

Sustainability

We lead efforts to advance Hong Kong's position as an international sustainable finance hub and develop an effective regulatory framework to support transition and sustainable finance.

Spearheading international work

At the International Organization of Securities Commissions (IOSCO), our Chief Executive Officer (CEO) Ms Julia Leung is a vice-chair of the Sustainable Finance Task Force (STF) and co-chairs its Corporate Reporting Workstream. The workstream led IOSCO's continuous discussions with the International Sustainability Standards Board (ISSB) for over two years and spearheaded the review of the ISSB's IFRS Sustainability Disclosure Standards, which informed IOSCO's endorsement of those standards in July.

As a member of other IOSCO STF workstreams, we are active in discussions about assurance and digital reporting of sustainability information, and promoting good practices on asset management and environmental, social, and governance (ESG) ratings and data products providers. We also contributed to the final report on compliance carbon markets published in July.

We lead the Sustainable Finance Working Group¹ of the IOSCO Asia Pacific Regional Committee. This group seeks to promote alignment of regulatory approaches, knowledge sharing and capacity building in corporate sustainability disclosures and carbon markets in the region.

During the quarter, we continued to participate actively in other international initiatives on sustainable finance².

Local policy initiatives

In August, the Green and Sustainable Finance Cross-Agency Steering Group (Steering Group)³, co-chaired by the SFC and the Hong Kong Monetary Authority, announced its key priorities. These include establishing world-class regulation through alignment with global standards, exploring opportunities for public-private partnerships to promote the development of technology-driven solutions, developing a Hong Kong green fintech map, and exploring ways to further support financial institutions and corporates in their transition planning and reporting.

The Steering Group established a working group on sustainability disclosures, co-chaired by the Financial Services and the Treasury Bureau and the SFC. The aim is to advance the development of a comprehensive roadmap on adopting the IFRS Sustainability Disclosure Standards, taking into account Hong Kong's position on the global green finance map, local regulatory expectations and circumstances.

Climate-related disclosures

The Stock Exchange of Hong Kong Limited's (SEHK) consultation on proposed climate-related disclosure requirements for listed companies in Hong Kong ended in mid-July. SEHK is formulating the next steps in light of the responses received, the final ISSB standards and the adoption guide to be issued by the ISSB.

¹ Our Senior Director and Head of International Affairs and Sustainable Finance, Ms Christine Kung, leads this working group.

² We represent IOSCO in the Financial Stability Board's Working Group on Climate Risk. We are a supporter of the Task Force on Climate-Related Financial Disclosures Recommendations and a member of the International Platform on Sustainable Finance. We also participate in the Advisory Group on Carbon Markets of the United Nations Sustainable Stock Exchanges Initiative.

³ The Steering Group was established in May 2020. Other members include the Financial Services and the Treasury Bureau, Environment and Ecology Bureau, Hong Kong Exchanges and Clearing Limited, Insurance Authority and Mandatory Provident Fund Schemes Authority.

