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MEDIA RELEASE for 26th ACMF Meeting

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The ASEAN Capital Markets Forum Collaborates with International Capital Market Association to Introduce ASEAN Green Bond Standards

The ASEAN Capital Markets Forum (ACMF) today endorsed key initiatives to be implemented in 2017 under the ACMF Action Plan 2016-2020 that aims to create investment and business opportunities through greater connectivity, inclusiveness and resilience of capital markets within ASEAN.

One of the key initiatives being endorsed at the ACMF's 26th meeting today, hosted by the Securities Commission Malaysia in Kuala Lumpur, is the cooperation between ACMF and the International Capital Market Association (ICMA) to introduce ASEAN green bond standards that will be applied across capital markets in ASEAN.

This initiative will facilitate ASEAN capital markets in tapping green finance to support sustainable regional growth and meet investor interest for green investments and is part of the ACMF's broader efforts in developing green finance for the region. The ASEAN Green Bond Standards will be developed based on ICMA's Green Bond Principles (GBP). The standards are intended to provide additional guidance on the application of the GBP, as well as to enhance transparency, consistency and uniformity of ASEAN green bonds which will also contribute to the development of a new asset class.

The newly revised ASEAN Corporate Governance Scorecard (Scorecard) was also endorsed by the ACMF meeting. In response to the new principles and recommendations of the G20/OECD Principles of Corporate Governance, the

methodology and assessment of the Scorecard has been revised to take into consideration increased investor expectations, and developments in business and corporate governance practices.

The revised Scorecard will include new assessment questions, additional weightage for certain questions, particularly those on the Role of Stakeholders, and a streamlining of questions to place greater emphasis on practicing corporate governance. Another key change to the assessment is the introduction of an independent validation in addition to the existing peer-review process. The enhancements are being introduced to strengthen the quality of assessment in addition to expanding insights on corporate governance practices of companies across participating countries. The assessment using the revised Scorecard will commence in Q2 2017.

The ACMF also endorsed proposals to foster greater mobility of capital market professionals in the region and enhance connectivity by allowing more services to be provided to investors across ASEAN by regional capital market professionals. The ACMF has engaged with the industry through the ACMF Industry Consultative Panels (AICP) in developing proposals that meet their needs and will continue to work with them in implementing the proposals on a phased basis, starting with investment consultants, research analysts and individuals who are licensed to carry out fund management activities.

The ACMF is working on enhancing the ASEAN Collective Investment Schemes (CIS) framework by further harmonising disclosure standards through common product highlight sheets and prospectuses, and reducing investment restrictions while expanding the range of ASEAN CIS to include real estate investment trusts.

The ACMF continues to focus on enhancing capacity building through the ACMF Market Development Programme (A-MDP) to ensure all ACMF members benefit from regional capital market connectivity. Following the successful first phase of implementing the regulatory programme in developing domestic bond markets in Cambodia, Lao PDR, Myanmar and Vietnam (CLMV members), a second phase is expected to commence in Q3 2017, targeted at private sector market participants.

The ACMF discussed measures to enhance market connectivity and investor experience in regional investing, including feedback from the AICP and recommendations put forward by the independent consultant commissioned by

the Asian Development Bank (ADB) at the ACMF's request. The ACMF will further discuss the recommendations with relevant stakeholders including the exchanges.

At the ACMF's 26th meeting, the ACMF acknowledged ADB's support in providing technical assistance on several initiatives including capacity building, the ASEAN Corporate Governance Scorecard and the IOSCO application process for selected ACMF members.

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Editor's notes:

- The ACMF is a grouping of the region's capital market regulators comprising all ASEAN member countries namely Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, and is currently chaired by the Securities Commission Malaysia.
- The ASEAN Economic Community (AEC) was established in 2015 and is a major milestone in the regional economic integration agenda. ASEAN has a combined population of over 622 million people and in 2014, was collectively the third largest economy in Asia and the seventh largest in the world. More information on the ACMF and its initiatives can be found at the ACMF website www.theacmf.org.
- Key working groups driving various ACMF initiatives include:
 - Green Finance Working Group: Co-chaired by Securities Commission (SC) Malaysia and Securities and Exchange Commission (SEC) of Philippines
 - Corporate Governance Taskforce: Chaired by SEC Philippines
 - ACMF Industry Consultative Panels: Chaired by SEC Thailand
 - Professional Mobility Working Group: Chaired by SEC Thailand
 - ASEAN CIS Working Group: Chaired by SEC Thailand
 - ACMF Market Development Programme Working Group: Co-chaired by SC Malaysia and Otoritas Jasa Keuangan Indonesia
 - ASEAN Stock Exchange Connectivity Working Group: Co-chaired by Monetary Authority of Singapore and SEC Thailand

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Background information:

Securities Commission Malaysia (SC), a statutory body reporting to the Minister of Finance, was established under the Securities Commission Act 1993. It is the sole regulatory agency for the regulation and development of capital markets. SC has direct responsibility for supervising and monitoring the activities of market institutions, including the exchanges and clearing houses, and regulating all persons licensed under the Capital Markets and Services Act 2007. More information about SC is available on its website at www.sc.com.my. Follow SC on twitter at @SecComMy for more updates.