


Language

English 

Read this first

Structure of the Questionnaire: This survey consists of three sections:

- **Section 1:** Respondent Information – Basic details about you or your organisation to help us analyse the feedback.
- **Section 2:** Proposal Questions – Specific questions regarding the five key proposals. For each proposal, you will be asked to indicate your position by selecting Yes, No, or No view, and provide concise reasons or suggestions in the text boxes provided.
- **Section 3:** General Views – A final section for any overall comments, including an optional facility to upload a supplemental document.

Your progress will be shown in the progress bar at the bottom of each section.

Publication of responses: The AFRC intends to publish consultation conclusions, which may include comments received along with the identity of the respondent (i.e., your name or the name of your organisation). If you wish to remain anonymous, please clearly state this request in your submission form.

Personal data: Any personal data provided in response to this consultation will be handled in accordance with the [Personal Information Collection Statement](#). Please review this statement before submitting your response. Personal data may be used for purposes related to the consultation exercise and for fulfilling the AFRC's statutory functions under applicable laws and regulations.

Enquiries: If you have any questions regarding this consultation, please contact us at policy@afrc.org.hk.

Reference materials can be found [here](#).

Important Instructions

- **Save & Continue:** Your answers are automatically saved as you move to the next page of the survey. If you leave the survey (close the browser or navigate away), you can return using the same survey link and, as long as you use the same browser and device, you will resume from where you

stopped. This feature relies on cookies stored in your browser to track the progress. If cookies are cleared or a different device/browser is used, progress may be lost.

- **Reviewing before submission:** You may use the sidebar in the top left corner of each page in the survey to display the table of contents navigation menu, allowing you to move to any page to review or amend your answers at any time before clicking "Submit".
- **Saving your response:** After you submit the form, an acknowledgement page will appear. You can download or print a copy of your submission for your records by clicking the button located in the top right corner of that page and selecting "Print response".

*Confirmation



I confirm that I have read the above content, including the Personal Information Collection Statement.

Respondent Information

*Please state whether your response represents the view of your organisation or your personal view



Organisation view



Personal view

*Organisation Name

The Hong Kong Chamber of Listed Companies

*** Title**

Mr.

Ms.

Mrs.

Dr.

Prof.

*** Name**

First Name

Mike

Last name

Wong

*** Email Address**

~~XXXXXXXXXXXX~~

*I consent to the AFRC publishing my identity (name/organisation) together with my comments.

Yes

No

*Which of the following categories best describes your organisation?

Academia

Accounting / Auditing Firm

Non-CPA assurance provider

Company (including financial institution)

User of sustainability disclosures

Professional Body

Others



Market Organisation

Proposal 1: Subject to further consultations by HKEX and relevant financial regulators in relation to entities required to report using the Hong Kong Sustainability Disclosure Standards (Mandatory HKSDS Reporting), all entities subject to such reporting must obtain independent assurance.

*Q1.1) Do you agree with the proposal?

Yes

No

No view

*Please state the reason(s) for your response.

We agree independent assurance will drive disclosure quality as the issuers become aware that their disclosure will be subject to external vetting. The assurance focus will also provide some structure to how the disclosure should best be done, being aware of which areas to be examined. That could be an extra push for higher disclosure quality, making them more credible and comparable. It is important that such independent assurance will only be required for certain issuers specified by HKEX to use Mandatory HKSDS Reporting, presumably of larger scale and with better resources and which are having voluntary assurance anyway. This is a preferred approach to applying it across the board which would be burdensome to smaller companies with less resources. It should be noted that in real major markets like the UK and Chinese Mainland, assurance is proposed to be voluntary or "encouraged". In the US where discussion is on hold, it was also only meant for large, accelerated filers. When deciding which batch of companies to use Mandatory HKSDS Reporting, HKEX must be transparent in the criteria used and take into account the adaptability of the issuers concerned. Expectedly the HKSDS Reporting will be more demanding in depth and scope. Putting on top an assurance requirement, the additional workload and resources required must not be underestimated even for them.

1390/2000

*Q1.2) What challenges do you foresee in implementing this proposal? Please provide details and, where possible, suggest revisions or solutions to address these challenges.

As always, capacity is an issue. Whether there is sufficient assurance professionals in the market who can offer their service at a reasonable time and cost will determine the success of the assurance endeavour. From the issuer's point of view, to include assurance they must allow extra time in the whole sustainability reporting process in order that an assured ESG Report can be published in time. Issuers must be made aware of it through adequate communication and they must better plan their time and resource allocation.

534/2000

*Q1.3) In your view, what would be the most effective way to encourage entities that voluntarily adopt the HKSDS to obtain independent assurance?

Issuers would like to see positive results from their efforts. Assurance requires investment of money and time. If issuers can see return on the investment, investors, they will be encouraged to commit to it. Returns can be in various forms: goodwill, market reputation, positive feedback from rating agencies, better engagement with investors. The presence of these will be great motivation.

397/2000

Proposal 2: Subject to further consultations by HKEX and relevant financial regulators in relation to Mandatory HKSDS Reporting, all entities subject to such reporting must obtain limited assurance over:

- **Phase 1: Scope 1 and 2 GHG emission disclosures from the third financial year of the Mandatory HKSDS Reporting; and**
- **Phase 2: All remaining disclosures mandated under HKSDS from the fifth financial year of the Mandatory HKSDS Reporting.**

*Q2) Do you agree with the proposal?

Yes

No

No view

Please state the reason(s) for your response.

A phased approach is important to give both issuers and assurance providers sufficient time to handle the work properly. It is also a good approach to start with the more straight forward disclosure. As from FY 2025, all listed issuers on Main Board and GEM are mandated to disclose Scope 1 and Scope 2 emissions. By the time mandatory assurance becomes effective in a few years from now, such disclosures should be very matured, making them ready for vetting. Regarding the timeline for obtaining limited assurance for all remaining disclosures in Phase II, the level of effort and expertise required for full assurance remains highly challenging. Much of the information relies on proxy estimations, and currently there is no consistent methodology to guide these calculations. The expansion in scope from Phase I to Phase II is also remarkably significant. To achieve full assurance for the remaining elements of the HKSDS, additional technical support and clearer guidance will be essential.

1007/2000

*Q2.3) Do you agree with the proposal for not setting a timetable for reasonable assurance at this stage?

- Yes
- No
- No view

*Please state the reason(s) for your response, including any views on when this transition should be considered or made effective.

We agree. We should let the market, issuers and assurance providers alike, to get familiar with the process first. As reasonable assurance involves more in-depth vetting, investigation and verification, assurance capacity and expertise needed to be fully developed. The regulator should monitor the market adaptation of assurance and availability of sufficient capacity, then determine the timetable for the next step of reasonable assurance.

449/2000

Proposal 3: Mandatory assurance must be provided by registered sustainability assurance providers (SAPs) and their registered individuals. These SAPs comprise either:

- **Registered local Public Interest Entity (PIE) auditors that meet additional criteria; or**
- **Accredited local non-CPA firms that meet similar criteria.**

*Q3.1) Do you agree with the proposal?

Yes

No

No view

*Please state the reason(s) for your response.

We agree the registration of SAPs should be more inclusive, based on a set of clear, objective and reasonable criteria. There is no reason of limiting the qualification of SAPs to PIE auditors only. Including both PIEs and non-CPA firms will increase supply of qualified assurers, provide market competition and offer more choices to issuers in costs and service levels. In many instances, Non-CPA firms that provide assurance work possess strong sustainability-related knowledge and expertise, many of them started off as sustainability consultancies. Compared to PIE auditors whose knowledge is more centered on financials, non-CPA consultants are equally, if not more, qualified in sustainability assurance. Non-CPA consultants may also be more competitive in fees compared to PIE auditors, especially the larger ones. This is an important consideration to issuers.

*Q3.2) Do you agree with these principles set out in paragraph 7.4(b) of the consultation paper for firm registration (reproduced below)?

7.4 (b) Eligibility: Both registered PIE auditors and accredited non-CPA firms need to be registered as SAPs before they can provide mandatory assurance services. They will need to demonstrate proficiency through technical competence, capacity, integrity, an effective system of quality management and adherence to relevant standards, thereby safeguarding public trust and assurance quality.

Yes

No

No view

*What other criteria should be considered?

No further comments.

*Q3.3) What registration criteria would you propose for individuals that ensure professional competence while accommodating the varied backgrounds of SAPs?

We believe local knowledge is key. An individual must profess deep knowledge and understanding of HKEX rules on sustainability disclosures. Knowledge of international practices aside, absence of knowledge of disclosure requirements in the local context will limit the effectiveness of assurance work. The Chamber of Hong Kong Listed Companies runs an ESG Certified Professional Examination since 2024. It is Hong Kong's first rule-based examination testing candidates' knowledge of HKEX's ESG Disclosure Rules (Appendix C2). Candidates who pass the examination demonstrate deep understanding of such and will earn them the qualification of ESG Certified Professional. The qualification is to be renewed annually after fulfilling continuous training requirements, ensuring their knowledge is up-to-date. The ESGCP qualification is a strong testimony of an individual's knowledge of HKEX rules. It should therefore be made a recognised qualification for individuals wishing to be registered, alongside other international accreditations.

1046/2000

Proposal 4: Mandatory assurance must be carried out in compliance with Hong Kong Standard on Sustainability Assurance 5000, which requires the concurrent application of:

- **Hong Kong Standard on Quality Management 1; and**
- **Hong Kong Ethics Standards for Sustainability Assurance.**

*Q4.1) Do you agree with the proposal?

Yes

No

No view

*Please state the reason(s) for your response.

We agree adopting HKSSA 5000 and the concurrent application of HKSQM 1 and HKESSA, as it is internationally recognised and used. An international standard commonly used gives rise to compatibility and interoperability across markets and regulatory jurisdictions. This enables international investors to comprehend the essence of the assurance and do comparison, given that the same methodology and process are used.

419/2000

*Q4.2) What are the capacity building efforts and resources required to further support the implementation of the above standards? Please elaborate.

Education is key. The success of the sustainability assurance hinges on a supply of assurers who are familiar with the contents of the standard and grasp the application of it. Continuing education and vocational training should be offered by various institutes to spread the knowledge and build capacity for the assurance endeavours.

337/2000

Proposal 5: A single regulator model to:

- **register and regulate all SAPs and their registered individuals, and**
- **oversee relevant standard-setting by the Hong Kong Institute of Certified Public Accountants.**

*Q5.1) Do you agree with the proposal?

Yes

No

No view

*Please state the reason(s) for your response.

We agree that a single regulator will be in a better position to promote consistency and uniformity in regulatory oversight, understand the issues encountered during assurance, identify capacity and resource gaps. It is also easier to deal with international counterparts in cross-jurisdiction co-operation and assurance standards alignment.

343/2000

Please briefly describe yourself and/or your organisation and share any additional insights on the proposal.

The Chamber of Hong Kong Listed Companies devotes its attention to listing rules and regulations, ensuring they are reasonable and balanced. It provides training to listed companies to help raise the level of compliance and educate them on key market topics and trends. The Chamber is a strong advocate of corporate governance and ESG and promotes best practice. Sustainability is a major area of focus in recent years. The Chamber organises events to help companies understand the importance of sustainability, potential hurdles and work with regulators and industry experts to come up with the best approach to make advancement and tackle the challenge. In ESG, we believe it is not one-size-fits-all. Some requirements would be better suit for companies with abundant resources, such as scope 3 emission disclosure. We had relayed the concerns to the Exchange and are pleased to see that it is now mandatory only for large caps. We believe that regulations are best when they can achieve regulatory objectives and produce tangible results for companies at the same time. In assurance we support that the mandatory assurance be applied to large caps with the necessary resources. Reporting itself requires much company resources, adding assurance on top could be excessive for smaller companies. We hope any progression of assurance would be well-paced, realistic and takes into account of the constraints of companies. The ESGCP qualification, obtainable only by passing Hong Kong's first rule-based ESG related examination, is a good measurement of one's knowledge of local rules and therefore should be made a recognised qualification for individual wishing to be registered to conduct sustainability assurance for issuers.

1748/5000

In addition to the comments above, you may upload a supplemental document (PDF or DOCX, maximum 10MB) here. Please note that this should **not** be used as a substitute for completing the structured questions in this survey.

No file uploaded

Final Review

You have reached the end of the survey questions. Please review your answers now. If you wish to make any changes, use the navigation menu (three dashes icon) in the top-left corner to return to any previous section or proposal.

Once you are satisfied with your responses, click Next below to view the Response Summary. On that page, you can download a copy for your records before clicking Submit to provide your response.

100% Survey Completion

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