f The future of sustainable finance and i

the difficulties for issuers to comply with the ISSB standards, Ms Leung observed. Proportionate measures and time-limited transition reliefs have been embedded into the final ISSB standards and adoption guidance to consider issuers and preparers capability, resources and preparedness. For example, entities could use information that is available on the reporting date without undue cost and effort in relation to Scope 3 emissions, and jurisdictions could phase in their implementation in relation to Scope 3 emissions and adoption of the standards beyond climate. She believes the ISSB standards will provide a

[1] The Keynote Discussion was moderated by Ms Loretta Fong, President of HKICPA.
[2] International Financial Reporting Standards.
[3] Ms Leung co-chairs the IOSCO Sustainable Finance Task Force Corporate Reporting Workstream which had been providing feedback to the ISSB in the lead-up to the June 2023 publication of the final ISSB standards.

łÓd…cû6ºTƒì"îr-ª6°ØÕ¦ál¨ UÝ7›f˜¾1 ƒj@¶1vk×sà¬Õ•ãoðŸ Ö• TJ ET EMC Q /Span <</Lang (

framework for consistent and high-quality corporate disclosures, allowing investors to make comparable investment decisions.

Significance of ISSB standards for Hong Kong

Creating a common language

Ms Leung viewed the ISSB standards as a common language for companies, regulators and investors to address the opportunities and risks of climate and other areas of environmental, social and governance. Hong Kong should adopt these standards and set an example for other jurisdictions, starting with large-sized listed companies. This is because global investors and capital providers need this set of consistent information to make informed decisions and meet their own obligations, which are becoming mandatory in Europe and increasingly across key jurisdictions. She emphasised that international capital would bypass issuers or companies that are unable to provide such information.

Hong Kong is already making a first move with listed companies, as the Stock Exchange of Hong Kong Limited (SEHK) recently consulted the public on proposed climate-related reporting requirements for these companies. She indicated that proposals aim to align the requirements with the ISSB standards and also provide proportionality measures for adoption even before the ISSB finalised its standards.

Driving transition finance

Transition finance and the opportunities it presents are another reason why Hong Kong should pay special attention to these standards, Ms Leung said. With China commitment to climate goals[4], and as the pure green segment accounts

18 54
+852 2231 1222