



Family Office Association
Hong Kong

The Securities and Futures Commission
54/F One Island East
18 Westlands Road
Quarry Bay
Hong Kong

15 January 2021

**Submission of comments on
Consultation Paper on the Management and Disclosure of Climate-related Risks by Fund Managers**

On behalf of the Family Office Association Hong Kong, we hereby submit certain comments to your Commission re the captioned Consultation Paper. Appreciated for the opportunity offered to the market to provide our feedback on this matter and we should be grateful if you could take our comments into your finalizing the Fund Manager Code of Conduct.

The followings are the comments we wish to share with your Commission:

- 1) In the proposed new Paragraph 3.1A of the FMCC, can the SFC add more colour to deal with the climate-related risks during investment management process. This is because when we deal with investment strategy for clients, some investment subjects are the best options for clients in terms of performance. A true example can be an investment in a listed company involving mass production of industrial products with very good business performance, but, at the same time, creates lot of pollutions. We suggest a one more step guideline in the Paragraph like *"In case of conflict between climate-related risks against clients' or investments' interests, the Fund Manager shall consider if the investment strategy and objectives still can be achieved taken into the climate-related risks in a reasonable timeframe. Such conflict shall be considered thoroughly as a whole picture"*;
- 2) In the proposed new Paragraph 6.2A, we suggest to add in a disclosure to investors about *"(c) how it mitigates any conflict between climate-related risks against clients' or investments' interests (if any)"*;
- 3) In the proposed baseline requirements for the Disclosure, under the Investment Management Risk Management, we suggest to add one more point *"disclose steps taken to mitigate any conflict between climate-related risks against clients' or investment' interests (if any)"*

Please kindly have our attention if there is anything else needed to facilitate your finalization of the amendments or support our comments furnished. The undersigned can be reached at

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