



16 September 2024

To: **Members of the Hong Kong Institute of CPAs**  
**All other interested parties**

**INVITATION TO COMMENT ON EXPOSURE DRAFTS**  
**Exposure Draft HKFRS S1 *General Requirements for Disclosure of***  
***Sustainability-related Financial Information*; and**  
**Exposure Draft HKFRS S2 *Climate-related Disclosures***

***Comments to be received by 27 October 2024***

The Hong Kong Institute of Certified Public Accountants (Institute or HKICPA) is the only body authorised by law to set standards relating to sustainability disclosures, inter alia, for professional accountants in Hong Kong.

The Financial Reporting Standards Committee (FRSC) of the HKICPA is seeking comments on the [Exposure Draft HKFRS S1 \*General Requirements for Disclosure of Sustainability-related Financial Information\* and Exposure Draft HKFRS S2 \*Climate-related Disclosures\* \(HK EDs\)](#).

The International Sustainability Standards Board (ISSB) published the [inaugural IFRS S1 \*General Requirements for Disclosure of Sustainability-related Financial Information\* and IFRS S2 \*Climate-related Disclosures\*](#) (ISSB Standards) in June 2023. The ISSB Standards provide a set of comprehensive, global baseline standards for sustainability disclosures. In July 2023, the International Organization of Securities Commissions [endorsed the ISSB Standards](#) as being fit for purpose in serving the needs of the capital market.

The HKICPA is proposing full convergence of HKFRS S1 and S2 (HKFRS Sustainability Disclosure Standards) with IFRS S1 and S2, to be effective from 1 August 2025. The decision of full convergence was reached by the HKICPA after a holistic assessment of relevant factors, including local and international developments as well as substantive evidence gathered from extensive engagement with a wide range of stakeholders over the past few years, starting with the publication of the draft ISSB Standards in early 2022 and culminating in the completion of a technical feasibility study on the application of the ISSB Standards in Hong Kong in June 2024. As an international financial centre, Hong Kong's full convergence with the ISSB Standards has global significance as it would bolster the connection of global capital with local businesses as well as those in mainland China and other regions.

The [Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards](#) published by the IFRS Foundation in May 2024 sets out that the targeted entities for application of the ISSB Standards are publicly accountable entities (PAEs). The HKSAR Government's [Vision Statement on Turning Obligations into Opportunities in Developing the Sustainability Disclosure Ecosystem in Hong Kong](#) states that the application of HKFRS S1 and S2 will prioritise PAEs including listed entities and regulated financial institutions in Hong Kong such as banks, fund managers, insurance companies and MPF trustees.

The Institute has prepared an [Explanatory Memorandum \(EM\)](#) to accompany the HK EDs. The EM explains the history of development of the HK EDs, the reasons for full convergence with IFRS S1 and S2, the consultation questions and next steps. The EM also contains a number of FAQs and high-level summaries of key comments received from previous local consultations on the ISSB Standards and how those comments have been addressed.

Stakeholders are strongly encouraged to read the [FAQs](#), in particular, FAQ 1 in relation to which entities must apply the HKFRS Sustainability Disclosure Standards and by when, and the EM before submitting any comments on the HK EDs.

The FRSC invites your comments on the HK EDs by **27 October 2024**. Comments should be supported by specific reasoning and should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

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213 Queen's Road East  
Wanchai, Hong Kong

Fax number (+852) 2865 6603

E-mail: [commentletters@hkicpa.org.hk](mailto:commentletters@hkicpa.org.hk)

Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.