

Capital Markets

ASEAN Capital Markets Forum Endorses Initiatives to Drive Transition towards Sustainable Capital Markets in ASEAN

The 39th ASEAN Capital Markets Forum ("**ACMF**") Meeting made several inroads in driving transition towards sustainable capital markets in the region. Salient items are outlined below.

- (a) The Meeting endorsed the **ASEAN Transition Finance Guidance** (Version 1, 17 Oct 2023) ("**Guidance**") which complements the ASEAN Taxonomy that provides a common and credible framework for ASEAN Member States ("**AMS**") and their stakeholders to assess and classify sustainable economic activities to enable a just transition towards sustainable finance adoption by AMS. Our earlier Legal Update on this is available [here](#). The ACMF intends to consult and further refine the Guidance, taking into account stakeholder consultation feedback in future.
- (b) The Meeting also endorsed the **Handbook for Cross-Border Offerings of ASEAN Sustainable and Responsible Funds** under the existing Framework for the Cross-Border Offering of ASEAN Collective Investment Schemes ("**CISs**") ("**ASEAN CIS Framework**"). ACMF will introduce a "green lane" under the ASEAN CIS Framework to facilitate and streamline the procedures for the cross-border distribution of sustainable and responsible funds in signatory jurisdictions. Under the "green lane", CIS Operators or CIS (as the case may be) may make cross-border offers of sustainable and responsible funds under the ASEAN CIS Framework if they comply with certain requirements.
- (c) It endorsed an initial report on preliminary findings on the overall state of development of **voluntary carbon markets** in ASEAN and disclosure principles in carbon offsetting, with a view to conducting a more comprehensive study and structured report regarding the voluntary carbon market in ASEAN and the importance of carbon offsetting disclosure.
- (d) It also approved the revised ASEAN Corporate Governance Scorecard to align with the revised G20/OECD Principles of Corporate Governance ("**Principles**"). Key revisions to the Principles included **sustainability-related governance**.
- (e) The Meeting noted that there are encouraging steps by ACMF jurisdictions with existing **sustainability reporting regimes** to consider the adoption of the **International Sustainability Standards Board ("**ISSB**") Standards** domestically. The protocol for ACMF-IFRS Foundation Dialogue on International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure Standards was signed. The protocol serves as a guide for ACMF's future engagements with ISSB.

Client Update: Singapore

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ACMF aims to promote consistent and comparable sustainability disclosures across jurisdictions and is assessing the feasibility of adopting IFRS Sustainability Disclosures Standards, taking into account each jurisdiction's own legal and regulatory arrangements.

Please refer to the media release on "[ASEAN Capital Markets Forum: Moving forward in propelling transition towards sustainable capital markets in the region](#)" for more information.

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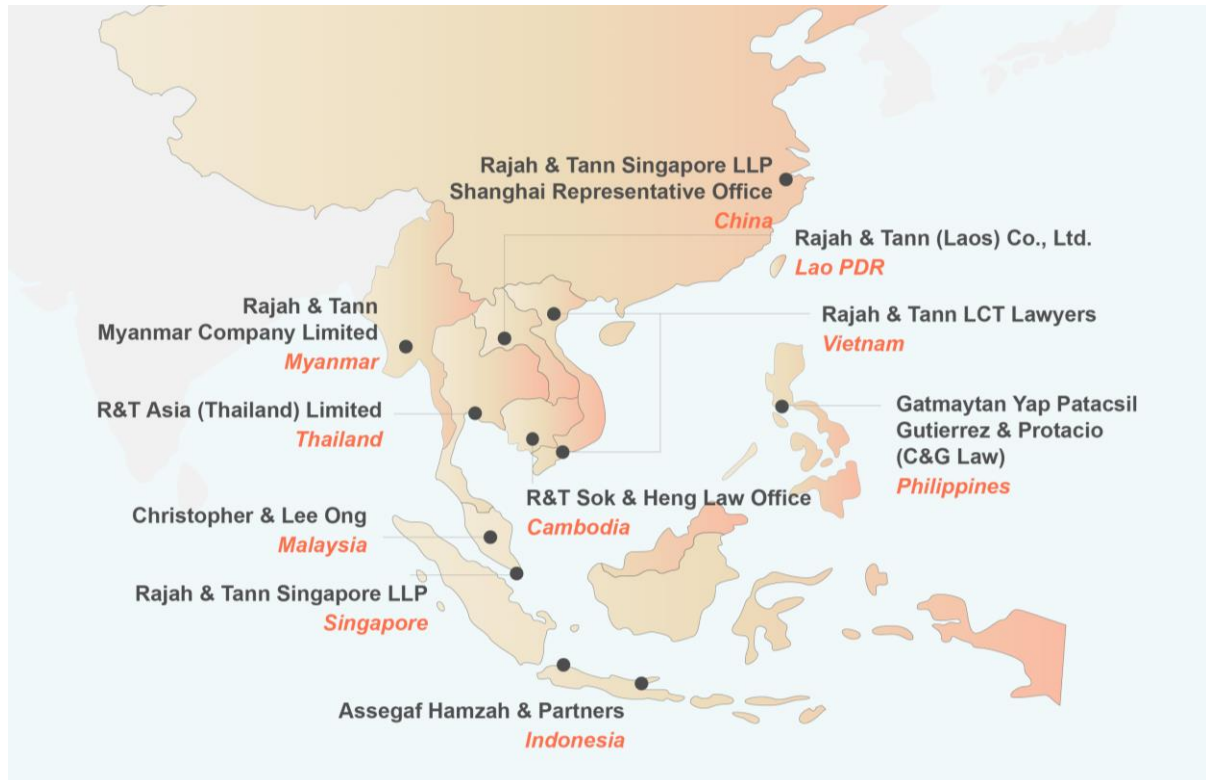
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