

FOR IMMEDIATE RELEASE

HKQAA's Green Finance Certification Scheme Fostering a Green Economy in Hong Kong

(3 January 2018, Hong Kong) Hong Kong Quality Assurance Agency announced the kick-off of its new initiative, the Green Finance Certification Scheme, which supports environmentally-friendly investments and Hong Kong's green finance development.

Emerging Green Finance Market

The 2015 Paris Agreement brought nations together to combat climate change and highlighted the importance of adequate financial resources for the implementation of green policies. Since then, nations have successively promoted green finance development, and over USD 100 billion worth of green bonds were issued in 2017 alone. Keeping pace with the global trend, the Hong Kong SAR Chief Executive's 2017 Policy Address also stated government support for sustainable development, combatting climate change and the development of green finance in Hong Kong.

Third-party Conformity Assessment to Enhance Green Finance's Credibility

As one of the leading conformity assessment bodies in the region, Hong Kong Quality Assurance Agency (HKQAA) has been playing an active role in developing and providing certification and assessment services to promote sustainability and social responsibility. To meet growing market needs and support green finance development in Hong Kong, HKQAA has taken the lead to develop a **Green Finance Certification Scheme** to provide third-party conformity assessments for green finance issuers.

This scheme aims at enhancing credibility and stakeholder confidence in green financial instruments, helping issuers reach out to potential investors with the aid of Green Finance Certificates and Certification Mark. Issuers can demonstrate that they are making an effort to promote environmentally-friendly investment. Through the Scheme, we strive to promote a common understanding of green finance among issuers, investors, the business community and the general public. Our ultimate goal is to facilitate the development of green finance and green industry, thereby paving the way to a greener and more sustainable future.

Reference to International Standards

HKQAA has developed the Scheme with reference to a number of widely recognised international and national standards on green finance, such as the Clean Development Mechanism (CDM) under the United Nations Framework Convention on Climate Change (UNFCCC); the Green Bond Principles (GBP) of the International Capital Market Association (ICMA); the People's Bank of China Announcement No. 39 and its Annex, Green Bond Endorsed Project Catalogue; and ISO 26000:2010 Guidance on Social Responsibility, among others.

The Scheme evaluates the eligibility of green finance and corresponding projects by assessing the effectiveness of an Environmental Method Statement at pre- and post-issuance stages. The Statement covers the method of achieving the intended positive environmental effects of the specified green financial instrument. Two types of certificate will be presented: Green Finance Pre-issuance Stage Certification and Post-issuance Stage Certification.

Positive Environmental Effects

The Pre-issuance Stage Certificate is an as-at certificate that requires validation of the adequacy of the Statement for delivering positive environmental effects. The Post-issuance Stage Certificate requires annual verification of the implementation and effectiveness of the Statement regarding the proposed positive environmental effects.

Issuers of debt instruments which will support green projects or environmental protection may apply for the Scheme. Eligible debt instruments include bonds and loans. For details of the Green Finance Certification Scheme, please visit HKQAA's official website (www.hkqaa.org).

- End -

For enquiries, please contact:

Hong Kong Quality Assurance Agency – Corporate Communications Unit
Ms. Rae Leung / Ms. Vivian Li
Tel: 2202 9314 / 2202 9303
E-mail: rae.leung@hkqaa.org / vivian.li@hkqaa.org

HKQAA Background

Hong Kong Quality Assurance Agency (HKQAA) is a non-profit organisation established by Hong Kong Government in 1989. As one of the leading conformity organisations in the Asia-Pacific region, HKQAA is committed to providing certification and assessment services. Through knowledge sharing and technology transfer, HKQAA helps enterprises enhance management performance and competitiveness. Apart from introducing world-class management systems to Hong Kong, HKQAA has also developed a wide range of innovative services to cope with increasingly diversified market demands and the growing need for sustainable development, bringing benefits to the community. Please visit <http://www.hkqaa.org> for further information.