

HKQAA's Green and Sustainable Finance Certification Scheme

Following Government Strategies and Market Trends, Facilitating Development of Green and Sustainable Finance

Hong Kong Monetary Authority (HKMA) today released a guideline on the **Green and Sustainable Finance Grant Scheme (GSF Grant Scheme)**. The Scheme will commence on 10 May 2021 and last for three years. It will provide subsidy for eligible bond issuers and loan borrowers to cover their expenses on bond issuance and external review services. The guideline on the Scheme is available on the [HKMA's website](#).

In alignment with Government strategies and market trends, Hong Kong Quality Assurance Agency (HKQAA) is also launching the **Green and Sustainable Finance Certification Scheme** today. The Scheme aims to strengthen market confidence in sustainable finance projects through professional and impartial third-party conformity assessments, thereby encouraging more capital flows towards green and sustainable uses. This echoes the Government's goals of achieving carbon neutrality before 2050 and developing Hong Kong into a regional green and sustainable finance hub.

HKQAA has been communicating closely with different Government departments to support Hong Kong's financial development strategies. Since 2016, with the promotion and support of the Hong Kong SAR Government, HKQAA took the lead in developing the Green Finance Certification Scheme, and then rolled it out in 2018. In the same year, the Government announced the launch of its Green Bond Grant Scheme to subsidise eligible green bond issuances obtaining certification under this certification scheme. This year, in response to Government policies, HKQAA is launching the Green and Sustainable Finance Certification Scheme, to encourage more entities to make use of Hong Kong's capital markets and financial and professional services for green and sustainable investment and financing.

Expanding Certification Service Scope to Fulfil Diversified Market Needs

The Green and Sustainable Finance Certification Scheme was developed with reference to several international and national standards. It adopted the scheme design and core methodology of the original Green Finance Certification Scheme, while emphasising the importance of impact assessment, stakeholder engagement and transparency. The scope of certification services has been expanded from green to green and sustainable. Additionally, in response to diversified market needs, it also covers specific green and sustainable subjects including Sustainability-linked or Green and Climate Transition requirements. This adjustment allows the issuer to choose the scope of certification according to the objectives of their financial instrument and provides a clearer message to investors or stakeholders about the purpose of the use of proceeds and the planned positive impact.

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