

**MEMO# 32672**

August 13, 2020

## **Asia ESG: ICI Global Response to HK SFC Soft Consultation on Climate Risk Requirements for Asset Managers**

[32672]

August 13, 2020 TO: ESG Task Force (Global)

ICI Global Regulated Funds Committee

ICI Global Regulated Funds Committee - Asia RE: Asia ESG: ICI Global Response to HK SFC Soft Consultation on Climate Risk Requirements for Asset Managers

We submitted the attached informal response via email to the Hong Kong Securities and Futures Commission's (SFC) soft consultation<sup>[1]</sup> on proposed regulatory requirements for asset managers on climate-related risk. This was a great opportunity to feed into the SFC's high-level thinking before they launch a formal public consultation later this year. We anticipate providing a more detailed submission at that time.

The attached response urges the SFC to take a principles-based, proportional approach that provides a manager with the flexibility to implement governance, investment and risk management, and disclosure of material climate risk in a manner best suited to the size, nature, and complexity of its business. Similar to our response to the Monetary Authority of Singapore (MAS) consultation<sup>[2]</sup> we also ask the SFC to clarify certain elements of the proposed requirements, focus on materiality, avoid requiring entity-level quantitative disclosure, and avoid conflicts with other jurisdictions.

We will keep you updated on any further developments.

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## Attachment

### **endnotes**

[1] For more details on the SFC's soft consultation, see ICI Global Memorandum No. 32650, available at <https://www.iciglobal.org/iciglobal/pubs/memos/ci.memo32650.global>.

[2] See ICI Global Memorandum No. 32666, available at <https://www.iciglobal.org/iciglobal/pubs/memos/ci.memo32666.global>

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