

MEDIA RELEASE

21 October 2024

ASEAN Capital Markets Forum: Continuing to Facilitate Regional Growth through Sustainable, Resilient and Inter-connected Capital Markets.

The ASEAN Capital Markets Forum (ACMF) successfully held its 41st Chairs' Meeting today in Vientiane, Lao PDR hosted by the Lao Securities Commission Office (LSCO). Delegates representing the capital market regulators of the ten (10) ASEAN Member States came together to advance the common goal of establishing deep, liquid and integrated ASEAN regional capital markets.

At today's meeting, the ACMF endorsed the ASEAN Transition Finance Guidance (ATFG) Version 2, which provides additional guidance and clarity on different types and applications of Transition Finance, helping to unify terminologies and foster better understanding among market participants of what constitutes a just, affordable, credible and orderly transition to a low carbon economy. At the same time, the ATFG Version 2 provides guidance on reference transition pathways – thereby assisting ASEAN companies in developing their individual transition plans, while simultaneously helping investors and financial institutions understand and evaluate the same. While the ATFG's main focus is on climate change mitigation, moving forward, the ACMF will explore how the capital markets can support the building of climate adaptation pathways.

The Meeting also noted the launch of the Asia Green Transformation Consortium (Asia GX Consortium) in Tokyo, Japan, on October 2nd, 2024, with the participation of representatives from ACMF, the Financial Services Agency (FSA) of Japan, the ASEAN Working Committee on Capital Market Development (WC-CMD), the Asian Development Bank (ADB), and various private industry participants. The Asia GX Consortium's objective is to promote and orient finance towards an orderly and just transition by developing common approaches to transition finance including through case studies, the ASEAN Taxonomy for Sustainable Finance, the ATFG, Japan's approach for transition finance and other relevant frameworks and guides.

The ACMF took note of the progress being made in connection with the ASEAN Voluntary Carbon Markets Study. The plan for 2025 is to develop the study to further articulate a point of view regarding the role of capital markets in the Voluntary Carbon Markets area, given the need for more oversight. It also welcomed the continued development of the

ASEAN Taxonomy for Sustainable Finance, particularly the results of the stakeholder consultations on Version 3, and the ongoing work of the ASEAN Taxonomy Board for the development of Version 4.

In connection with the ASEAN Collective Investment Schemes (CIS) initiative, the Meeting acknowledged the progress on (a) the Harmonization of Disclosure Standards to facilitate the cross-border offerings of ASEAN CIS and (b) the revision of the ASEAN CIS MoU and Standards of Qualifying CIS to enhance the attractiveness of the framework.

The Meeting took note of the amplified capacity-building program under the ACMF Market Development Program through secondment program and training program among members.

The ACMF noted the progress updates on the ongoing 2024 ASEAN Corporate Governance Scorecard Assessment. The current assessment sees the inaugural use of the revised scorecard approved last October 2023.

The Meeting also noted the promising developments by individual members with respect to standards for sustainability reporting. It also acknowledged with appreciation the continuing dialogue and collaboration with the International Sustainability Standards Board (ISSB) noting in particular the latter's efforts and commitment to apply the principle of proportionality, achieve interoperability among sustainability reporting standards and support for the possible adoption of IFRS sustainability reporting standards in the ASEAN region.

The Meeting acknowledged the results of the interim end-term assessment of the ACMF Action Plan 2021-2025, highlighted key achievements and challenges, with 85% of the initiatives currently classified as either 'Completed', 'Ongoing' or 'On-Track', for completion by the end of 2025. These achievements include the launch of the ASEAN Sustainable and Responsible Fund Standards, issuance of three versions of the ASEAN Taxonomy and two versions of the ASEAN Transition Finance Guidance. In addition, there has been improved stakeholder engagement with key capital markets influencers such as the Joint Sustainable Finance Working Group (JSFWG) and WC-CMD, which have significantly contributed to the region's economic resilience. Additionally, the review also touched on future areas of opportunity for the ACMF.

The ACMF has begun engagements for the new Action Plan 2026-2030 and is currently in the process of developing its' Strategic Thrusts, which will be designed to align with the ASEAN Community Vision 2045. The new Action Plan 2026-2030 will build on the

successes of the ACMF Action Plan 2021-2025 and will be developed with extensive feedback and collaboration from member states, stakeholders and subject matter resources to ensure that the Action Plan is comprehensive and on top of capital market trends.

As a region, ASEAN is one of the most vulnerable to the adverse impact of climate change, including rising sea levels, floods, heat waves as well as increasingly unpredictable weather events. The majority of ASEAN are classified as being at 'very high risk' of extreme natural events and negative climate change impacts.

However, the ACMF has successfully initiated and completed a number of related initiatives to cover the transition of energy agenda, including the ASEAN Transition Finance Guidance and various versions of the ASEAN Taxonomy. The Action Plan 2026-2030 will continue to address the need for a sustainable and resilient ASEAN, with a focus on climate adaptation through the capital market through specific initiatives and milestones.

With respect to capacity building, the ACMF welcomed the conduct of the ASEAN Corporate Governance Scorecard Assessor's Training in Makati, Philippines on the 14th and 15th of May, 2024; as well as the successful completion of training for two batches under the ASEAN Young Regulators Programme in Singapore and Vietnam as part of the ACMF Market Development Programme.

The ACMF expressed its deep appreciation to the Asian Development Bank (ADB) for its continuing support to the ACMF through technical assistance and expert guidance to foster capital market development throughout the ASEAN region. We look forward to collaborating further on new areas as part of the ACMF Action Plan 2026 – 2030.

The ACMF also thanked the Sustainable Finance Institute Asia (SFIA) for its support and providing its expertise, resources, and network, to enable ACMF to continue making significant progress towards ASEAN sustainable capital markets.

The Meeting witnessed with the handover of the ACMF chairmanship from the Lao Securities Commission Office (LSCO), ACMF Chair 2024, to the Securities Commission Malaysia (SCM) for 2025, with the Securities and Exchange Commission – Philippines (SEC-Philippines) as Vice Chair.

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, Philippines, Singapore, Thailand, and Vietnam.
- The ACMF is currently chaired by the Lao Securities Commission Office (LSCO). The next ACMF Chair will be the Securities Commission Malaysia (SCM).
- More information on the ACMF and its initiatives can be found on the ACMF website at www.theacmf.org.

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