

Regulatory engagement

IOSCO

We are actively involved in international policy making. Mr Ashley Alder, our Chief Executive Officer, was reappointed in June as Chair of the Board of the International Organization of Securities Commissions (IOSCO). In view of the impact of COVID-19 on markets, Mr Alder chaired very frequent calls of the IOSCO Board and other IOSCO groups in order to inform policy decisions to address the crisis. In May, Mr Alder co-chaired the CPMI¹-IOSCO Steering Group meeting to coordinate policy work for the supervision of central counterparties.

We are a member of the IOSCO Financial Stability Engagement Group and its Steering Group which coordinates IOSCO's role in ensuring financial stability in close contact with the Financial Stability Board (FSB).

We participate in all eight IOSCO policy committees as well as the Committee on Emerging Risks, Assessment Committee and Asia-Pacific Regional Committee (APRC). We lead the APRC's working group on sustainable finance which aims to enhance regulation of ESG² and climate-related disclosures in the region.

FSB

In his role as the IOSCO Board Chair, Mr Alder participated in FSB discussions on financial stability, COVID-19, asset management and the reprioritisation of FSB's work. We are also actively involved in the work of the FSB Standing Committee on Standards Implementation.

Mainland China

During the COVID-19 outbreak, we communicated closely with the China Securities Regulatory Commission (CSRC) and other Mainland authorities on cross-boundary regulatory arrangements including the financial reporting of A+H companies, the supervision of financial institutions operating on a cross-boundary basis and enhancements to mutual market access schemes. We also worked with the CSRC to ensure effective enforcement collaboration³.

In June, we held the seventh SFC-CSRC high-level meeting via video conferencing to discuss cross-boundary cooperation initiatives, the impact and potential risks arising from the COVID-19 outbreak and ways to reinforce Hong Kong's status as an international financial centre.

Green and sustainable finance

In May, we initiated the establishment of Hong Kong's Green and Sustainable Finance Cross-Agency Steering Group to coordinate the management of climate and environmental risks to the financial sector and support the Government's climate strategies. Co-chaired by the SFC and the Hong Kong Monetary Authority, the group also includes representatives of the Financial Services and the Treasury Bureau, the Environment Bureau, Hong Kong Exchanges and Clearing Limited, the Insurance Authority and the Mandatory Provident Fund Schemes Authority.

Also in May, our Chairman Mr Tim Lui delivered a keynote speech at Hong Kong's UN75⁴ Dialogue to discuss financial sector initiatives to manage climate change and promote sustainability.

Other regulatory engagement

In April, we entered into a memorandum of understanding with the Competition Commission to enhance cooperation and the exchange of information.

In May, we joined the supervisory college conference call hosted by the Federal Reserve Bank of New York to discuss major risks facing global financial institutions in the challenging business environment. To keep abreast of regulatory developments, we also had virtual meetings during the quarter with the European Commission and various overseas regulators.

¹ Committee on Payments and Market Infrastructures.

² Environmental, social and governance.

³ See Enforcement on pages 12-14.

⁴ The 75th anniversary of the United Nations.