

07 Aug 2023

Cross-Agency Steering Group announces priorities to further strengthen Hong Kong's sustainable finance ecosystem

The Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) today (7 August) announced its key priorities to further promote and consolidate Hong Kong's role as a leading sustainable finance hub. These priorities are:

- 1. Establish world-class regulation through alignment with global standards.** We aim at developing a comprehensive Hong Kong roadmap on adopting the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards ([Note 1](#)) as appropriate, taking into account Hong Kong's position on the global green finance map, local regulatory expectations and circumstances. We will set up a working group with the participation of relevant authorities and stakeholders to look into the elements to be covered by this roadmap and make recommendations to the Steering Group.
- 2. Boost Hong Kong's vibrancy and competitiveness through capacity building, data enhancement and technology innovation of the finance ecosystem to support net-zero transition across the economy.** Workshops will be arranged to support non-listed companies and small and medium-sized enterprises (SMEs) in their sustainability planning and reporting, as well as their broader usage of available data sources and tools. We will also develop a data portal to increase the availability and accessibility of climate-related data collected through the Climate and Environmental Risk Questionnaire for Non-listed companies/small and medium-sized enterprises (SME Questionnaire) ([Note 2](#)). In addition, we will explore opportunities for public-private partnerships to promote the development of technology-driven solutions, and engage with relevant stakeholders to develop a Hong Kong green fintech map to raise the profile of firms in this sector.
- 3. Grow dynamic, trusted markets with diverse products to mobilise capital at larger scale to support the net-zero transition.** Relevant agencies in the Steering Group have been integrating transition considerations into their broader policy work to support sustainable finance development. A dedicated workstream will explore ways to further

support financial institutions and corporates in their transition planning and reporting. Meanwhile, we are extending our efforts to build Hong Kong into an international carbon market to connect opportunities across the Mainland, Asia and the rest of the world.

Mr Eddie Yue, Co-Chair of the Steering Group and Chief Executive of Hong Kong Monetary Authority, said, “Transitioning to a net-zero future requires concerted efforts by all sectors and substantial investment. Building on the strong cross-agency collaboration under the Steering Group, we are actively integrating transition considerations into our ongoing developmental and regulatory work, by incorporating the latest international developments on transition planning, providing clear guidance on disclosure, increasing data availability, as well as promoting innovation and technology to grow financial solutions. We hope to contribute to the region’s progressive transformation to a greener and more sustainable future.”

Ms Julia Leung, Co-Chair of the Steering Group and Chief Executive Officer of the Securities and Futures Commission, said, “The climate transition brings tremendous business and investment opportunities. To capture these opportunities across the region, the Steering Group will continue its efforts in developing key enablers for Hong Kong, including the implementation of a clear and robust regulatory framework on sustainability disclosures, diversity in financial products, and capacity building support for the industry. Technology is essential to increasing market efficiency and transparency. As a priority, the Steering Group will work with relevant stakeholders to build Hong Kong into a green fintech hub.”

For details on the initiatives of the Steering Group and its members, please visit <https://sustainablefinance.org.hk/en/>.

About the Steering Group

Established in May 2020, the Steering Group is co-chaired by the Hong Kong Monetary Authority and the Securities and Futures Commission. Members include the Environment and Ecology Bureau, Financial Services and the Treasury Bureau, Hong Kong Exchanges and Clearing Limited, Insurance Authority and the Mandatory Provident Fund Schemes Authority. The Steering Group aims to coordinate the management of climate and environmental risks to the financial sector, accelerate the growth of green and sustainable finance in Hong Kong and support the Government's climate strategies.

Notes:

1. On 26 June 2023, the International Sustainability Standards Board published two IFRS Sustainability Disclosure Standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.
2. The SME Questionnaire was launched by the Steering Group in December 2022, in collaboration with CDP, an international non-profit organisation that runs the global environmental disclosure system for companies, to aid SMEs' sustainability reporting processes, and raise their sustainability visibility to lenders, investors and supply chain clients so as to better access sustainability financing. It will also facilitate financial institutions' collection and assessment of company-level data for risk assessment and relevant business decisions. It is the first cross-sector reporting template designed for first-time reporting corporates in Hong Kong, especially SMEs, and is aligned with the framework of the Financial Stability Board's Task Force on Climate-related Financial Disclosures.