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Green and Sustainable Finance Cross-Agency Steering Group reaffirms commitment to develop Hong Kong as a green finance hub

The 2021 United Nations Climate Change Conference (COP26) has drawn the world's attention to the pressing need for immediate action to combat climate change. The Green and Sustainable Finance Cross-Agency Steering Group¹ supports the [COP26 goals](#) and on this occasion reaffirms its commitment to strengthening Hong Kong's financial ecosystem for a greener and more sustainable future and reiterates its support for Hong Kong's Climate Action Plan 2050² of the Government.

In particular, the Steering Group welcomes:

- **The publication by the IFRS Foundation of the prototype for the climate disclosure standard³.** A comprehensive global baseline for climate disclosure standards can provide market participants with clear regulatory expectations and improve the transparency, comparability and reliability of corporate disclosures. As the financial risks associated with climate change are more widely recognised and environmental, social and governance (ESG) investing becomes more common, a global baseline for corporate disclosures will also help investors align their investment strategies with the transition to carbon neutrality. The Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited (HKEX) will maintain their close collaboration with stakeholders including the Financial Reporting Council and the Hong Kong Institute of Certified Public Accountants with a view to evaluating and potentially developing a roadmap to adopt this standard.
- **The publication of Common Ground Taxonomy (CGT) report by the International Platform on Sustainable Finance (IPSF)⁴.** The Steering Group recognises the CGT as a key driver of convergence that facilitates the scaling up of international green finance flows and will continue its work with the aim of making use of the CGT.
- **The global advances in building a worldwide carbon market including voluntary carbon market.** The Steering Group recognises the associated

opportunities for the Guangdong-Hong Kong-Macao Greater Bay Area and will continue efforts, under its Carbon Market Work Stream, in capitalising on Hong Kong's unique position in driving global capital flows with a view to developing Hong Kong into a regional carbon trading centre.

The Steering Group will continue to monitor international developments in green and sustainable finance and support international initiatives, contributing to efforts to promote climate-related disclosures and climate-focused scenario analysis through active participation in various international fora, such as the International Organization of Securities Commissions Sustainable Finance Task Force, the Central Banks and Supervisors Network for Greening the Financial System and the IPSF.

Eddie Yue, Co-Chair of the Steering Group, Chief Executive, Hong Kong Monetary Authority(HKMA) said:

“COP26 once again highlighted the critical role that finance plays in accelerating and supporting the transition to net zero. The Steering Group will continue to focus on the key enablers to scaling up sustainable finance, including consistent and comparable disclosure, harmonised standards, talent and data, as well as explore the opportunities, such as in the carbon markets.”

Ashley Alder, Co-Chair of the Steering Group, Chief Executive Officer, SFC said:

“Hong Kong’s pivotal role in connecting vast amounts of global capital with the Mainland market, together with its adoption of a climate reporting standard, will help significantly advance green and sustainable finance development regionally and globally. We will continue working closely with our fellow regulators, the Government and the industry to ensure that Hong Kong continues to develop as a leading international sustainable finance hub.”

The Steering Group will discuss further steps to advance Hong Kong’s green and sustainable finance agenda in its next meeting in December 2021.

Notes:

1. Established in May 2020, the Steering Group is co-chaired by the HKMA and the SFC. Members include the Environment Bureau, Financial Services and the Treasury Bureau, HKEX, the Insurance Authority and the Mandatory Provident Fund Schemes Authority.
2. [Hong Kong's Climate Action Plan 2050](#), announced by the Government on 8 October 2021, outlines strategies and targets for combating climate change and achieving carbon neutrality. See the Steering Group's 11 October 2021 press release, "[Green and Sustainable Finance Cross-Agency Steering Group supports Hong Kong's Climate Action Plan 2050](#)".
3. The [prototype](#) was published on 3 November 2021.
4. The [report](#) was published on 4 November 2021.