  
"Regulatory Framework for Supervision of Liquidity Risk"**

Thank you for the Association's response to our letter of 16 March 2016 and its comments on the draft revision of SPM module LM-1. Taking into account the comments received from the industry, we have further revised the module as attached at Annex 1. Our specific responses to the Association's comments are provided in Annex 2.

We will now proceed to finalise the revised module. If the Association, or its members, have any further comment on the enclosed updated version, please let us know by 17 June 2016.

Yours sincerely,

Karen Kemp  
Executive Director (Banking Policy)

Encl.

c.c. FSTB (Attn: Mr Jackie Liu)