

## **Guideline on the Green and Sustainable Finance Grant Scheme**

*(For Applications On/After 24 April 2026)*

Launched in May 2021, the Green and Sustainable Finance Grant Scheme (GSF Grant Scheme) provides subsidy for the costs of eligible green and sustainable bond and loan issuances in Hong Kong.

As announced by the Financial Secretary in the 2024-25 Budget, the GSF Grant Scheme, which was due to expire in May 2024, has been extended by three years to 2027, with an expanded scope of subsidies to cover transition bonds and loans. The expansion aims to encourage relevant industries in the region to make use of Hong Kong's transition financing platform as they move towards decarbonisation. The Hong Kong Monetary Authority (HKMA) will continue to administer the GSF Grant Scheme.

In response to recent market developments and feedback gathered through industry engagement, several refinements to the GSF Grant Scheme have been introduced to ensure it remains responsive to evolving market dynamics and, along with other initiatives, continues to strengthen Hong Kong's position as the leading bond and GSF hub in the region.

The refinements are structured around three objectives: (i) incentivising larger-scale bond issuance in Hong Kong, (ii) further promoting the competitiveness of Hong Kong's GSF ecosystem, and (iii) enhancing support for new entrants to the GSF market and emerging areas, such as transition finance.

This Guideline on the GSF Grant Scheme will be effective from 24 April 2026, and supersedes all previous Guidelines of the GSF Grant Scheme.

The HKMA will keep in view market developments and industry feedback, and may adjust the design of the GSF Grant Scheme (including eligibility criteria, eligible expenses, grant amounts and application process) from time to time as needed.

## Overview

The GSF Grant Scheme consists of two tracks, covering:

- I. General Bond Issuance Costs: covering bond issuance expenses (e.g. arrangement, legal, audit, listing fees, etc.) for eligible first-time green, social, sustainability, sustainability-linked and transition bond issuers; and
- II. Sustainability External Review and Advisory Service Costs: covering transaction-related sustainability external review fees (including pre-issuance and post-issuance services) and sustainability advisory fees (only pre-issuance) for eligible green, social, sustainability, sustainability-linked and transition bond issuers and loan borrowers, including first-time and repeated issuers and borrowers.

## Eligibility criteria

(Please refer to the **Glossary** for definitions of the terms “issuer”, “issued in Hong Kong”, “recognised arranger”, “recognised external reviewer” and “recognised sustainability advisor”.)

	<b>Track I - General Bond Issuance Costs</b>	<b>Track II - Sustainability External Review and Advisory Costs</b>
Eligible instrument types	<ul style="list-style-type: none"> <li>Green, social, sustainability, sustainability-linked and transition bonds<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Green, social, sustainability, sustainability-linked and transition bonds and loans<sup>1</sup></li> </ul>
Eligible bond issuers and loan borrowers <sup>2</sup>	<p><b>First-time</b> issuers, excluding issuers that also act as arranger for the eligible bond issuance,</p> <ul style="list-style-type: none"> <li>for green, social, sustainability and sustainability-linked bonds<sup>3</sup>; <b>or</b></li> <li>for transition bonds<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li><b>Bonds:</b> First-time and repeated issuers</li> <li><b>Loans:</b> First-time and repeated borrowers (each entity can apply for subsidy for two eligible loans<sup>5</sup> at most)</li> </ul>
Minimum issuance size for eligible issuances (bonds and loans)	<ul style="list-style-type: none"> <li><b><u>For bonds issued before 24 April 2026:</u></b> At least HK\$1.5 billion (or the equivalent in foreign currency)</li> <li><b><u>For bonds issued on or after 24 April</u></b></li> </ul>	At least HK\$100 million (or the equivalent in foreign currency)

<sup>1</sup> Only transition bonds and loans issued on or after 10 May 2024 are eligible under the GSF Grant Scheme.

<sup>2</sup> Excluding government issuers and borrowers.

<sup>3</sup> Issuers that have not issued any green, social, sustainability and sustainability-linked bonds in Hong Kong within five years preceding the eligible issuance. For the purpose of the GSF Grant Scheme, the pricing date of a bond issuance is deemed to be the issuance date.

<sup>4</sup> Issuers that have not issued any transition bonds in Hong Kong within five years preceding the eligible issuance. For the purpose of the GSF Grant Scheme, the pricing date of a bond issuance is deemed to be the issuance date.

<sup>5</sup> Including all eligible loans where the entity acts as borrower or guarantor.

	<b>Track I - General Bond Issuance Costs</b>	<b>Track II - Sustainability External Review and Advisory Costs</b>
	<b>2026:</b> At least HK\$2.5 billion (or the equivalent in foreign currency)	
Other criteria for eligible issuances (bonds and loans)	<ul style="list-style-type: none"> <li>• Issued in Hong Kong</li> </ul> <p>Applicable to bonds only:</p> <ul style="list-style-type: none"> <li>• In their entirety lodged with and cleared by the Central Moneymarkets Unit (CMU) operated by the HKMA, or listed on The Stock Exchange of Hong Kong Limited (SEHK); and</li> <li>• Issued, at issuance, to (i) 10 or more persons or (ii) less than 10 persons none of whom is an associate of the issuer</li> </ul> <p>Applicable to green, social, sustainability and sustainability-linked bonds and loans:</p> <ul style="list-style-type: none"> <li>• pre-issuance external review related to the issuance demonstrating alignment with internationally-recognised principles, standards or guidance, as provided by a recognised external reviewer</li> </ul> <p>Applicable to transition bonds and loans:</p> <ul style="list-style-type: none"> <li>• an appropriately disclosed transition plan (or equivalent disclosures on climate transition strategy) developed at the entity-level<sup>6</sup>;</li> <li>• pre-issuance external review demonstrating the adoption of internationally-recognised transition finance principles, standards or guidance (including such adoption in the transition plan), as provided by a recognised external reviewer;</li> </ul>	

<sup>6</sup> For the purpose of the GSF Grant Scheme, a transition plan (or equivalent disclosures on climate transition strategy) developed at the group-level shall be generally considered acceptable to the extent that it encompasses the relevant climate transition disclosures for the issuing entity of the concerned issuance, e.g. a dedicated section detailing the transition plan of the issuing entity.

	<b>Track I - General Bond Issuance Costs</b>	<b>Track II - Sustainability External Review and Advisory Costs</b>
	<p>and</p> <ul style="list-style-type: none"> <li>• for use-of-proceeds instruments, pre-issuance external review demonstrating alignment with an applicable internationally-recognised taxonomy<sup>7</sup>, as provided by a recognised external reviewer</li> </ul>	

The granting of subsidy to a bond or loan under the GSF Grant Scheme does not in any way constitute an investment advice, nor does it constitute an endorsement of the bond or loan or the relevant taxonomies, principles, standards or guidance as referenced in connection with such subsidised debt instrument by the HKMA.

The above eligibility criteria do not in any way constitute any official definition of green, social, sustainability, sustainability-linked or transition bonds and loans for regulatory purposes.

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<sup>7</sup> In the case of a national or internally-developed (for example, by financial institutions, external reviewers, etc.) taxonomy, the HKMA may, for the purpose of the GSF Grant Scheme, request confirmation, and additional information to support, that such taxonomy can reasonably be considered as internationally-recognised, or comparable to an internationally-recognised taxonomy, in the context of the concerned transition bond/loan issuance. The HKMA will consider such confirmation and additional information on a case-by-case basis, taking into account factors such as (i) in the case of a transition bond, the extent to which it is an international issuance (i.e. issued in a market outside of the issuer's home jurisdiction); (ii) in the case of a transition loan, the number and location(s) of the involved lender(s); (iii) the extent to which the taxonomy concerned is comparable to an internationally-recognised taxonomy in respect of, for example, the activities concerned; (iv) whether it would result in a substantially different alignment assessment had the external review been performed with reference to an internationally-recognised taxonomy.

## Grant amounts and eligible expenses

	Track I - General Bond Issuance Costs	Track II - Sustainability External Review and Advisory Costs
Grants per eligible issuance	<p>Half of the eligible expenses, up to:</p> <ul style="list-style-type: none"> <li>• HK\$2.5 million where the bond, its issuer or its guarantor(s) possess a credit rating<sup>8</sup>; or</li> <li>• HK\$1.25 million otherwise</li> </ul>	<ul style="list-style-type: none"> <li>• <b><u>For bonds and loans issued before 24 April 2026<sup>9</sup></u></b>: Up to 75% of eligible expenses</li> <li>• <b><u>For bonds and loans issued on or after 24 April 2026:</u></b> <ul style="list-style-type: none"> <li>○ Up to 75% of eligible expenses, if the bond/loan is aligned with the latest Hong Kong Taxonomy for Sustainable Finance published by the HKMA<sup>10</sup> (“Hong Kong Taxonomy”); <b><u>or</u></b></li> <li>○ Up to 50% of eligible expenses, if otherwise</li> </ul> </li> </ul> <p><b>Each eligible issuance is also subject to:</b></p> <ul style="list-style-type: none"> <li>• HK\$800,000 in total for all pre-issuance sustainability external</li> </ul>

<sup>8</sup> By one or more of the following credit rating agencies (in alphabetical order): China Chengxin (Asia Pacific) Credit Ratings Company Limited, Fitch Ratings, Lianhe Ratings Global Limited, Moody’s Investors Service, Rating and Investment Information, Inc., and S&P Global Ratings.

<sup>9</sup> For the avoidance of doubt, all applications for eligible post-issuance external review services submitted on or after 24 April 2026 are subject to a grant cap of up to 75% of eligible expenses under Track II.

<sup>10</sup> <https://brdr.hkma.gov.hk/eng/doc-ldg/docId/20260122-5-EN>

	<b>Track I - General Bond Issuance Costs</b>	<b>Track II - Sustainability External Review and Advisory Costs</b>
		<p>review and advisory services and post-issuance external review services;</p> <ul style="list-style-type: none"> <li>• HK\$250,000 for all pre-issuance sustainability external review and advisory services; and</li> <li>• HK\$200,000 per year for all post-issuance external review services</li> </ul>
Eligible expenses <sup>11</sup>	<ul style="list-style-type: none"> <li>• Fees to Hong Kong-based arrangers</li> <li>• Fees to Hong Kong-based legal advisors</li> <li>• Fees to Hong Kong-based auditors and accountants</li> <li>• Fees to Hong Kong-based rating agencies</li> <li>• SEHK listing fees</li> <li>• CMU lodging and clearing fees</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Transaction-related<sup>12</sup> fees paid to recognised external reviewers</b> for: <ul style="list-style-type: none"> <li>○ pre-issuance external review<sup>13</sup>, including external review based on applicable internationally-recognised principles, standards or guidance (including the Hong Kong Taxonomy)</li> <li>○ post-issuance external review for</li> </ul> </li> </ul>

<sup>11</sup> Excluding expenses covered by other grant scheme(s) in Hong Kong or outside Hong Kong.

<sup>12</sup> If the fees apply to multiple issuances, the subsidy may be prorated on a case-by-case basis, taking into account the scope of the eligible issuance relative to the overall scope of the services provided.

<sup>13</sup> For example, certification, second-party opinion, verification, ESG scoring/rating, assurance, etc.

	<b>Track I - General Bond Issuance Costs</b>	<b>Track II - Sustainability External Review and Advisory Costs</b>
		<p>the first three years from the date of the eligible issuance or up until the maturity of the issuance, whichever is shorter</p> <ul style="list-style-type: none"> <li>• <b>Transaction-related fees paid to recognised sustainability advisors (<u>applicable to bonds and loans issued on or after 24 April 2026</u>) for:</b> <ul style="list-style-type: none"> <li>○ pre-issuance sustainability advisory services<sup>14</sup>, including advisory services for developing the green and sustainable bond/loan framework (including transition plan)<sup>15</sup></li> </ul> </li> </ul>

<sup>14</sup> Advisory services related to the framework development for an eligible issuance, such as (i) for sustainability-linked products, the establishment of key performance indicators and sustainability performance targets; (ii) for use-of-proceeds instruments, the design of eligible projects; and (iii) for transition finance, the development of a transition plan, including a decarbonisation pathway.

<sup>15</sup> For the purpose of the GSF Grant Scheme, the entity responsible for providing advisory services in developing the bond/loan framework (including transition plan) must be different from the entity conducting the external review of the bond/loan.

## Glossary

Term	Definition
Issuer	For the purpose of the GSF Grant Scheme, the term “issuer” denotes the entity issuing a bond (“issuing entity”) and the issuing entity’s associate(s), excluding government issuers. The term “associate” refers to (i) a person/corporation over which the issuing entity has control; (ii) a person/corporation which has control over the issuing entity; or (iii) a person/corporation that is under the control of the same person/corporation as the issuing entity.
Issued in Hong Kong	<p>A bond is considered issued in Hong Kong if half or more of the involved lead arranger(s) are recognised arrangers. Bond arranging activities comprise originating and structuring, legal and transaction documentation preparation, and sale and distribution.</p> <p>A loan is considered issued in Hong Kong if at least half of the loan amount is borrowed from Hong Kong-based lenders.</p>
Recognised arranger	In granting recognised arranger status, the HKMA will review the information provided in the <u>Arranger Application Form</u> and consider to what extent the arranger has substantial Hong Kong debt capital market (DCM) operations, taking into account the size of an arranger’s DCM operations, its use of Hong Kong service providers, its plan for developing its DCM operations in Hong Kong, and other relevant factors.
Recognised external reviewer	<p>In granting recognised external reviewer status, the HKMA will review the information provided in the <u>External Reviewer Application Form</u> and consider to what extent the external reviewer has:</p> <ul style="list-style-type: none"> <li>• considerable presence in Hong Kong<sup>16</sup>;</li> <li>• satisfactory observance of internationally-recognised standards; and</li> </ul>

<sup>16</sup> Taking into account the current size and functions of its Hong Kong team, its plan for expanding its presence in Hong Kong, and other relevant factors.

Term	Definition
	<ul style="list-style-type: none"> <li>• proven track records in providing external review services to green, social, sustainability, sustainability-linked and transition bonds and loans, especially international issuances.</li> </ul> <p>Please refer to the “List of recognised external reviewers” on the scheme’s official website.</p>
Recognised sustainability advisor	<p>In granting recognised sustainability advisor status, the HKMA will review the information provided in the <u>Sustainability Advisor Application Form</u> and consider to what extent the advisory service provider has:</p> <ul style="list-style-type: none"> <li>• considerable presence in Hong Kong<sup>17</sup>;</li> <li>• satisfactory observance of internationally-recognised standards; and</li> <li>• proven track records in providing advisory services to green, social, sustainability, sustainability-linked and transition bonds and loans, especially international issuances.</li> </ul> <p>Existing recognised external reviewers shall be granted recognised sustainability advisor status, provided they have delivered relevant sustainability advisory services.</p> <p>Please refer to the “List of recognised sustainability advisors” on the scheme’s official website.</p>

The recognition status of existing recognised arrangers and existing recognised external reviewers will remain valid upon the implementation of the refinements outlined in this Guideline, effective from 24 April 2026.

The granting of recognised arranger status, recognised external reviewer status and recognised sustainability advisor status for the purpose of the GSF Grant Scheme does not constitute a recommendation by the HKMA to engage with any of these organisations for financial advice or services.

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<sup>17</sup> Ditto.

## Application Process

### Application for grant

- **Pre-application consultation:** Prior to or after the issuance of the bond/loan, the lead arranger(s)/lender(s) may, on behalf of the issuer/borrower, consult the HKMA via [gsfgs@hkma.gov.hk](mailto:gsfgs@hkma.gov.hk) on a pre-application before submitting the formal application. The HKMA will give a no-objection to proceed with submitting formal application if it is satisfied that, the preliminary information provided by the lead arranger(s)/lender(s) is in line with the eligibility requirements for the GSF Grant Scheme.
- **Formal application:** A formal application may be made by the lead arranger(s)/lender(s) within three months after the bond/loan is issued, or within three months from the issuance date of the relevant external review report in the case of post-issuance external reviewer costs<sup>18</sup>. Applicants may obtain the Issuer/Borrower Application Form from the HKMA via [gsfgs@hkma.gov.hk](mailto:gsfgs@hkma.gov.hk). The HKMA will process applications in monthly batches.

Formal approval for the GSF Grant Scheme subsidy is subject to the submission of all required documentation and satisfactory compliance with the GSF Grant Scheme criteria at the time of application, as determined by the GSF Grant Scheme Review Panel, the decision of which shall be final.

### Application for recognised arranger status

Interested arrangers may obtain and submit the Arranger Application Form to the HKMA via [gsfgs@hkma.gov.hk](mailto:gsfgs@hkma.gov.hk) to apply for recognised arranger status. The status would be valid for a one-year period, after which the arranger may update the information in its Arranger Application Form to renew its status.

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<sup>18</sup> Application for post-issuance external review costs of bonds/loans may also be submitted by the issuer/borrower directly.

Application for recognised external reviewer status and/or recognised sustainability advisor status

Interested external reviewers / advisory service providers may obtain and submit the External Reviewer / Sustainability Advisor Application Form to the HKMA via [gsfgs@hkma.gov.hk](mailto:gsfgs@hkma.gov.hk) to apply for recognised external reviewer status and/or recognised sustainability advisor status. The recognised status would be valid for a one-year period, after which the external reviewer / advisory service provider may update the information in its External Reviewer / Sustainability Advisor Application Form to renew its status.