

Speech by Permanent Secretary for Financial Services and the Treasury (Financial Services) at European Federation of Financial Analysts Societies Asia Summit (English only)

Following is the speech by the Permanent Secretary for Financial Services and the Treasury (Financial Services), Ms Salina Yan, at the European Federation of Financial Analysts Societies (EFFAS) Asia Summit on Pioneering Sustainability Policy and Regulatory Development today (March 4):

Dr Zaballos (Chairperson of the EFFAS, Dr Jesús López Zaballos), Anthony (Vice Chairman and Convenor of Green Finance of Friends of the Earth (HK), Mr Anthony Cheung), ladies and gentlemen, distinguished guests,

It is my great pleasure to join you at the inaugural Asia Summit of the European Federation of Financial Analysts Societies (EFFAS). A warm welcome to the distinguished EFFAS delegation from Europe. Surely you have chosen the right place and the right time for the event focusing on Sustainability Policy and Regulatory Development.

Hong Kong has indeed placed sustainability at the core of our policy formulation and regulatory considerations. We are committed to the goal of achieving net zero before 2050. Last week, our Financial Secretary (FS) unveiled the HKSAR Government Budget for the coming financial year. It contains visionary initiatives to provide solutions to move towards that goal.

Notably, on green shipping, we are conducting a feasibility study on providing green-methanol bunkering for local and ocean-going vessels. On green aviation, we will simplify procedures for the transportation and storage of Sustainable Aviation Fuel (SAF) and will look into policy and measures for the development of SAF. We will persist in popularising the use of green vehicles. The first hydrogen powered bus has recently hit the road here.

Of course, Hong Kong as an international financial centre with its deep capital markets and world class financial services practitioners, is in an excellent position to direct capital towards sustainable projects in Asia and beyond.

Testifying to our role as Asia's sustainable finance hub, a market report showed that over one third of Asia's green and sustainable bonds were arranged through the Hong Kong bond market platform. As the FS pointed out in his Budget speech, we will keep up our efforts in issuing Government green

and sustainable bonds denominated in different currencies, and will cast the net of issuance support wider to cover transition loans and bonds.

We will enrich that ecosystem by harnessing the technology advantage and market forces. We have already issued two tranches of tokenised government green bonds, with the last one in early February being in digitally native format without the need of conversion through traditional central securities depositories. We will soon launch a proof-of-concept scheme to match start up green fintech ideas with application scenarios in the market. Meanwhile, the Green and Sustainable Finance Cross-Agency Steering Group has launched a prototype Hong Kong Green Fintech Map. This directory of relevant companies in Hong Kong will help corporates and financial firms identify green fintech solutions which meet their business needs. And Core Climate, the carbon marketplace established under our Stock Exchange, is striving to establish Hong Kong as a global market for high-quality voluntary carbon credits, capturing also developments in the Mainland carbon credit space.

On disclosure, we are formulating a roadmap on the appropriate adoption of the standards issued by the International Sustainability Standards Board (ISSB) and will work with our regulators to assist enterprises not only in complying with sustainability reporting requirements but providing the data for analysis and better science in the combat against climate change.

Above all these, there is no doubt that people and talents form the most important pillar in taking the sustainability efforts forward.

As we strive towards a greener and more sustainable future, it is crucial to nurture a skilled talent pool that can effectively navigate the complexities of both the financial system and the world in quest of sustainability. Hence, my heartfelt congratulations to all the graduates of the Certified ESG Analyst (CESGA) Programme present today. Your determination to dive deep into the subject of ESG analysis should be complimented.

I am glad to know that the CESGA Programme is one of the eligible programmes under the Pilot Green and Sustainable Finance Capacity Building Support Scheme. It is good to see such partnership in capacity building for pushing forward the sustainability frontier.

Last week, the Hong Kong Green Week covering a wide range of relevant topics was successfully conducted in partnership with key international players such as the International Finance Corporation and IMF (International Monetary Fund). Today, I am glad to see the continuation of that dialogue with experts and thought leaders from different quarters. I congratulate again EFFAS for initiating the Asia Summit. Acknowledgement is also due for the support of Friends of the Earth and HKU iCube in this endeavour. I wish the event every success and a rewarding afternoon for all. Thank you.