



**SECURITIES AND
FUTURES COMMISSION**
證券及期貨事務監察委員會

The Management and Disclosure of Climate-related Risks by Fund Managers

26 November 2021

Global developments

Paris Agreement



Citing “Greenwashing” Concerns, IOSCO Issues Recommendations to Securities Regulators on Sustainability-Related Practices, Policies and Disclosures

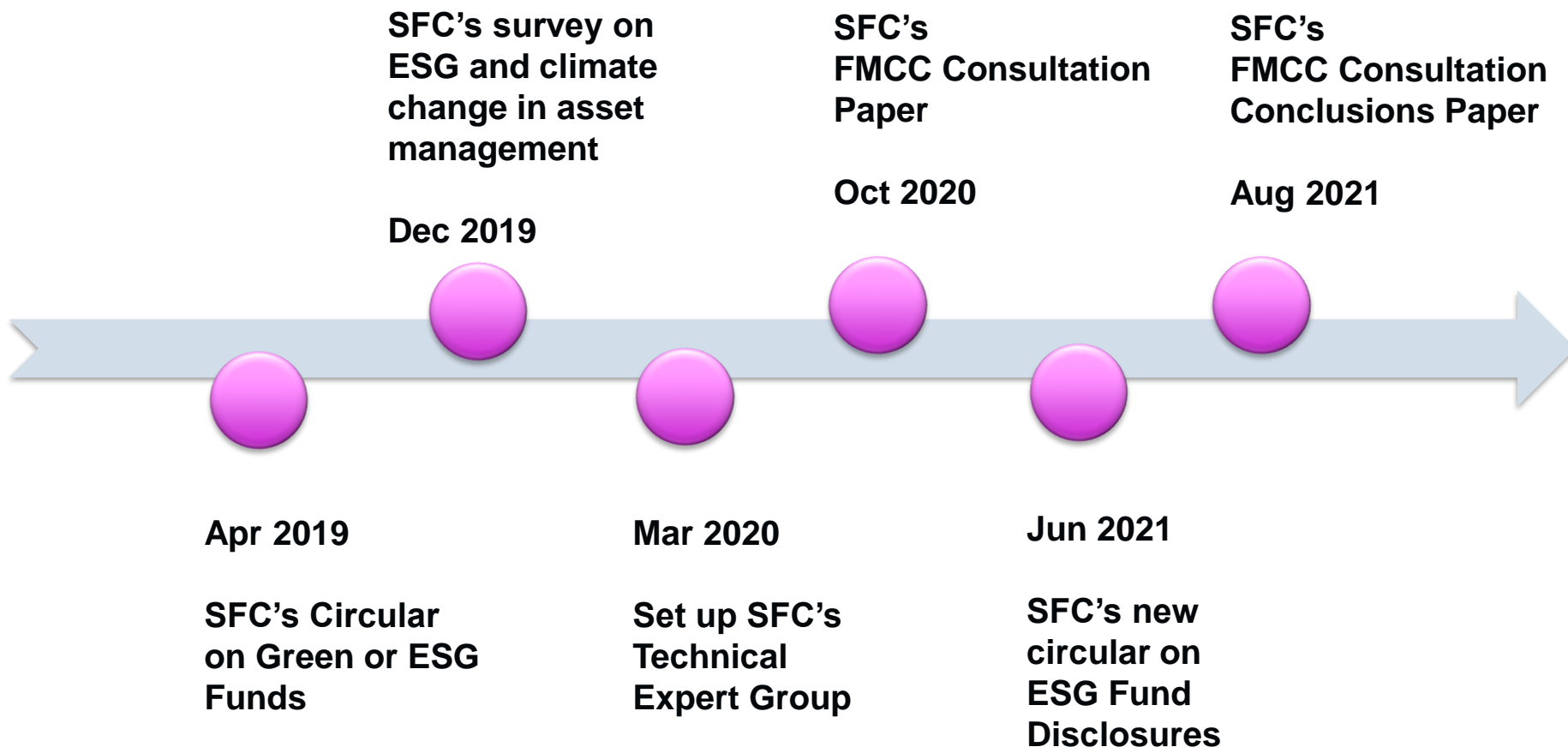
UK government publishes roadmap to sustainable investing



New Zealand becomes first country to force finance companies to act on climate risks

Monetary Authority of Singapore Issues Guidelines on Environmental Risk Management for Asset Managers

Key milestones



Overview of SFC's Regulatory Response

Requirements

- **Fund Manager Code of Conduct (FMCC)** – To provide the requirements
- Circular – To set out expected standards with practical examples for complying with the FMCC:
 - **(a) Baseline requirements** - for all fund managers
 - **(b) Enhanced standards** - for large fund managers only (*AUM of HK\$ 8 billion or above for any 3 months in the previous reporting year*)

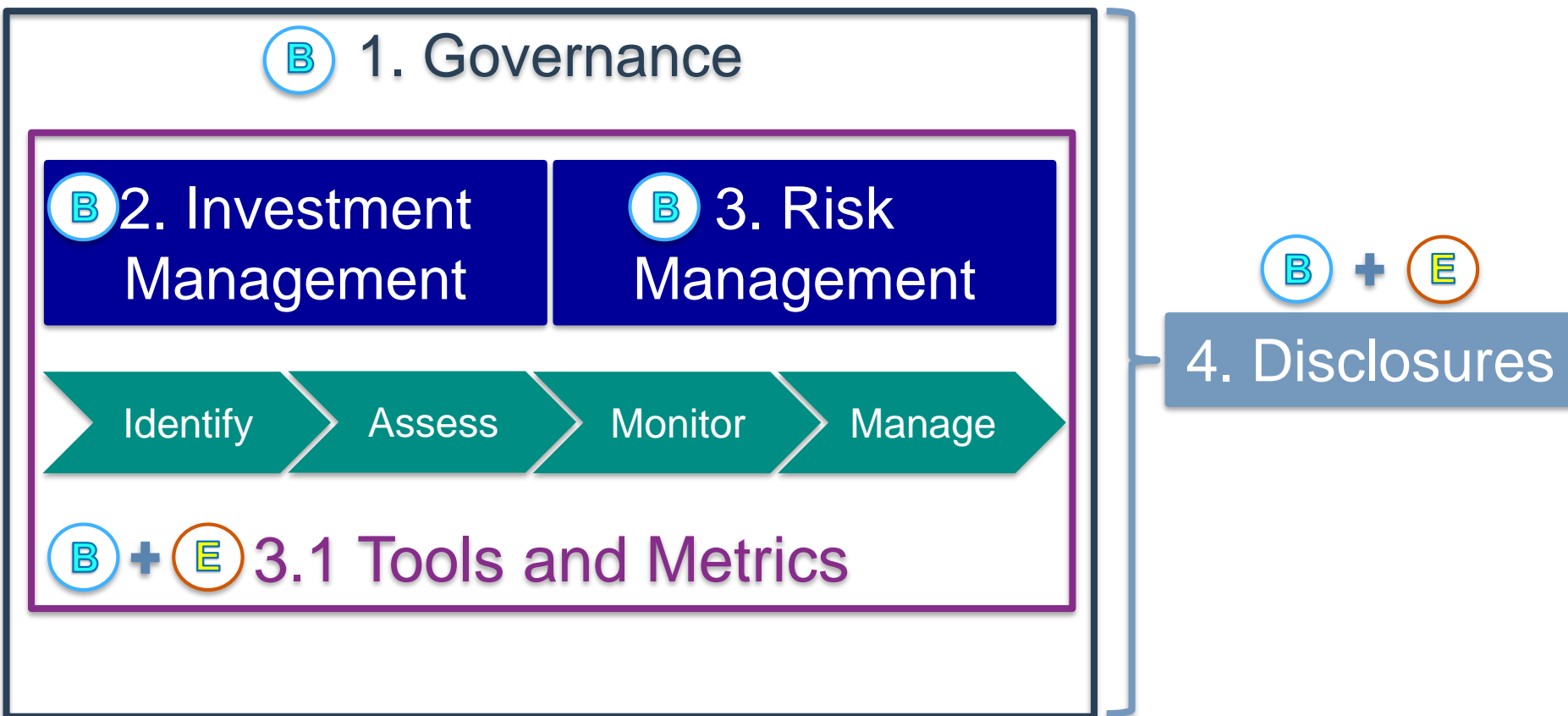
Application of requirements

- Fund managers that manage collective investment schemes (**CIS**)

Scope of requirements

- **(i) Governance, (ii) Investment Management & (iii) Risk Management**
- **(iv) Disclosure** - Fund managers that are responsible for the overall operation of the funds

Framework for the Baseline Requirements and Enhanced Standards



 – Baseline Requirements

 – Enhanced Standards (Large Fund Managers)

Implementation timeline

