



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B9/197C

3 May 2024

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Hong Kong Taxonomy for Sustainable Finance

I am writing to inform you that the Hong Kong Monetary Authority (“HKMA”) published today the Hong Kong Taxonomy for Sustainable Finance (“Hong Kong Taxonomy”) to enable informed decision making on green and sustainable finance and facilitate relevant finance flows in scaling up sustainable investments.

The HKMA has been developing a green classification framework for adoption in the local market. A discussion paper was released in May 2023 to gather feedback from stakeholders on a prototype of the classification framework. Having regard to consultation feedback, the prototype has been fine-tuned and is now published as the Hong Kong Taxonomy. The Hong Kong Taxonomy encompasses 12 economic activities under four sectors, namely power generation, transportation, construction, and water and waste management. Developed based on the Common Ground Taxonomy¹, the Hong Kong Taxonomy allows easy navigation across Mainland China’s and the European Union’s green taxonomies.

The HKMA encourages authorized institutions to use the Hong Kong Taxonomy to assess the greenness of projects and assets for different applications such as product labelling, identification, disclosures, and guidance for investment. To facilitate users to understand and apply the Hong Kong Taxonomy, a supplemental guidance providing useful background information, illustrative use cases, and responses to frequently asked questions is published in conjunction with the Hong

¹ The Common Ground Taxonomy is a milestone work by the International Platform on Sustainable Finance resulting from an in-depth comparison exercise that puts forward areas of commonality and differences between Mainland China’s and the European Union’s green taxonomies.

Kong Taxonomy. A consultation report is also published to summarise the consultation feedback received, HKMA's responses and recommendations for future work. The Hong Kong Taxonomy, supplemental guidance and consultation report are enclosed with this circular². We will also organise briefing sessions for banks.

The second phase development of the Hong Kong Taxonomy will commence soon to expand the scope of sectors and economic activities including transitions covered. We will engage relevant stakeholders from time to time through appropriate channels as we continue to develop and enhance the Hong Kong Taxonomy.

Should you have any questions about this circular, please contact Ms Lilian Tse (2597-0332) or Ms Angela Tang (2597-0878).

Yours faithfully,

Donald Chen
Executive Director (Banking Policy)

Encl

cc: FSTB (Attn: Mr Justin To)

² Hong Kong Taxonomy: <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2024/20240503e1.pdf>
Consultation Report: <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2024/20240503e1a1.pdf>
Supplemental Guidance: <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2024/20240503e1a2.pdf>