



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B9/197C

30 May 2023

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Prototype of a Green Classification Framework for Hong Kong

The Hong Kong Monetary Authority (HKMA) today released a discussion paper titled “Prototype of a Green Classification Framework for Hong Kong” to outline our current thinking on local green classification framework (i.e. taxonomy) and seek to gather feedback from stakeholders on its development and application.

To increase transparency and enable consistent policy making on green finance, the Green and Sustainable Finance Cross-Agency Steering Group (CASG)¹ has been working to explore developing a green classification framework for adoption in the local market, with a view to facilitating easy navigation across the Common Ground Taxonomy (CGT)², Mainland China’s and the European Union’s taxonomies. The HKMA has commissioned an external consultant, Climate Bonds Initiative, to develop a prototype of such a framework to demonstrate our approach and facilitate discussion with stakeholders.

¹ Established in May 2020, the CASG is co-chaired by the HKMA and the Securities and Futures Commission. Members include the Environment and Ecology Bureau, Financial Services and the Treasury Bureau, Hong Kong Exchanges and Clearing Limited, Insurance Authority and the Mandatory Provident Fund Schemes Authority. The Steering Group aims to coordinate the management of climate and environmental risks to the financial sector, accelerate the growth of green and sustainable finance in Hong Kong and support the Government’s climate strategies.

² The International Platform on Sustainable Finance (IPSF) undertook an in-depth comparison exercise between the European Union and Mainland China’s taxonomies and put forward the commonality in the CGT. In November 2021, the IPSF published the CGT Instruction Report and consulted stakeholders on the CGT activities’ table. In June 2022, the IPSF published the updated version of both documents.

Details of the prototype as well as our intended way forward could be found in the discussion paper which is enclosed with this circular³. We are inviting your institution to share with us any views in relation to the prototype and the questions raised in the paper by 30 June 2023 via the channels as provided at the end of the paper.

Should you have any questions, please contact Mr Willy Mak (2878-1219) or Mr Roy Chan (2878-8717).

Yours faithfully,

Daryl Ho
Executive Director (Banking Policy)

Encl

cc: FSTB (Attn: Mr Justin To)

³ Discussion paper: <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2023/20230530e1a1.pdf>
Annex: <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2023/20230530e1a2.pdf>