

11 April 2022

Our Ref: INS/TEC/10/51

By e-mail only

To: Chief Executives of all Authorized Insurers, Chief Executives of Designated Insurance Holding Companies, Responsible Officers of all Licensed Insurance Broker Companies and Responsible Officers of all Licensed Insurance Agencies

Dear Sirs,

**The Publication of The International Sustainability Standards Board Proposed Standards for Public Consultation**

We would like to inform you that the International Sustainability Standards Board (“ISSB”)<sup>1</sup> has published the proposed general requirements for disclosure of sustainability-related financial information and the climate disclosure requirements and is seeking feedback on these proposals over a consultation period closing on 29 July 2022. For details, please refer to ISSB’s announcement available at <https://www.ifrs.org/news-and-events/news/2022/03/issb-delivers-proposals-that-create-comprehensive-global-baseline-of-sustainability-disclosures/>.

The proposed standards are built on, among others, the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”)<sup>2</sup> and are intended to form a comprehensive and effective global baseline of sustainability disclosures, which set out requirements for the disclosure of material information about a company’s significant sustainability-related risks and opportunities that is necessary for investors to assess a company’s enterprise value. The ISSB aims to finalise the standards by the end of 2022.

Among other materials published by the ISSB in its announcement, you may wish to take a closer look at the Exposure Draft IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, the Exposure Draft IFRS S2 Climate-related Disclosures; and Volume B17 on Insurance under the Appendix B Industry-based disclosure requirements to the Exposure Draft IFRS 2.

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<sup>1</sup> The International Financial Reporting Standards (“IFRS”) Foundation Trustees announced in November 2021 the creation of the ISSB which is intended to deliver a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies’ sustainability-related risks and opportunities to help them make informed decisions.

<sup>2</sup> The Financial Stability Board created the TCFD to improve and increase reporting of climate-related financial information. The TCFD recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets.

The Green and Sustainable Finance Cross-Agency Steering Group, which the Insurance Authority is a member of, welcomed ISSB's publication of the proposed standards. We would like to encourage the insurance sector and all interested stakeholders to participate in the ISSB consultation. We will work closely with the industry and other key stakeholders to evaluate and gather feedback on how the ISSB's proposed disclosure requirements can be applied in Hong Kong.

Thank you for your kind attention.

Yours faithfully,

Tony Chan  
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Policy and Development Division  
Insurance Authority

c.c. The Hong Kong Federation of Insurers  
The Hong Kong Confederation of Insurance Brokers  
Professional Insurance Brokers Association