

MEMO# 31507

November 29, 2018

Hong Kong SFC Soft Consultation on ESG-Labeled Funds

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November 29, 2018 TO: Global ESG Task Force

ICI Global Regulated Funds Committee RE: Hong Kong SFC Soft Consultation on ESG-Labeled Funds

On 21 September 2018, the Hong Kong SFC published a report outlining its [Strategic Framework for Green Finance](#). The framework's action agenda includes considering providing internationally-compatible disclosure guidance, harmonised criteria, and frameworks to facilitate product disclosure and reporting, and to raise the credibility of green product offerings in Hong Kong.

As follow-up on this agenda item, the SFC has notified us that it is currently contemplating eligibility and disclosure requirements for SFC-authorized funds with an investment focus on climate/green/environmental, social and governance (ESG) or sustainability. According to the SFC, conceptually, the initial proposal includes (i) underlying investment threshold, (ii) ongoing monitoring process, (iii) declaration of compliance, and (iv) ongoing disclosure. We do not yet have any further details on the content of the eligibility and disclosure requirements that the SFC is contemplating.

The SFC has invited us and 3-4 members to a soft consultation meeting to share our views on the SFC's proposed requirements, and insights on green/ESG integration and investment selection processes, as well as challenges and risks associated with managing green/ESG funds.

Please let us know if you are interested in attending the soft consultation meeting at the SFC and available at the following date and time:

Location: SFC (35/F, Cheung Kong Center, 2 Queen's Road, Central, Hong Kong)

Date: 13 Dec 2018

Time: 2:15pm - 3:45pm

We will need to provide meeting participant names to the SFC by early next week.

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