



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B1/21C
S4/16C

28 August 2020

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Supervisory Policy Manual (SPM): LM-1 “Regulatory Framework for Supervision of Liquidity Risk”

I am writing to inform you that, following consultation with the two industry Associations, the Monetary Authority issues by notice in the Gazette today a revised version of the SPM module LM-1 “Regulatory Framework for Supervision of Liquidity Risk” (as attached) as a statutory guideline under section 7(3) of the Banking Ordinance.

The revised SPM module has incorporated the HKMA’s regulatory requirements consequential to the commencement of the Banking (Liquidity) (Amendment) Rules 2019, and reflected the latest development in the Basel III liquidity standards.

On-line access to the SPM module is available under the icon for “Supervisory Policy Manual” on the HKMA’s public (<https://www.hkma.gov.hk/eng/>) and private (<https://www.stet.iclnet.hk>) websites.

Should you have any questions relating to this SPM module, please contact Eve Law on 2878-1197 or Eric Ng on 2878-8603.

Yours faithfully,

Daryl Ho
Executive Director (Banking Policy)

Encl

cc: The Chairperson, The Hong Kong Association of Banks
The Chairperson, The DTC Association
FSTB (Attn: Ms Eureka Cheung)