



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B9/166C

28 July 2023

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Enhanced Competency Framework on Green and Sustainable Finance

I am pleased to announce the launch of the Core Level of the Enhanced Competency Framework on Green and Sustainable Finance (ECF-GSF).

The ECF-GSF is a collaborative effort of the HKMA, the Hong Kong Institute of Bankers (HKIB) and the banking industry in establishing a set of common and transparent competency standards required of GSF-related job roles in the banking sector. This framework will facilitate banking practitioners to acquire GSF knowledge and develop professional competencies in the GSF-related area more effectively.

Given that GSF is still a new and emerging area at this stage, the HKMA plans to launch the ECF-GSF in two phases: (i) Phase One – Core Level, which will lay a solid foundation on the knowledge and application of GSF; and (ii) Phase Two – Professional Level, which will focus on specialised domain areas covering upcoming market developments and regulatory trends.

Details of the Core Level of the ECF-GSF, including its scope of application, competency standards, qualification structure, modular exemption, certification and grandfathering arrangements, as well as continuing professional development (CPD) requirements are set out in the Guide attached to this letter.

As the Supervisory Policy Manual module CG-6 “Competence and Ethical Behaviour” emphasises the importance of ensuring continuing competence of staff members, authorized institutions (AIs) are strongly encouraged to adopt the ECF-GSF as part of their overall staff recruitment and development efforts. The HKMA expects AIs to adopt appropriate measures to monitor and maintain the competence levels of their staff.

Apart from supporting their staff to attend trainings and examinations that meet the ECF certification, AIs are also advised to keep proper records of the relevant training and qualification of their staff and to provide them with necessary assistance in their applications for grandfathering and certification, and fulfilment of CPD training under the ECF-GSF.

The HKIB is the administrator of the ECF-GSF, whose major roles include handling certification and grandfathering applications, providing the training programmes, administering the examinations and CPD requirements, and maintaining a public register of qualified certification holders. AIs may direct any enquiries regarding certification, grandfathering, training and other related matters to the HKIB at 2153 7800.

Meanwhile, if there are any enquiries concerning this circular, please feel free to contact Ms Ivy Yong at 2878 8495 or Miss Rita Kong at 2878 8303.

Yours faithfully,

Daryl Ho
Executive Director (Banking Policy)

Encl

cc: FSTB (Attn: Mr Justin To)
HKIB (Attn: Ms Carrie Leung)

Guide to
Enhanced Competency Framework
on Green and Sustainable Finance
(Core Level)

Hong Kong Monetary Authority

28 July 2023

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1 Introduction

- 1.1 The Enhanced Competency Framework (ECF) is a collaborative effort of the Hong Kong Monetary Authority (HKMA) with the banking sector and relevant professional bodies in establishing a set of common and transparent competency standards for different professional areas in the banking industry and where talent shortages are more apparent. The development of a set of competency standards will enable more effective training for new entrants and facilitate the professional development of existing banking practitioners, which will contribute to maintaining the competitiveness of Hong Kong as an international financial centre. To date, the HKMA has launched nine ECF modules, namely Private Wealth Management, Anti-money Laundering and Counter-Financing of Terrorism (AML/CFT), Cybersecurity, Treasury Management, Retail Wealth Management, Credit Risk Management, Operational Risk Management, Fintech, and Compliance.

- 1.2 In recent years, sustainability issues have gained much attention in the international community. International standard-setting bodies, such as the Basel Committee on Banking Supervision (BCBS), have issued principles to help improve both banks' management and supervisors' practices on climate-related financial risks. Moreover, the Network for Greening the Financial System (NGFS), which comprises central banks and financial supervisors, shares best practices on environmental and climate risk management in the financial sector. Meanwhile, the International Platform on Sustainable Finance (IPSF) was launched as a forum for dialogue between policymakers, with the aim of increasing the amount of private capital being channelled towards environmentally sustainable investments.

- 1.3 In line with these international developments, Hong Kong’s financial regulators came together with the Financial Services and the Treasury Bureau, the Environment and Ecology Bureau and Hong Kong Exchanges and Clearing Limited to establish the Green and Sustainable Finance Cross-Agency Steering Group (CASG) in May 2020 with the aim of coordinating the management of climate and environmental risks to the financial sector, accelerating the growth of green and sustainable finance (GSF) in Hong Kong, and supporting the Government’s climate strategies. Meanwhile, the HKMA also set out in December 2021 its supervisory expectations for authorized institutions (AIs) to incorporate climate risk considerations into their strategies and frameworks in a new Supervisory Policy Manual (SPM) module GS-1 on “Climate Risk Management”. In addition, the HKMA issued a circular to share with the banking industry some sound practices that support the transition to carbon neutrality and completed a pilot climate risk stress test exercise to assess the climate resilience of the banking sector. Building on the above work, the HKMA developed a two-year plan to weave climate risk considerations into its supervisory processes in June 2022.
- 1.4 Banks in Hong Kong have also made progress on their sustainability journey. Some banks that are more advanced have developed comprehensive sustainability strategies and targets, a sound climate risk management framework, and can offer a wide range of GSF products to meet the growing market demand. Meanwhile, other banks that have simpler operations have also started to develop an approach for addressing climate-related risks and issues.
- 1.5 In order to support the development of GSF in Hong Kong, there is a pressing need to facilitate the build-up of GSF talents in Hong Kong by providing industry-recognised training and certification on GSF. Against such a background, the HKMA has developed, in collaboration with the banking industry and relevant professional bodies, a new module on Green and Sustainable Finance under the Enhanced Competency Framework (hereafter referred to as “ECF-GSF”), which provides a set of common and transparent competency standards required of GSF-related job roles in the banking sector and a qualification framework for recognising the practitioners who have completed the necessary training and assessment, and/or have acquired the relevant work experience.

- 1.6 Given that GSF is still a new and emerging area in the banking industry at this stage, the HKMA plans to launch the ECF-GSF in two phases:
- (a) Phase One: Core Level, which will lay a solid foundation on the knowledge and application of GSF; and
 - (b) Phase Two: Professional Level, which will focus on specialised domain areas covering upcoming market developments and regulatory trends.

2 Objectives

- 2.1 The ECF-GSF is a non-statutory framework which sets out the common core competencies and capabilities required of practitioners who are performing functions related to GSF in the banking industry in Hong Kong. The objectives of the ECF-GSF are twofold:
- (a) to develop a sustainable pool of GSF talents for the banking industry; and
 - (b) to raise the professional competence of practitioners who are performing functions related to GSF in the banking industry.
- 2.2 Although the ECF-GSF is not a mandatory licensing regime, AIs are strongly encouraged to adopt it for purposes including but not limited to:
- (a) serving as a benchmark to determine the level of competence required and assess the ongoing competence of relevant practitioners;
 - (b) supporting relevant employees to attend the required trainings and assessments in order to obtain the certifications under the ECF-GSF;
 - (c) supporting the continuing professional development of individual employees; and
 - (d) promoting the ECF-GSF as an industry-recognised qualification, including for recruitment purposes.

2.3 The ECF-GSF is designed to cover practitioners who are working in the functions related to GSF within AIs with professional competencies to develop and integrate the corporate sustainability strategy into the green and sustainable investing and financing activities, sustainability and climate-related risk management as well as disclosures and reporting.

2.4 The design of the ECF-GSF comprises the following two elements:

- **Competency standards**

These standards are derived from the job skills and competencies required of banking practitioners who are working in functions that are related to GSF.

- **Qualification standards**

These standards are the requirements for qualifying GSF practitioners, including certification requirements, grandfathering requirements and continuing professional development for the required qualifications.

3 Scope of Application

3.1 The ECF-GSF aims to develop professional competencies for practitioners who are working in functions related to GSF in the banking industry with an all-rounded competency framework. It covers essential principles and concepts of ESG, sustainability and sustainable finance, with a further deep dive into sustainability strategy, sustainable finance products and services, and sustainability risk and compliance for “Relevant Practitioners” (RPs).

3.2 The definition of RPs recognises differences among AIs in how practitioners performing functions related to GSF are assigned within their organisational structure and job design (e.g., as a centralised sustainability team or as part of a more comprehensive strategy, product, risk and compliance function). Functional roles rather than the functional titles of staff members should be essential in considering whether the definition of RPs is met. Specifically, it is aimed at RPs located in the Hong Kong office of an AI who perform the job roles listed in Table 1 below. To facilitate the determination of whether a staff member falls under the scope of RPs, the key tasks of different job roles are specified in **Annex 1** as a reference.

Table 1 - Job roles of the ECF-GSF

Job Roles	Role Description (Core Level)
Role 1 – Green and Sustainable Finance Product and Servicing	Support the research, analysis, design, development, execution, distribution, and client engagement of green and sustainable investment / finance products and services.
Role 2 – Sustainability / Climate Risk Management	Support the analysis, development and execution of sustainability / climate risk management framework, guidelines, policies and procedures.
Role 3 – Sustainability Disclosures and Reporting	Work with cross-functional teams and support GSF-related performance measurement, data disclosures and reporting.
Role 4 – Sustainability Strategy, Compliance & Control	Support the development and implementation of sustainability strategy and framework that align with the short-term and long-term sustainability targets.

3.3 AIs are responsible for ensuring that RPs who perform duties related to GSF in offshore offices and subsidiaries are competent and have the capability as required under the ECF-GSF. However, we understand that RPs' qualifications outside Hong Kong may be different from those required under the ECF-GSF. To allow flexibility to implement the ECF-GSF, AIs may exercise sound judgment in evaluating whether or not their staff possess equivalent qualifications.

3.4 The ECF-GSF does not capture staff who are not required to perform the key roles specified above, including:

- Staff performing functions related to sustainability within an AI but are not involved in GSF (e.g. corporate affairs);
- Staff working in functions related to GSF within an AI but are performing solely clerical and administrative duties or other incidental functions; and
- Staff with minimal exposure to tasks involving GSF.
- Senior management or risk committee members other than the manager or person-in-charge of GSF-related risk areas of an AI (if any). Such persons may choose to acquire the ECF certification(s) which is (are) of interest and relevance to them.

3.5 It is common for banks to have employees assuming multiple job roles that could cut across several job roles under the ECF-GSF. In such a case, AIs will have the flexibility to determine which job role a staff member falls within for the purpose of ECF-GSF by assessing which role accounts for the majority of the staff member's job responsibility. AIs should also take into consideration the staff member's preferred track to ECF certification based on their preferred career development path.

3.6 For the avoidance of doubt, a staff member is not required to work full time in GSF-related functions or perform all the key tasks specified in Table 1 above to be classified as an RP. As long as a staff member is required to have GSF-related knowledge and skills in order to perform the job responsibility effectively, such staff member should be considered in scope for the ECF-GSF.

4 Competency Standards

4.1 Competency standards for the Core Level are as below:

This level is applicable to entry to junior level banking practitioners who are working in functions related to GSF in the banking industry.

- 4.2 Skills critical for the future of the banking workforce revolve not only around knowledge on GSF, but also the ability to apply such knowledge to specific business areas within the banking industry and to adapt to the evolving GSF landscape, changing customer preferences and regulatory developments.
- 4.3 In particular, the ECF-GSF is not intended to cover the broader category of “Sustainability” and “Environmental, Social and Governance (ESG)”, but rather will focus on capturing the job tasks performed by RPs that are specifically related to the following GSF domains:
- Climate risk: As part of sustainability risk, climate risk refers to risks posed by the exposure of financial institutions and/or the financial sector to physical or transition risks caused by or related to climate change;
 - Environmental risk: Also known as nature-related risk. It refers to risks posed by the exposure of financial institutions and/or the financial sector to (a) activities that may potentially cause or be affected by environmental degradation and the loss of ecosystem services; and (b) misalignment with actions aimed at protecting or restoring nature;
 - Sustainability disclosures and reporting: It refers to the reporting of an organisation’s sustainability-related and climate-related risks and opportunities, including information about its governance, strategy, risk management and related metrics and targets. Examples may include, but not limited to, disclosures in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and the International Sustainability Standards Board (ISSB) Standards, green bond reports, sustainable finance impact reports, or relevant sections in the sustainability report, annual report or other reports;
 - Sustainable finance (including green finance): Financial activities that take into account broad environmental, social, and governance factors; and
 - Sustainability risk: It refers to risks posed by environmental, social and/or governance events or conditions which, if they occur, could lead to a material negative impact on an organisation’s financial and investment activities.

4.4 Eight clusters of skills are captured under the ECF-GSF competency framework:

- Data and Quantification;
- Disclosures and Reporting;
- Environmental and Climate Science;
- Social and Governance Aspects;
- Products and Markets;
- Regulatory Compliance;
- Risk Management; and
- Strategy

4.5 The competency framework for the Core Level of the ECF-GSF with details on the key tasks, qualifications required and continuing professional development requirement for each job role of an RP is included in **Annex 2**.

5 Qualification Standards and Certification

5.1 Qualifications are set in accordance with the following competency standards for the Core Level:

- **GSF Product & Servicing Track - Applicable to Role 1**
This level of qualification can be met by completing Module 1 - Introduction to Sustainability and Module 2 - Fundamentals of Green and Sustainable Finance of the ECF-GSF training programme.

- **Sustainability/Climate Risk Management Track - Applicable to Role 2**
This level of qualification can be met by completing Module 1 - Introduction to Sustainability and Module 3 - Sustainability Risks in Banking of the ECF-GSF training programme.
- **Sustainability Disclosures and Reporting Track - Applicable to Role 3**
This level of qualification can be met by completing Module 1 - Introduction to Sustainability and Module 4 - ESG/Sustainability Strategy, Disclosures and Reporting of the ECF-GSF training programme.
- **Sustainability Strategy, Compliance and Control Track - Applicable to Role 4**
This level of qualification can be met by completing Module 1 - Introduction to Sustainability and Module 4 - ESG/Sustainability Strategy, Disclosures and Reporting of the ECF-GSF training programme.

5.2 Upon attaining the qualifications for the Core Level, RPs may apply to the administrator of the ECF-GSF, the Hong Kong Institute of Bankers (HKIB), for certification as Associate Green Finance Professional (Product & Servicing) or Associate Green Finance Professional (Climate Risk Management) or Associate Green Finance Professional (Sustainability Disclosures and Reporting) or Associate Green Finance Professional (Sustainability Strategy, Compliance and Control).

5.3 Details of the qualification requirements and the learning topics are set out in **Annex 2** and **Annex 3** respectively.

5.4 An RP may also apply to the HKIB for certification as Associate Green Finance Professional (Product & Servicing) or Associate Green Finance Professional (Climate Risk Management) or Associate Green Finance Professional (Sustainability Disclosures and Reporting) or Associate Green Finance Professional (Sustainability Strategy, Compliance and Control) through the grandfathering path, where applicable. The grandfathering arrangements are set out in Section 7.

5.5 The ECF-GSF certification is subject to annual renewal by the HKIB and the renewal of the certificate holder's membership of the HKIB. An RP is required to:

(a) complete the annual continuing professional development requirement; and

(b) pay an annual certification fee to renew his/her ECF-GSF certificate.

5.6 The ECF-GSF is referenced to the Qualifications Framework (QF), with the Core Level training programmes mapped at QF Level 4 (i.e., equivalent to associate degree or higher diploma level).

6 Training Programmes and Examinations

6.1 RPs can meet the ECF-GSF benchmark by:

(a) undertaking training programmes offered by the HKIB or other accredited training programmes; and

(b) passing certification examinations hosted by the HKIB or other relevant institutions.

7 Grandfathering

7.1 An RP may be grandfathered on a one-off basis based on his or her years of qualifying work experience. Such work experience need not be continuous. The detailed grandfathering requirements for the Core Level are as follows:

- At least 2 years of relevant experience in Core Level job roles in any of the functions as specified in **Annex 1**; and
- Employed by an AI at the time of application.

- 7.2 In general, the HKIB will consider whether the nature of work experience is substantially similar to that described in the GSF roles 1, 2, 3 and 4 in **Annex 1**. Relevant work experience may be obtained from AIs and/or non-bank financial institutions. As for work experiences related to GSF that are gained from other industries, such as consultancy services for the environmental industry, they will be considered on a case-by-case basis.
- 7.3 The majority of work experience gained from different job roles will affect the certification title upon grandfathering. For example, RPs with a majority of work experience gained from Role 3 – Sustainability Disclosures and Reporting will be granted the Associate Green Finance Professional (Sustainability Disclosures and Reporting) certification, while RPs with a majority of work experience gained from Role 4 – Sustainability Strategy, Compliance and Control will be granted the Associate Green Finance Professional (Sustainability Strategy, Compliance and Control) certification.
- 7.4 The work experience gained from performing multiple job roles can be used for fulfilling the work experience requirements for two or more job roles (e.g. RPs with 2 years in Role 1 and 2 years in Role 2 will be granted both the Associate Green Finance Professional (Product & Servicing) and Associate Green Finance Professional (Climate Risk Management)). However, RPs will have to demonstrate that the accumulated work experience is sufficient to meet the certification requirement of each track under the ECF-GSF.
- 7.5 Existing RPs meeting the above criteria can submit their grandfathering applications to the HKIB from 1 December 2023 to 31 May 2024. A one-off grandfathering fee will apply.
- 7.6 For other individuals who have the relevant work experience but are not working in an AI or those staff of an AI who are not performing functions related to GSF during the grandfathering period, they may submit their applications to the HKIB for grandfathering within three months from the date of joining the functions related to GSF at an AI and becoming RPs. However, they should have met all the applicable grandfathering criteria on or before the prescribed deadline of the application period.

- 7.7 For those RPs with more work experience in GSF-related areas, they can apply for grandfathering of the Core Level of the ECF-GSF first, and then apply for grandfathering of the Professional Level of the ECF-GSF through a streamlined application process when the Professional Level is launched at a later stage.
- 7.8 Applications for grandfathering are handled and assessed by the HKIB. The HKIB may request the applicant to provide employment records or additional information to substantiate the application for grandfathering. Late application will not be accepted.
- 7.9 Upon grandfathering, the RP is required to apply for Associate Green Finance Professional (Product & Servicing) or Associate Green Finance Professional (Climate Risk Management) or Associate Green Finance Professional (Sustainability Disclosures and Reporting) or Associate Green Finance Professional (Sustainability Strategy, Compliance and Control) and to renew the relevant certification annually with the HKIB.

8 Modular Exemption

- 8.1 An RP may be exempted from specific modules based on completion of eligible training programmes. Please note that the lists of eligible training programmes below are not meant to be exhaustive. Other training programmes that cover syllabus with significant overlap with that of the ECF-GSF can also be considered for modular exemption on a case-by-case basis. The detailed modular exemption requirements are as follows:

(a) Module 1 - Introduction to Sustainability

An RP who has passed any of the following training programme(s) is eligible to apply for exemption from **Module 1** of the ECF-GSF **Core Level** training programme:

Training Programme	Training Provider
Certificate in Green and Sustainable Finance	Chartered Banker

Training Programme	Training Provider
EFFAS Certified ESG Analyst	The European Federation of Financial Analysis Societies (EFFAS)
Sustainability and Climate Risk (SCR) Certificate	Global Association of Risk Professionals (GARP)
Certificate in ESG Investing	CFA Institute
Specialist Certificate in Green Finance and Sustainability	The Hong Kong Institute of Bankers (HKIB)
Certified ESG Planner (CEP®) (ESG Series: Sustainable Banking and Finance)	School of Continuing and Professional Studies, The Chinese University of Hong Kong (CUSCS)
Certified ESG Planner (CEP®) (Executive Certificate in ESG Investment)	Lingnan Institute of Further Education
Certified ESG Planner (CEP®) (Executive Certificate in ESG Planning)	Hong Kong Management Association
ESG Investing (Online): Building and Managing a Sustainable Global Portfolio	Columbia Business School, Columbia University
Sustainable Finance Online Course	Cambridge Institute for Sustainability Leadership
Executive Certificate in ESG Analysis & Green Finance Valuation	Friends of the Earth (HK)

(b) Module 2 - Fundamentals of Green and Sustainable Finance

An RP who has passed any of the following training programme(s) is eligible to apply for exemption from **Module 2** of the ECF-GSF **Core Level** training programme:

Training Programme	Training Provider
Certificate in Green and Sustainable Finance	Chartered Banker
Certificate in ESG Investing	CFA Institute
Specialist Certificate in Green Finance and Sustainability	HKIB

Training Programme	Training Provider
Certified ESG Planner (CEP®) (ESG Series: Sustainable Banking and Finance)	CUSCS
HKGFA-HKUST Certificate in Sustainable Finance	The Hong Kong Green Finance Association & The School of Business and Management of The Hong Kong University of Science and Technology

(c) Module 3 - Sustainability Risks in Banking

An RP who has passed any of the following training programme(s) is eligible to apply for exemption from **Module 3** of the ECF-GSF **Core Level** training programme:

Training Programme	Training Provider
Sustainability and Climate Risk (SCR) Certificate	GARP
Environmental & Social Risk Analysis (ESRA)	UN Environment Programme Finance Initiative

- 8.2 If an RP has completed an in-house training programme organised by an AI with substantially overlapping syllabus coverage with that of the ECF-GSF and would like to be exempted from the relevant module(s) under the ECF-GSF, he/she will be required to obtain a pass in the examination(s) of the relevant training modules(s) organised by the HKIB in order to be eligible for the exemption.
- 8.3 Existing RPs who meet the above criteria can submit their exemption applications to the HKIB. Modular exemption fee(s) and examination fee(s) will apply where applicable.

9 Continuing Professional Development (CPD)

- 9.1 For the Core Level qualification, a minimum of 12 CPD hours is required for each calendar year (ending 31 December), of which at least 5 hours should be on topics related to GSF.
- 9.2 Any excess CPD hours accumulated within a particular year cannot be carried forward to the following year.
- 9.3 CPD activities should be of significant intellectual and practical content that involve interaction with other individuals or fulfilment of assignments and examinations. Activities that qualify for CPD include:
- (a) Attending seminars, courses, workshops and talks (both online and in-person) provided by AIs, financial services regulators, recognised professional bodies, academic and training institutions, and the HKIB;
 - (b) Taking professional examinations; and
 - (c) Delivering training and speeches.

Topics that qualify for CPD include:

- (a) Compliance, code of conduct, professional ethics or risk management;
- (b) Banking and financial knowledge, including GSF, ESG reporting, ESG trends and ESG data management;
- (c) Economics;
- (d) Accounting;
- (e) Legal principles;
- (f) Business and people management;
- (g) Language and information technology; and

(h) Subject areas covered in the HKIB's professional examinations.

- 9.4 The annual CPD requirements are also applicable to RPs who meet the ECF-GSF benchmark through the grandfathering route.
- 9.5 The CPD requirements will be waived for the first calendar year (ending 31 December) of certification and grandfathering.
- 9.6 RPs are required to self-declare their CPD compliance to the HKIB at the time of certification renewal. Documentary evidence should be kept for random audit by the HKIB.
- 9.7 The minimum CPD requirements will be subject to periodic review in light of the development in the banking sector. For details, please refer to the HKIB's website (<https://www.hkib.org/>).
- 9.8 For the avoidance of doubt, RPs who are captured under multiple ECFs are only required to fulfil the CPD hours for one of his/her certifications per year (i.e., whichever is greater).

10 Maintenance of Relevant Records

- 10.1 AIs should keep proper training, examination and CPD records of RPs for monitoring purposes. AIs that are current employers of RPs are expected to keep and confirm relevant information of their relevant staff to facilitate the HKIB's processing of the applications for grandfathering and certification. Regarding information related to an RP's previous employment(s), the current employer of the RP is expected to confirm whether such information is consistent with its records (e.g., curriculum vitae provided by the RP at the time of job application).

11 Governance and Administration

- 11.1 The HKIB is the administrator of the ECF-GSF and will be tasked with certifying the qualification required under the ECF-GSF, ensuring that applicants are satisfactorily certified under the specified qualification requirements. The HKIB will also be administering the CPD requirements for ECF-GSF certification holders. For details, please refer to the HKIB's website (<https://www.hkib.org/>).
- 11.2 The HKMA will, as part of its ongoing supervisory process, conduct regular surveys to monitor the progress of AIs' effort in implementing the ECF-GSF as one of the benchmarks for enhancing relevant employees' competence level and on-going professional development.

12 Accreditation

- 12.1 The ECF accreditation mechanism is established for interested AIs or education/training institutes to have their learning programmes accredited as meeting the ECF standards (including but not limited to the QF Standards) of this ECF module.
- 12.2 The general criteria for ECF accreditation are as follows:
- (a) The learning programme meeting the required standards of individual ECF modules including programme objectives and learning outcomes, programme content and structure, and trainer qualifications and learning mode;
 - (b) Accreditation of the learning programme at corresponding QF Levels; and
 - (c) Endorsement by the ECF Steering Committee.
- 12.3 In order to satisfy criteria 12.2 (a) and (b) outlined above,
- (a) For self-accrediting institutions (e.g. institutions funded by the University

Grants Committee, including their continuing education arms) / institutions with Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) Programme Area Accreditation (PAA) status in related programme areas, they are required to: (i) complete internal quality assurance processes for meeting the relevant ECF standards and the corresponding QF Level and (ii) be assessed by HKCAAVQ as fulfilling the ECF training objectives; and

- (b) For other institutions, they are required to complete the accreditation by HKCAAVQ to confirm that their learning programmes can meet the ECF training objectives and the corresponding QF Level.

12.4 HKCAAVQ will accept applications for ECF accreditation starting 1 August 2023.

12.5 Based on the relevant accreditation or assessment report submitted by the applicant, the ECF Steering Committee will confirm whether the training programme is or is not successful in qualifying as an ECF accredited programme. The route for ECF accreditation mechanism is illustrated at **Annex 4**.

Annex 1 – ECF-GSF: Key Roles and Tasks for Relevant Practitioners

Core Level	
Role 1 Green and Sustainable Finance Product and Servicing	<p>Examples of functional titles:</p> <ul style="list-style-type: none"> • Client Engagement and Relationship Management: Relationship Officer, ESG Advisory Analyst • Green and Sustainable Investment: Sustainable Investing Analyst, Trader/Dealer • Green and Sustainable Finance Product Development: Sustainable Finance Product Specialist, Research Analyst • Green and Sustainable Finance Underwriting: ESG Credit Officer • Green and Sustainable Finance Data and Quantification: GSF Data Analyst, GSF Business Analyst
	<p>Key Tasks:</p> <p>Client Engagement and Relationship Management</p> <ol style="list-style-type: none"> 1. Keep abreast of local, regional and global GSF trends, markets and development 2. Support the research and analysis of corporates on ESG strategy, management, data and performances 3. Support internal teams in collecting ESG data and information from clients and communicating bank-wide sustainability strategies and policies to clients 4. Assist in selling of GSF products and offering advice to clients on matters including but not limited to ESG objectives, integration, readiness and sustainability strategies 5. Promote GSF products and explain product features to clients 6. Perform due diligence for GSF products and customers 7. Work with internal teams to develop marketing materials that create interest in GSF products and develop new business opportunities 8. Work with internal teams to develop, collect and analyse GSF-related data and information for internal and external reporting purposes 9. Act ethically and ensure compliance with regulatory requirements and internal GSF frameworks, policies and guidelines 10. Assist in providing training to staff on selling and advisory of GSF products

	<p><i>Green and Sustainable Investment</i></p> <ol style="list-style-type: none"> 1. Monitor, analyse and keep abreast of local, regional and global GSF trends, markets and development 2. Conduct research on sustainability topics and perform quantitative and qualitative analysis on ESG information and performance of portfolio companies and markets, integrating findings into investment decisions 3. Prepare client pitch, discussion and marketing materials for GSF business opportunities 4. Assist in executing different sustainable investing strategies and approaches, including but not limited to ESG screening, ESG integration, thematic investing and impact investing 5. Work with internal teams to develop, collect and analyse GSF-related data and information for internal and external reporting purposes 6. Assist in stewardship activities including engagements and proxy voting 7. Participate in GSF-related communications with internal and external stakeholders, including governments, regulators, industry associations, non-governmental organisations (NGOs), rating agencies and relevant business units 8. Assist in providing GSF-related guidance and trainings to staff (including portfolio managers and analysts) on GSF investment 9. Ensure the financial market transactions are in compliance with regulatory requirements and internal GSF frameworks, policies and guidelines <p><i>Green and Sustainable Finance Product Development</i></p> <ol style="list-style-type: none"> 1. Monitor, analyse and keep abreast of local, regional and global GSF trends, markets and development 2. Assist in developing and implementing internal GSF frameworks and strategies 3. Gather and analyse ESG data and information on sectors and corporates that are covered 4. Conduct research on sustainability topics and analyse ESG information and performance of clients and markets, integrating findings into financing decisions and research reports 5. Support the origination, structuring of GSF products and solutions (i.e. financing proposals, term sheet, due diligence, documentation, etc.) by leveraging ESG data, regulatory and analytical expertise
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	<ol style="list-style-type: none"> 6. Liaise with frontline teams to explore and execute green and sustainable financing opportunities and deals 7. Support the development, quality assurance and maintenance of the library of GSF communication materials to raise awareness of internal and external stakeholders 8. Work with internal teams to collect and document GSF-related information for reporting purposes 9. Support GSF-related engagements with internal and external stakeholders, including governments, regulators, industry associations, NGOs 10. Assist in providing GSF guidance and trainings to staff (including relationship managers) on GSF/sustainability products 11. Act ethically and ensure compliance with regulatory requirements and internal GSF frameworks, policies and guidelines <p><i>Green and Sustainable Finance Underwriting</i></p> <ol style="list-style-type: none"> 1. Support the credit underwriting of GSF transactions originated by other business units 2. Assist in conducting qualitative analysis on issuers' ESG risks and monitoring credit risk exposures and utilise quantitative techniques for ESG risk assessment to overlay an ESG view within the credit appraisal process, e.g. develop quantitative ESG score from proprietary framework that aggregates metrics from primary and secondary data sources 3. Act ethically and ensure compliance with regulatory requirements and internal GSF frameworks, policies and guidelines 4. Assist in providing training to staff on GSF risks related to underwriting <p><i>Green and Sustainable Finance Data and Quantification</i></p> <ol style="list-style-type: none"> 1. Assist in developing, collating and analysing GSF data/databases 2. Assist in developing and providing technology and data solutions for GSF data processing and analytics 3. Liaise with ESG data vendors and suppliers to onboard and test new data sources 4. Provide support to the internal teams during GSF-related system implementation phases 5. Assist in providing training to staff on GSF data processing and analytics
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Role 2 Sustainability / Climate Risk Management	<p>Examples of functional titles:</p> <ul style="list-style-type: none"> • Sustainability / Climate Risk Management: <i>Climate Risk Strategy Analyst, Climate Risk Modelling Analyst, Climate Risk Analyst</i>
	<p>Key Tasks:</p> <ol style="list-style-type: none"> 1. Assist in the development, enhancement and execution of an appropriate sustainability/ESG risk (including climate-related risks) management framework, and integration into the bank’s existing risk management processes 2. Support the setting of risk appetite and control measures for sustainability/ESG and climate risk management, and monitoring sustainability/ESG and climate risk exposure 3. Support in communicating with the risk owners on risk identification and assessment, and provide advice on control and mitigation 4. Conduct research and monitor global trends and regulations on sustainability/ESG risks (including climate-related risks), keep abreast of latest industry standards to ensure existing practices remain effective and relevant 5. Collaborate with related control functions and businesses on regulatory/legal entity risk management matters and sustainability/ESG risks (including climate-related risks and greenwashing risks) management 6. Assist in the development of scenario-based modelling to understand the impact of climate-related risks (physical and transition risks) 7. Assist in the development, validation, execution and monitoring of climate risk related models 8. Perform climate risk stress testing and scenario analysis in accordance with international and local regulatory requirements and industry practice 9. Engage with business units on sustainability/ESG risks (including climate-related risks) to implement the sustainability risk management framework 10. Assist in providing training to staff on sustainability/ESG and climate risk management 11. Act ethically and ensure compliance with regulatory requirements and internal GSF frameworks, policies and guidelines

Role 3 Sustainability Disclosures and Reporting	<p><i>Examples of functional titles:</i> Sustainability Reporting: <i>Sustainability Reporting Associate</i></p>
	<p>Key Tasks:</p> <ol style="list-style-type: none"> 1. Monitor, analyse and keep abreast of local, regional and global GSF trends, markets and development and incorporate them into the bank’s sustainability and GSF reporting frameworks 2. Support the bank’s sustainability reporting efforts, including developing the data reporting framework, collecting sustainability data, drafting and improving data reporting procedures 3. Support the implementation of current and emerging ESG disclosure frameworks, including the implementation of GSF-related parts of TCFD and ISSB reporting 4. Coordinate with different departments to evaluate the performance of GSF activities for sustainability/ESG data disclosures and reporting 5. Support the collection, disclosures and reporting of green and sustainable finance products, sustainability/ESG and climate risk related data 6. Collect and analyse sustainability-related data using data collection templates/data collection systems to report and evaluate the bank’s sustainability performance 7. Support the bank’s submissions on sustainability/ESG ratings, surveys and awards 8. Coordinate internal and external assurance of sustainability reports 9. Assist in providing training to staff on sustainability disclosures and reporting

Role 4 Sustainability Strategy, Compliance & Control	<p>Examples of functional titles:</p> <ul style="list-style-type: none"> • General Sustainability: Sustainability Officer • Sustainability Strategy: Strategy Officer (Sustainable Finance) • Sustainability Compliance: ESG Legal & Compliance Officer • Internal Control: Internal Audit Officer • Advisory on Sustainability/climate-related issues: Associate (Sustainability and Climate Change)
	<p>Key Tasks:</p> <p>Sustainability Strategy</p> <ol style="list-style-type: none"> 1. Monitor, analyse and keep abreast of local, regional and global GSF and ESG/sustainability trends, markets and development and incorporate them into the bank’s sustainability strategy 2. Support the development, implementation, execution and management of the bank’s sustainability strategy, targets and action plans 3. Collaborate and maintain relationships with internal and external stakeholders to promote and drive the bank’s sustainability strategy 4. Support training, upskilling and ongoing engagement of staff on key aspects of GSF and ESG/sustainability 5. Maintain effective communication with internal and external stakeholders and relevant parties on matters related to GSF and ESG/sustainability <p>Sustainability Compliance</p> <ol style="list-style-type: none"> 1. Maintain a thorough and up-to-date understanding of legislative and regulatory developments on GSF and ESG/sustainability issues 2. Assist in evaluating the impact of GSF and ESG/sustainability related regulatory developments, support regulatory change management efforts, and provide regulatory updates to the internal teams 3. Provide advice on applicable GSF and ESG/sustainability related compliance and regulatory matters to business personnel and support functions 4. Support the implementation of enhancement of policies, procedures, and programmes to effectively address GSF and ESG/sustainability related compliance and regulatory risks 5. Assist in providing training to staff on GSF and ESG/sustainability compliance

	<p>6. Act ethically and ensure compliance with regulatory requirements and internal GSF and sustainability frameworks, policies and guidelines</p> <p><i>Internal Control</i></p> <ol style="list-style-type: none"> 1. Monitor, analyse and keep abreast of local, regional and global GSF and ESG/sustainability trends, markets and development, and assist in advising on the bank’s broader risk management capabilities 2. Support the development and implementation of integrating GSF and ESG/sustainability related risks and compliance considerations into the bank’s audit strategy, framework and programmes 3. Support the development, execution, documentation and testing of internal controls and risks related to GSF and ESG/sustainability and validating risk mitigation activities 4. Setting up appropriate audit programmes to focus on material risks to an AI’s sustainability risk identification and management 5. Constructively challenging and adding value to an AI’s climate risk and sustainable finance work and ESG/sustainability disclosures 6. Assist in auditing the performance measurement, data disclosures and reporting of sustainability related risks 7. Assist in providing training to staff on internal controls related to GSF <p><i>Advisory on Sustainability and Climate Related Issues</i></p> <ol style="list-style-type: none"> 1. Conduct research on sustainability and climate related issues, including material issues related to sectoral markets, greenhouse gas emissions, and other environmental and social issues 2. Provide advice on sustainability and climate related issues 3. Assist in providing training to staff on advisory on sustainability and climate related issues
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Annex 2 – ECF-GSF: Competency Framework

	Role 1 – Green and Sustainable Finance Product and Servicing	Role 2 – Sustainability / Climate Risk Management	Role 3 – Sustainability Disclosures and Reporting	Role 4 – Sustainability Strategy, Compliance & Control
	Core Level			
Qualification	<ul style="list-style-type: none"> - For Role 1: passing Module 1 and Module 2 of the ECF on GSF training programme - For Role 2: passing Module 1 and Module 3 of the ECF on GSF training programme - For Role 3 and Role 4: passing Module 1 and Module 4 of the ECF on GSF training programme 			
Certification	Associate Green Finance Professional (Product & Servicing) (AGFP(PS)) or Associate Green Finance Professional (Climate Risk Management) (AGFP(ClimRM)) or Associate Green Finance Professional (Sustainability Disclosures and Reporting) (AGFP(SDR)) or Associate Green Finance Professional (Sustainability Strategy, Compliance and Control) (AGFP(SSCC))			
CPD requirements	Minimum 12 hours in each calendar year, of which at least 5 CPD hours should be on topics related to GSF; <ul style="list-style-type: none"> - Qualified CPD activities include: <ul style="list-style-type: none"> (a) Attending seminars or courses (both online and in-person) provided by AIs, financial services regulators, recognised professional bodies, academic and training institutions, and the HKIB; (b) Taking professional examinations; and (c) Delivering training and speeches. - For the avoidance of doubt, RPs who are captured under multiple ECFs is only required to fulfil the CPD hours for one of his/her certifications per year (i.e., whichever is greater). 			

Annex 3 – ECF-GSF: Learning Outcomes and Topics

I. Core Level

Programme Outcome and Programme Intended Learning Outcome (PILO)

This programme is developed to foster a broad and sustainable pool of entry-level and junior-level Green and Sustainable Finance talents for the banking industry.

Learners will be equipped with professional knowledge on Green and Sustainable Finance (GSF) to facilitate the adoption of GSF amongst banks in Hong Kong.

PILO a: Develop a broad understanding of ESG, sustainability and climate change in the context of the banking and financial services industry.

PILO b: Understand the current landscape of GSF from the local, regional and international perspectives.

PILO c: Understand how banking strategy, products and services can support the development of GSF.

PILO d: Familiarise and apply the GSF standards, principles, and policies to daily banking operations.

PILO e: Integrate and apply data and technology solutions to facilitate banking operations related to GSF.

PILO f: Develop in-depth knowledge on climate, environmental and other emerging sustainability risks and regulatory frameworks for GSF governing banking and financial services in Hong Kong.

PILO g: Examine the nature and importance of sustainability risks and how they may be managed and disclosed.

Learning Topics and Module Intended Learning Outcome (MILO)

Module 1: Introduction to Sustainability

MILO a: Define and summarise fundamental concepts and taxonomy related to sustainability.

MILO b: Recognise the latest trends and developments in GSF and the impact on banks.

MILO c: Understand the methodology and approaches to monitor, measure and report GSF or sustainability impacts and outcomes.

MILO d: Understand the risks posed by the exposure of financial institutions/sector to activities that are caused by environmental, social, governance, and climate events.

1.1 Overview of Sustainability

- Fundamentals of Sustainability, ESG, Climate Change, and Green & Sustainable Finance
- Basic science of environmental risk, climate change and the impact of climate change on the banking industry
- How the banking industry can contribute to the transition to a sustainable and low-carbon economy

1.2 Green and Sustainable Finance Trends and Developments

- Key players involved in the green and sustainable finance system
- Key initiatives, standards, principles, policies and frameworks on sustainability from international to local scale
- Evaluate the influences of GSF trends and developments on the banking industry and how they impact the banking industry's sustainability strategy and business practices

1.3 Taxonomy, Data and Disclosures

- Sustainability reporting (e.g. International Financial Reporting Standards (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information, Sustainability Accounting Standards Board (SASB) standards, Global Reporting Initiative (GRI) standards, Value Reporting Foundation (VRF) standards)
- Climate-related disclosures (Carbon Disclosure Project (CDP), Climate Disclosure Standards Board (CDSB), IFRS S2 Climate-related Disclosures, TCFD)
- Green and sustainable finance product related disclosures, GSF taxonomy

Module 2: Fundamentals of Green and Sustainable Finance

MILO a: Understand how banks can align the investment and lending decisions with sustainability strategy and objectives.

MILO b: Understand the fundamentals and applications of GSF products and services.

MILO c: Understand the fundamentals and applications of green and sustainable investment and approaches.

MILO d: Understand the carbon markets, carbon management and the latest developments.

2.1 GSF Markets and Trends in HK, the Greater Bay Area and around the World

- Existing and emerging approaches to defining sustainable and green finance
- Introduction of green and sustainable finance market and latest industry trends

2.2 Green and Sustainable Products and Instruments

- Different types of green and sustainable finance products and instruments, such as bonds, loans, project and trade financing, and international guiding principles, standards and framework
- Assessment of the rationale (i.e. relevance and materiality) of the selection of Key Performance Indicators (KPIs) and ambition level of Sustainability Performance Targets (SPTs) for green and sustainable products

2.3 Green and Sustainable Investing

- Introduction of green and sustainable investment strategy, products, concepts, approaches and applications.
- Data and technology solutions to analysis & integration and the associated challenges

2.4 Carbon Market

- International and regional carbon market landscape and opportunities
- Development of voluntary and compliance carbon markets, and the impact on financial institutions and corporates

Module 3: Sustainability Risks in Banking

MILO a: Understand the types, importance and impact of sustainability risks (including climate and environmental risks).

MILO b: Examine the approaches to identify, manage, analyse and disclose these risks.

3.1 Overview of Sustainability Risks

- Nature and importance of key sustainability risks
- Evaluation of the impact of sustainability risks on the banking sector, and strategies that banks can develop to identify, measure and manage the sustainability risks in the banking industry or manifest opportunities

3.2 Climate Risk Management

- Different types of climate-related risks and best practice in climate risk strategy, governance and management
- Introduction of data, technology tools, and analytics frameworks and metrics for measuring physical and transition risks

3.3 Climate Models and Scenario Analysis

- Fundamental climate modelling approaches by banking and financial industry and the development of skillsets for climate scenario analysis and data literacy

Module 4: ESG/Sustainability Strategy, Disclosures and Reporting

MILO a: Understand the concept of sustainability strategy and policy for banks (with a focus on governance, targets, risk, and products), and the importance of monitoring, measuring, and reporting impacts, outcomes, and alignment / flows of finance.

MILO b: Understand the methodologies used to prepare GSF-related disclosures (including Sustainability Report, TCFD report, GSF Products Allocation and Impact Report, Sustainable Investment Disclosures) in line with regulatory requirements and international best practice and principles by utilising standards and techniques such as stakeholder engagement and materiality assessment, emissions and impact measurement / accounting.

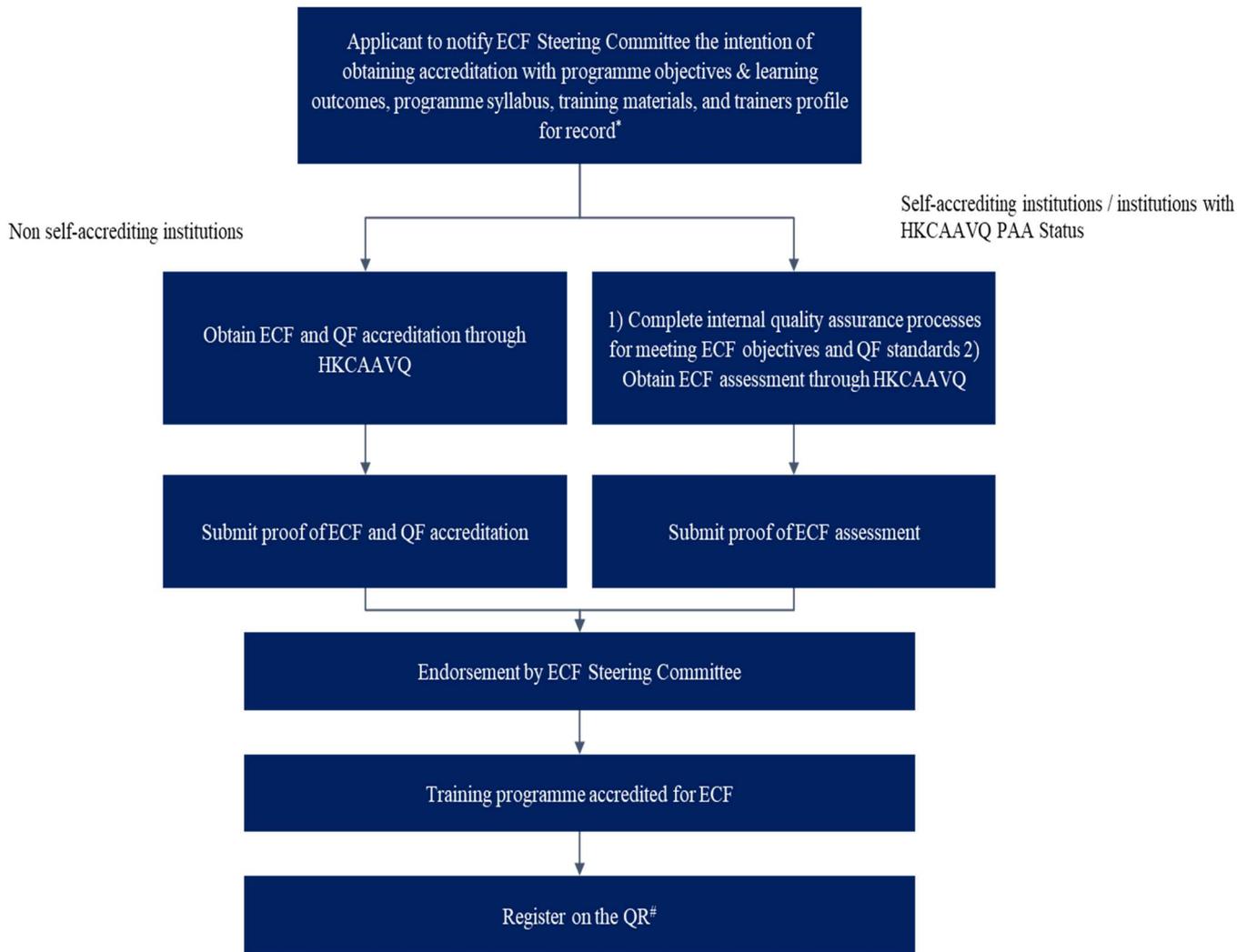
4.1 Green and Sustainable Banking Strategy

- Development and implementation of a comprehensive sustainability strategy that embeds sustainability into banks' plans, measures, operations, risk, capital management, etc.
- Ways of streamlining the reporting framework, processes, and data to align with the strategic targets and goals

4.2 ESG/Sustainability Disclosures and Reporting

- ESG compliance and regulation in Hong Kong
- Common practices in preparing GSF-related disclosures in accordance with local regulatory requirements and international best practice
- Emissions and impact measurement / accounting methodology

Annex 4 – ECF-GSF: Accreditation Mechanism



* For the detailed application procedures, please visit the “ECF Accreditation Mechanism” subsection under the “Enhanced Competency Framework” section on HKMA’s website (<https://www.hkma.gov.hk>)

Subject to re-accreditation/re-assessment by HKCAAVQ