



The future of sustainable finance and implications for businesses

Keynote discussion at the CPA Congress 2023¹

Ms Julia Leung
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At the CPA Congress hosted by the Hong Kong Institute of Certified Public Accountants (HKICPA), Ms Julia Leung, Chief Executive Officer of the Securities and Futures Commission (SFC), shared her views on the future of finance and the implications for businesses and markets. During the keynote discussion, she examined the significance of the International Sustainability Standards Board (ISSB) new IFRS² Sustainability Disclosure Standards for Hong Kong as an early mover in sustainable finance and an international financial centre, and also discussed the



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 the 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's commitment to climate goals⁴, and as the pure green segment accounts

