

MEDIA RELEASE

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ASEAN Capital Markets Regulators Reiterate Strong Path towards Sustainable Capital Markets and Reaffirm Direction to Promote Sustainability, Connectivity and Resilience in the Regional Capital Markets

The 31st ASEAN Capital Markets Forum (ACMF) Meeting today in Phuket discussed the progress of ACMF initiatives on sustainability, connectivity and resilience. The initiative on developing a **Roadmap for ASEAN Sustainable Capital Markets** (Roadmap) was endorsed by the ASEAN Finance Ministers' and Central Bank Governors' Meeting (AFMGM) in April 2019. The Roadmap promotes a common vision and comprehensive direction towards an ecosystem for sustainable capital market development, as well as an ASEAN asset class for sustainable investment. The members agreed that the Roadmap should address key areas, such as ESG information/disclosure standards, analytical tools, and stakeholder awareness and engagement.

The ACMF also welcomed feedback from institutional investors during the meeting, through **the ACMF Industry Consultative Panels**, and gathered comments on and recommendations for the Roadmap. A representative from the United Nations Development Programme (UNDP) also shared insights on the Guiding Principles on Business and Human Rights (Principles). The Principles cover a key aspect of ESG responsibility/investment and echo the United Nations' Sustainable Development Goals (SDGs). The Roadmap, industry consultation and sharing on the Principles demonstrate the ACMF's commitment to advance the sustainability agenda in the regional capital markets. In addition, the ACMF also noted that in less than two years following the launch of the ASEAN Green Bond Standards in November 2017, and the ASEAN Social Bond Standards and ASEAN Sustainable Bond Standards in October 2018, there have been issuances of green and sustainable bonds totaling US\$2.6 billion from the region carrying the ASEAN Green or Sustainable Bond labels.

The issuances, which originated from Malaysia, the Philippines, Singapore and Thailand to fund green buildings, renewable energy and other sustainable projects, demonstrate the growing interest in sustainable finance by issuers and intermediaries throughout the region to finance development projects. This encouraging progress is a validation of the ACMF's efforts to promote the sustainable finance agenda in the broader capital market through the Roadmap for ASEAN Sustainable Capital Markets.

On connectivity, the ACMF implemented the Professional Mobility Initiative **to facilitate cross-border publication of research reports**. The objective of this framework is to promote wider investor participation in the ASEAN capital markets through better flow of information on ASEAN capital market products, including bonds, collective investment schemes, sukuk and securities listed in ASEAN. The current signatories comprise Malaysia, the Philippines, Singapore and Thailand.

The ACMF agreed in March 2019 to establish a **Digital Asset Oversight Network** (Network) to promote information sharing amongst regulators in light of the rapid development of digital assets in the capital markets sphere. The ACMF has started working together by sharing practices on investor education and educational materials. In the longer term, the Network expects to share alert lists and scams, as well as updates on digital asset regulatory regimes and developments among the ACMF members.

The ACMF made further progress in driving cross-border offerings of funds within the region by completing the assessment on the Philippines' regulatory regime for joining the **ASEAN Collective Investment Scheme (ASEAN CIS) framework**.

The meeting was also updated on the current **ASEAN CG Scorecard assessment**. The participating countries have been undertaking the domestic assessments and peer reviews. The assessment result is planned to be officially announced by the first half of 2020.

In respect to joint initiatives between the ACMF and Working Committee on Capital Market Development (WC-CMD) on infrastructure financing, the meeting agreed to take forward discussions on a common taxonomy on infrastructure company classification and principles for standardisation of project finance loan documents.

The Securities and Exchange Commission, Thailand, handed over the ACMF Chairmanship to the State Securities Commission of Vietnam for the year 2020, with Autoriti Monetari Brunei Darussalam as Vice-Chair.

The ACMF members reaffirmed their commitment to deepen connectivity amongst ASEAN capital markets and to further promote ASEAN asset classes.

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Note-to-Editors:

About the ACMF

The ACMF is a high-level grouping of capital market regulators from all 10 ASEAN jurisdictions, namely Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. The ACMF is currently chaired by the Securities and Exchange Commission, Thailand.

More information on the ACMF and its initiatives can be found at the ACMF website at www.theacmf.org.

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