

立法會
Legislative Council

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Date : 11 June 2018

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 27 June 2018

Proposed resolution under the Loans Ordinance

The Secretary for Financial Services and the Treasury will move the proposed resolution in **Appendix 1** under section 3(1) of the Loans Ordinance (Cap. 61) at the above meeting. The President has directed that the proposed resolution be printed in the terms in which it was handed in on the Agenda of the Council.

2. The speech, in both Chinese and English, which the Secretary will deliver when moving the proposed resolution is in **Appendix 2**.

(Dora WAI)
for Clerk to the Legislative Council

Encl.

Loans Ordinance

Resolution

(Under section 3(1) of the Loans Ordinance (Cap. 61))

Resolved that—

- (a) the Government be authorized to borrow from time to time, from any person for the purposes of the Capital Works Reserve Fund established by the Resolution published in the Gazette as Legal Notice No. 18 of 1982, sums not exceeding in total \$100 billion or equivalent, being the maximum amount of all borrowings made under this paragraph that may be outstanding by way of principal at any time; and
- (b) sums borrowed under paragraph (a) are to be credited to the Capital Works Reserve Fund.

**Speech by the Secretary for Financial Services and the Treasury
at the Legislative Council Meeting on 27 June 2018**

Loans Ordinance (Chapter 61)

Resolution to Implement the Government Green Bond Programme

President,

I move the motion on the Agenda pursuant to the Loans Ordinance.

2. This Resolution seeks to authorise the Government to borrow, under section 3(1) of the Loans Ordinance, sums not exceeding HK\$100 billion or equivalent that may be outstanding by way of principal under the Government Green Bond Programme (“the Programme”). Sums borrowed under this authorisation will be credited to the Capital Works Reserve Fund to finance projects with environmental benefits under the Public Works Programme of the Government, including but not limited to projects relating to renewable energy, energy efficiency, pollution prevention and control, waste management, water and wastewater management, and green/low carbon building.

3. The Primary objective of the Programme is to promote the development of green finance in Hong Kong. The Programme also signifies the Government’s support for sustainable development and determination to combat climate change.

4. Upon careful consideration of relevant factors, we propose that the borrowing ceiling of the Programme should be set at HK\$100 billion in order to promote the sustainable development of green finance in Hong Kong, and demonstrate our support for sustainable development and determination to combat climate change.

5. To demonstrate the green credibility of the Programme, the Programme will align with guidelines/standards widely accepted by global investors for green bond issuance in terms of the use of proceeds for projects with environmental benefits, the process for evaluation and selection of such projects, the management of proceeds, and the periodic reporting of project information after issuance. To follow the best market practice and set a good example for other potential green issuers, we are inclined to engage independent reviewers to verify and/or certify the alignment of frameworks of individual issuances under the

Programme with the green bond issuance standards.

6. The Programme will only finance public works projects with environmental benefits and approved by the Finance Committee under the existing mechanism. The relevant Government bureaux and departments will establish internal guidance, guidelines and procedures to implement the Programme.

7. A number of multilateral development banks, namely Asian Development Bank, World Bank and European Investment Bank, have issued green bonds in Hong Kong this year. Implementation of the Programme will help consolidate Hong Kong's status as an international financial centre and establish Hong Kong as a green finance hub in the region.

8. To attract more corporate green bond issuance in Hong Kong, a Green Bond Grant Scheme was announced in the 2018-19 Budget to subsidise qualified green bond issuers in obtaining green bond certification under the Green Finance Certification Scheme established by Hong Kong Quality Assurance Agency.

9. President, we have briefed the Panel on Financial Affairs of the proposal on 3 April and received its support. Subject to authorisation, the Hong Kong Monetary Authority will assist the Government in implementing bond issuance under the Programme. I invite Members to pass this Resolution to facilitate the launch of the Programme and the issuance of an inaugural government green bond under the Programme as soon as possible. Thank you.

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