



HONG KONG MONETARY AUTHORITY
香港金融管理局

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

23 December 2022

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Supervisory Policy Manual (SPM): Revised Module SA-1 on “Risk-based Supervisory Approach”

I am writing to inform you that, following consultation with the industry, the Monetary Authority issued today a revised version of the SPM module SA-1 on “*Risk-based Supervisory Approach*”.

As set out in its circular of 30 June 2022, the Hong Kong Monetary Authority (HKMA) has developed a two-year plan to embed climate risk considerations more fully into its banking supervisory processes. The revisions made to SA-1 illustrate the HKMA’s approach to the supervision of emerging risks such as climate risk under its risk-based supervisory approach. They also seek to align the processes described in SA-1 with the HKMA’s current supervisory practices.

With regard to climate risk management, authorized institutions (AIs) are encouraged to continue to build up their climate risk management capabilities by implementing measures to comply with the supervisory expectations in SPM module GS-1 on “*Climate Risk Management*”.

Should your institution have any questions about this revised SPM, please contact Ms Doris Poon on 2878 1367 or Mr Wells Ho on 2878 1590.

Yours faithfully,

Raymond Chan
Executive Director (Banking Supervision)

Encl

cc: The Chairperson, The Hong Kong Association of Banks
The Chairperson, The DTC Association
FSTB (Attn: Mr Justin To)