

Priorities for 2023 and Beyond

In 2023, the HKMA will continue its efforts in promoting a more sustainable financial sector in Hong Kong, while carrying out its own duties as a responsible investor and sustainable organisation. By participating in international and regional forums, the HKMA will also look to contribute to promoting the developments and best practices in green and sustainable finance more broadly.

As a banking supervisor, we will work to strengthen the climate resilience of the banking sector and enhance the financial ecosystem in support of the green transition by banks. Specifically, the HKMA will engage with banks to understand their progress in implementing the supervisory requirements on climate risk management, incorporate climate considerations into its supervisory review process, and revamp the common assessment framework on the “greenness baseline” of banks. The HKMA will support banks in their efforts to strengthen their climate resilience and risk management capabilities, for example by exploring initiatives and technological solutions for identifying, measuring and monitoring climate risk exposures. The HKMA will also engage with banks to conduct the next round of the climate risk stress test (CRST), as part of the supervisor-driven stress testing exercise running between 2023 and 2024. Participating banks will be asked to assess their resilience under the enhanced CRST framework, which includes multiple stress scenarios featuring both extreme climate situations and adverse economic environments.

To foster healthy growth of banks’ green and sustainable investment product offerings, the HKMA will keep abreast of local and international market and regulatory developments, engage with the industry and provide guidance on the selling process as appropriate. It will also conduct an off-site thematic review to gain comprehensive insights on banks’ green and sustainable investment products.

Meanwhile, in relation to our efforts to enhance the ecosystem to support the green transition by the financial industry, the HKMA is planning to consult the industry on developing the structure and core elements of a local green classification framework.

On the market development front, in promoting Hong Kong as a hub for green and sustainable finance, the HKMA will assist the Government in expanding the size of green bond issuances under the Government Green Bond Programme with an expanded mandate to cover sustainable finance projects, and look to attract more green financing activities to Hong Kong through the Green and Sustainable Finance Grant Scheme. The HKMA will also help implement the Government-funded Pilot Green and Sustainable Finance Capacity Building Scheme to expand Hong Kong’s green finance talent pool. The HKMA will also continue to encourage more Mainland local governments, institutions and corporates to raise green funding through Hong Kong, and explore potential synergies between green finance and technology. Meanwhile, we will continue to collaborate with other agencies under the Green and Sustainable Finance Cross-Agency Steering Group on cross-sectoral issues such as capacity building, data availability, taxonomies, climate-related disclosures and sustainability reporting, and carbon market opportunities.

Through the Alliance for Green Commercial Banks, the HKMA and the International Finance Corporation will jointly launch targeted initiatives in the Asia region, including undertaking green finance research, providing unique market insights, tailoring capacity building and training support, and providing practical guidance to help banks develop their own roadmaps to mainstream green finance as their core business. Looking ahead, the Alliance will work closely with its Cornerstone Members and its Global and Knowledge Partners to expand its reach in the region by launching a membership programme. It will also step up its efforts to promote capacity building and knowledge sharing, while spearheading new thought leadership initiatives.



Priorities for 2023 and Beyond

As a responsible investor, the HKMA has set a target for the Investment Portfolio of the Exchange Fund of achieving net-zero emissions by 2050 as part of its commitment to a climate-resilient economy and alignment with recommendations of the Taskforce on Climate-related Financial Disclosures. Going forward, the HKMA will continue to incorporate environmental, social and governance factors into its investment processes and work towards the net-zero target, and contribute to international efforts in support of the global climate agenda.

As a responsible and sustainable organisation, the HKMA cares for its staff, the wider community and the environment. It has drawn up an environmental sustainability roadmap and set climate targets for its own operations as part of its wider commitment to a low-carbon and climate-resilient economy. The HKMA will continue to make reducing emissions a priority, and enlist the full support of its staff to save energy and reduce waste. In addition, staff will be given more guidance on how to integrate sustainability principles into the procurement process.

To implement digital transformation and enhance its business agility, the HKMA will look for ways to modernise its internal systems and applications to further improve efficiency while minimising potential risks during the course of its digital transformation journey.

