



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B9/130C
B9/167C
B9/188C

26 September 2024

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Large exposures: revised SPM modules and banking returns

I am writing to inform you that, following previous industry consultations,¹ we have finalised the revisions to the following Supervisory Policy Manual (“SPM”) modules and banking returns with their respective Completion Instructions (“CIs”) as enclosed:

- (a) SPM module CR-L-1 “Consolidated Supervision of Concentration Risks: BELR Rule 6”;
- (b) SPM module CR-L-4 “Underwriting of Securities: BELR”;
- (c) SPM module CR-G-8 “Large Exposures and Risk Concentrations”;
- (d) SPM module CR-G-9 “Exposures to Connected Parties”;
- (e) Return of Certificate of Compliance (MA(BS)1F(a) and MA(BS)1F(b)²); and
- (f) Return of Large Exposures (MA(BS)28).

The revisions are mainly for implementing the Banking (Exposure Limits) (Amendment) Rules 2023 (“BELAR”) that are intended to come into effect on 1 January 2025. Other than a few textual and formatting touch-ups, the new revisions made after the consultative versions mainly serve to:³

- (a) give effect to the HKMA’s responses to industry comments (e.g. to retain the descriptions of the internal aggregate intragroup exposure limit in SPM module

¹ For consultations on revisions to the banking returns and SPM modules, please see the HKMA’s letters to the industry Associations dated 12 September 2023 and 17 May 2024, respectively.

² For MA(BS)1F(b), only the revised template is attached given that its revised CIs as attached in Annex 4b to the HKMA’s letter of 12 September 2023 have remained unchanged.

³ For ease of reference, the new revisions are shaded in green without showing deletions or certain formatting changes.

CR-G-8 instead of relocating them to CR-G-9 as originally proposed; and to amend a disclosure-related item in the templates of MA(BS)1F(a) and MA(BS)1F(b)); and

- (b) update relevant existing cross-references in the CIs of MA(BS)28 for alignment with the finalised BELAR and the revised SPM modules CR-G-8 and CR-G-9.

The STET software for the two banking returns will be available for downloading from the HKMA's supervisory communication website (<http://www.stet.iclnet.hk>) in early January 2025. Reporting institutions should submit the revised banking returns based on the associated CIs to the HKMA, via the STET system, starting from the reporting position as of 31 March 2025.

Should you have any questions regarding the technical aspect of the return templates or STET submission, please feel free to contact our STET helpdesk at 2878-1800. For any other enquiries, please email the Banking Policy team at bpa3@hkma.iclnet.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 Justin To)