



HONG KONG MONETARY AUTHORITY  
香港金融管理局

***Banking Policy Department***

Our Ref: B1/15C

B1/21C

B9/128C

1 March 2024

The Chief Executive

All Authorized Institutions

Dear Sir/Madam,

**Revised SPM CA-B-1 “Countercyclical Capital Buffer (CCyB) – Approach to its Implementation”**

I am writing to inform you that, following consultations with the two industry Associations, the Monetary Authority issues today a revised version of the Supervisory Policy Manual (“SPM”) module CA-B-1 “*Countercyclical Capital Buffer (CCyB) – Approach to its Implementation*”.

As mentioned in our circular of 8 February 2024, the negative vetting of the Banking (Capital) (Amendment) Rules 2023 (“BCAR”) was completed. The provisions for introducing the option of a Positive Neutral CCyB will take effect on 1 April 2024. The SPM module CA-B-1 has correspondingly been updated, mainly to (i) introduce a Positive Neutral CCyB for Hong Kong; (ii) revise the calculation formula of the Composite CCyB Guide; and (iii) replace the Indicative CCyB Ceiling by some guiding principles for a CCyB release.

In order to align the revised SPM module’s effective date with the one of the BCAR, it has been dated 1 April 2024. It can be accessed online on the HKMA’s public website (<https://www.hkma.gov.hk/eng/regulatory-resources/regulatory-guides/supervisory-policy-manual/>) and the Supervisory Communication Website (<https://www.stet.iclnet.hk>).

Should you have any questions relating to this revised SPM module, please contact Mr Jule Chong (2878-1611) or Mr Leo Lai (2878-1580).

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 Justin To)