

Joint statement on establishment of Green and Sustainable Finance Cross-Agency Steering Group (with photo)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) initiated the establishment of the Green and Sustainable Finance Cross-Agency Steering Group (Steering Group). Other members are the Environment Bureau, the Financial Services and the Treasury Bureau (FSTB), Hong Kong Exchanges and Clearing Limited (HKEX), the Insurance Authority (IA) and the Mandatory Provident Fund Schemes Authority (MPFA).

The Steering Group aims to co-ordinate 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 through:

- examining policy and regulatory issues in green and sustainable finance, particularly those which may have a cross-sectoral impact;
- facilitating policy direction and coordination to ensure Hong Kong has a cohesive and comprehensive green and sustainable finance strategy;
- addressing technical cross-sectoral issues by, for example, forming technical working groups and consulting with different experts and stakeholders;
- tracking international and regional trends, issues and developments in green and sustainable finance, and considering how Hong Kong should better position itself and provide leadership in the region and globally; and
- identifying areas where Hong Kong can promote its strengths and thought leadership on green and sustainable finance regionally and globally.

At its inaugural meeting held today (May 5), the Steering Group agreed to provide strategic direction, with a focus on regulatory policy and market development, to bolster Hong Kong's position as a leading green and sustainable finance centre in Asia and globally. It will also facilitate regional cooperation, including in the Guangdong-Hong Kong-Macao Greater Bay Area. The Steering Group has set up two work streams: to study and address cross-sectoral regulatory issues, and to coordinate cross-agency market development efforts.

Co-Chair of the Steering Group and Chief Executive of the HKMA, Mr Eddie Yue, said, "Climate change is a source of financial risk impacting the entire financial sector and is highly relevant to our mandate. The transition will prompt structural adjustments to the global economy, bringing both risks and opportunities. As a premier international financial centre, Hong Kong can play a pivotal role in promoting sustainable development and powering the

transition, especially in Asia. We must now act together. HKMA welcomes the opportunity to work collaboratively in this cross-agency initiative."

Co-Chair of the Steering Group and Chief Executive Officer of the SFC, Mr Ashley Alder, said, "Environmental and climate risks pose serious strategic challenges for businesses everywhere. The SFC is pleased to have initiated this Cross-Agency Steering Group to coordinate Hong Kong's green finance strategy and to enhance its leading role in the global effort to ensure that companies disclose the impact of climate change on their businesses and that asset managers integrate climate factors into their investment processes. This will enable investors to price financial assets accurately and identify those companies which have developed credible strategic responses to the environmental challenges they face."

The Secretary for the Environment, Mr Wong Kam-sing, said, "The Environment Bureau supports the development of green finance in Hong Kong. Green finance does not only unleash capital for combating climate change and tackling environmental challenges, but can also foster our growth as a low carbon economy. We are pleased to be part of the Cross-Agency Steering Group driving green finance initiatives in Hong Kong and the Greater Bay Area. We look forward to working closely with other regulators in the Steering Group to build a better Hong Kong."

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "Building on Hong Kong's strengths as a global financial centre, we are committed to consolidating Hong Kong's position as a leading green and sustainable finance hub in the region and the world. The establishment of the Steering Group will elevate our on-going cross-agency efforts to the next higher level. Working in concert with the Steering Group members, we will augment our policy support, enhance Hong Kong's visibility and raise our international profile in accelerating the growth of green and sustainable finance."

The Chairman of the HKEX, Mrs Laura Cha, said, "Sustainability will be a driving force of economic prosperity, financial resiliency and investment strategies in the decades to come. HKEX is committed to playing a significant role in helping to shape Hong Kong's green and sustainable policies and programmes to ensure that Hong Kong remains a leader in Asia and globally in this important field. We are delighted to be working as part of this new Cross-Agency Steering Group to deliver meaningful and impactful results."

The Chief Executive Officer of the IA, Mr Clement Cheung, said, "The impact of climate change is increasingly being felt in all quarters, arousing concern among different stakeholders in the financial market. Insurers assist people and businesses to identify, analyse and mitigate their risk exposures, while serving a dual role as institutional investors which could shape the behaviour of asset owners and managers. The Insurance Authority is delighted to be able to participate in the Steering Group, a piece of important infrastructure aimed at supporting Hong Kong in leveraging on its core strengths to thrive as a green and sustainable finance centre."

Deputy Chairman and Managing Director of the MPFA, Ms Alice Law, said, "MPFA is delighted to join the Steering Group which provides a great forum to exchange ideas and work with fellow regulators on developing green taxonomy and relevant standards. With this forum, we anticipate to engage the wider working population on better understanding the importance of green finance and impacts of climate change and environmental factors on MPF investment."

Initiators:

- Hong Kong Monetary Authority
- Securities and Futures Commission

Members:

- Environment Bureau
- Financial Services and the Treasury Bureau
- Hong Kong Exchanges and Clearing Limited
- Insurance Authority
- Mandatory Provident Fund Schemes Authority

