

Financial Markets Conduct (Climate-related Disclosures – The Hongkong and Shanghai Banking Corporation Limited) Exemption Notice 2026

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

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Notice

1 Title

This notice is the Financial Markets Conduct (Climate-related Disclosures – The Hongkong and Shanghai Banking Corporation Limited) Exemption Notice 2026.

2 Commencement

This notice comes into force on 16 February 2026.

3 Revocation

This notice is revoked on the close of 30 April 2029.

4 Interpretation

(1) In this notice, unless the context otherwise requires, —

Act means the Financial Markets Conduct Act 2013

Bank means The Hongkong and Shanghai Banking Corporation Limited

disclosure statement means the disclosure statement that the Bank is required to publish under section 81 of the Banking (Prudential Supervision) Act 1989

HSBC Group means HSBC Holdings plc, which is the ultimate parent company of the Bank, in respect of itself and its subsidiaries

primary users has the meaning given in the Aotearoa New Zealand Climate Standards.

(2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act.

5 Application

(1) An exemption granted by this notice applies to the following accounting periods of the Bank:

- (a) the period commencing 1 January 2026 and ending on 31 December 2026; and
- (b) subsequent accounting periods.

(2) This notice shall cease to apply if:

- (a) the Bank becomes a climate reporting entity under any paragraph in subsection 461O (1) or (2) of the Act, other than as a registered bank under paragraph 461O(1)(b) of the Act; or
- (b) the Bank commences offering investment or deposit products to persons in New Zealand that are materially different to the Bank's deposit taking business as at the date of this notice and which are reasonably expected to accrue new, New Zealand domiciled, primary users; or
- (c) the Bank's New Zealand branch commences a retail business in New Zealand.

(each a **Termination Event**)

(3) If a Termination Event occurs, the exemption granted by clause 6 continues to apply to the accounting period in which the Termination Event occurs but does not apply to subsequent accounting periods.

6 Exemption

The Bank is exempted from Part 7A of the Act.

7 Conditions

(1) The exemption in clause 6 is subject to the conditions that—

- (a) The Bank will procure that HSBC Group publishes annual climate statements in relation to its global business (which includes the Bank's New Zealand branch) which are informed by the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board, the Taskforce on Climate-related Financial Disclosures or reporting standards which are sufficiently equivalent; and
- (b) The Bank must include in its disclosure statement the information referred to in subclause (2); and
- (c) Within 4 months after the end of an accounting period in respect of which the Bank relies on this exemption, the Bank must lodge with the Registrar a notice containing the information referred to in subclause (2); and
- (d) The Bank will report via email to the Financial Markets Authority—
 - (i) every year when the statements detailed in subclause (a) above, are published and provide a link to the same;

- (ii) should the Bank's status change in relation to any of the requirements detailed in clause 5(2), such that one or more of those events is planned or reasonably likely to occur;
- (iii) within 10 working days of any of the Termination Events having taken place.

(2) For the purposes of subclauses (1)(b) and (c) the information is—

- (a) a statement to the effect that it is relying on the exemption in respect of the accounting period; and
- (b) a brief summary of the effect of relying on this exemption; and
- (c) the address of (or a link to) the website where a copy of the group climate statements required at subclause 7(1)(a) which can be accessed.

8 Existing Notice Revoked

The Financial Markets Conduct (Climate-related Disclosures – The Hongkong and Shanghai Banking Corporation Limited) Exemption Notice 2024 is revoked on 1 May 2026.

Dated at Wellington this 11th day of February 2026.



John Horner
Director – Markets, Investors and Reporting
Financial Markets Authority

Statement of Reasons

This notice comes into force on 16 February 2026 and is revoked on 30 April 2029.

This notice exempts The Hongkong and Shanghai Banking Corporation Limited (**Bank**) from the requirement to keep climate-related disclosure records and produce climate statements pursuant to Part 7A of the Financial Markets Conduct Act (**Act**). The Bank is a wholly-owned subsidiary of HSBC Holdings plc (**HSBC Group**).

The notice replaces the Financial Markets Conduct (Climate-related Disclosures – The Hongkong and Shanghai Banking Corporation Limited) Exemption Notice 2024, which will be revoked on 1 May 2026.

For the purposes of Part 7A of the Act, the Bank is a climate reporting entity, as it is a large registered bank, however its operations in New Zealand are limited, and it has a small number of New Zealand domiciled primary users as defined in the Aotearoa New Zealand Climate Standards (**Standards**).

The Financial Markets Authority (**FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers it is appropriate to grant the exemption and the equivalent exemption in the predecessor notice, because—

- The Bank's New Zealand branch has a small number of primary users domiciled in New Zealand.
- The Bank's business in New Zealand predominantly services the local operations of overseas corporate clients who are engaging with the Bank on the basis of a global relationship/partnership, rather than because of the specific nature of the Bank's New Zealand business.
- The Bank's ultimate parent company HSBC Group is preparing and publishing climate-related disclosure statements (**global statements**), which are informed by the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board or the Taskforce on Climate-related Financial Disclosures or reporting standards which are sufficiently equivalent, with respect to its global business (which includes the Bank's New Zealand Branch), demonstrating responsibility and foresight in its consideration of climate issues, which is a key goal of the New Zealand climate-related disclosures regime (**CRD Regime**).
- The costs of compliance with the CRD Regime in New Zealand are disproportionate when considering the small number of existing New Zealand domiciled primary users and the potential benefit those few users may obtain from any New Zealand only climate statements and are therefore unnecessary compliance costs.
- Although not directly comparable to other climate reporting entities in New Zealand, the Bank's primary users will be able to obtain certain information from HSBC Group's global statements in respect of the management of climate risks and governance at a group level.
- The FMA is satisfied that the extent of the exemption is not broader than is reasonably necessary to address the matters that gave rise to the exemption as:
 - the Bank will be required to include information in its disclosure statement as to the effect of the exemption notice and refer readers to its global statements;
 - the term of the exemption is limited and should the nature of the Bank's New Zealand business materially change, the exemption notice will cease to apply;
 - HSBC Group must continue publishing annual global statements that are informed by the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board, the Taskforce on Climate-related Financial Disclosures or reporting standards which are sufficiently equivalent.

- The notice has been granted for only a three year period to allow the FMA to monitor developments in mandatory global climate reporting requirements particularly in Hong Kong and the United Kingdom, along with the development in reporting globally on scope 3 emissions as defined in the Aotearoa New Zealand Climate Standards, and to reassess the costs and benefits of New Zealand-specific reporting in the light of any legislative developments that will apply to the Bank.

The FMA is therefore satisfied that the granting of the exemption is necessary or desirable in order to promote the purposes of the Act, specifically it will avoid unnecessary compliance costs and will still provide for accurate and understandable information to be provided to persons to assist those persons to make decisions relating to the Bank.