

PRESS RELEASE

New Industry Paper on Regulatory State of Play for Sustainable Finance in Asia Pacific

A Call for Greater Coordination at this Critical Stage of Development

Hong Kong, 3 March 2020 - ASIFMA, the financial industry's leading regional trade association, today released a new report "[Sustainable Finance in Asia Pacific: Regulatory State of Play](#)". The paper was co-authored by member firm Herbert Smith Freehills with its Indonesian associate firm Hiswara Bunjamin & Tandjung.

This paper provides an overview of developments to date in major Asia Pacific jurisdictions, as well as the broader evolving international policy environment, examining practical implications for industry participants and policymakers, and calling for greater coordination at this critical early stage of defining international policy settings in relation to sustainability. It also shines light on variances in approach and emphasis within different jurisdictions and frameworks, as well as calling for the voice of Asia Pacific to be heard more prominently in international discourse on these critical international policy issues.

"The transition to sustainable finance is increasingly a high-priority business issue for firms, with global bodies and local policymakers rapidly developing initiatives to enable and incentivise investment in low-carbon businesses and activities, as well as enable corporates, institutional investors, and banks to take account of climate-related risks," said Matthew Chan, Head of Policy & Regulatory Affairs at ASIFMA.

"At the same time, Environmental, Social and Governance ("ESG") issues are increasingly taking centre stage as institutional investors exert their influence and channel funds towards investments that deliver measurable non-financial benefits along with improved long-term financial returns," added Hannah Cassidy, Partner at Herbert Smith Freehills.

In the last five years, there has been the signing of the 2015 Paris Agreement, publication of the United Nations 2030 Agenda which includes 17 Sustainable Development Goals ("SDG"), the European Commission's publication of its Action Plan on Sustainable Finance, the launch of the UN Principles for Responsible Banking, and other major international initiatives focusing on sustainability within the financial sector.

"With increasing global attention and momentum building across various markets, including those in Asia Pacific, there is a proliferation of related initiatives under way," continued Mr. Chan. "Notwithstanding their positive intent, fragmented approaches introduce challenges that may ultimately undermine the development of sustainable finance, through increased complexity and lack of coordination."

"Today, firms are navigating a confusing landscape of disclosure frameworks, incentive structures, data collection methods, and external assessments developed and implemented in various markets and jurisdictions by both the public and private sectors, commented Ms Cassidy. "Over time, convergence to

DEVELOPING ASIAN CAPITAL MARKETS

common frameworks is needed, whilst still allowing flexibility for nuance and differences between different economies' paths to sustainability.”

“Our intention is this paper is another step forward in helping the financial industry tackle what is an extremely complex, multidimensional issue,” concluded Mr. Chan.

ENDS

The paper can be found [here](#).

For media queries, please contact:

Corliss Ruggles, Head of Communications, ASIFMA

Tel: +852 2531 6530 / +852 9359 6996

Email: cuggles@asifma.org

Sally Greig, Head of Communications, Asia, Herbert Smith Freehills

Tel +852 2101 4624 /+852 9815 4096

Email: Sally.Greig@hsf.com

About ASIFMA

[ASIFMA](#) is an independent, regional trade association with over 125 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region. More information about ASIFMA can be found at: www.asifma.org.

About Herbert Smith Freehills

Operating from 27 offices across Asia Pacific, EMEA and North America, [Herbert Smith Freehills](#) is at the heart of the new global business landscape. It provides premium quality, full-service legal advice on dispute resolution, projects and transactions to many of the world's most important organisations. The firm has expertise across industry sectors, including banks, consumer products, energy, financial buyers, infrastructure and transport, mining, pharmaceuticals and healthcare, real estate, TMT, and manufacturing and industrials.

With a 30-year history in Asia, Herbert Smith Freehills has over 300 lawyers and legal professionals in the region, advising clients on complex corporate, disputes and finance matters from offices in Bangkok, Beijing, Hong Kong, Jakarta, Kuala Lumpur, Seoul, Shanghai, Singapore and Tokyo.