



**ACMF**

**ASEAN Sustainability  
Bond Standards**



# ASEAN **SUSTAINABILITY BOND** STANDARDS

Issued: October 2018

# INTRODUCTION

The ASEAN Capital Markets Forum (ACMF)<sup>1</sup> is a forum which comprises capital market regulators from ASEAN countries whose primary task is to promote greater integration and connectivity of regional capital markets.

One of the key initiatives by the ACMF is the development of sustainable asset classes in line with the growing importance of sustainable finance in ASEAN, particularly in meeting ASEAN's environmental and social needs. The *ASEAN Sustainability Bond Standards* (ASEAN SUS) intend to provide guidance on the issuance of ASEAN Sustainability Bonds. ASEAN Sustainability Bonds are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both Green and Social Projects that respectively offer environmental and social benefits.

It is understood that certain Green Projects may also have social co-benefits, and that certain Social Projects may have environmental co-benefits. The classification of a use of proceeds bond as a Green Bond, Social Bond, or Sustainability Bond should be determined by the Issuer based on its primary objectives for the underlying projects.

The ASEAN SUS were developed based on the International Capital Market Association (ICMA)'s *Sustainability Bond Guidelines*. The ASEAN SUS are aligned with the four core components (use of proceeds, process for project evaluation and selection, management of proceeds, and reporting) of both the *ASEAN Green Bond Standards* (ASEAN GBS) and *ASEAN Social Bond Standards* (ASEAN SBS) with the former being relevant to underlying Green Projects and the latter to underlying Social Projects.

It is also recognised that there is a market of sustainability themed bonds, including those linked to the Sustainable Development Goals (SDGs), in some cases issued by organisations that are mainly or entirely involved in sustainable activities, but their bonds are not aligned to the four core components of the ASEAN GBS and ASEAN SBS. In such cases, investors will need to be informed accordingly and care should be taken to not imply the features of the ASEAN GBS or ASEAN SBS by a sustainability bond or SDG reference.

---

<sup>1</sup> About ACMF – [http://www.theacmf.org/ACMF/webcontent.php?content\\_id=00001](http://www.theacmf.org/ACMF/webcontent.php?content_id=00001)

## Combined application of the ASEAN GBS and the ASEAN SBS

The Issuer of an ASEAN Sustainability Bond must comply with both the ASEAN GBS and the ASEAN SBS. The proceeds allocated for the Project must not be used for Ineligible Projects specified by the ASEAN GBS (i.e. fossil fuel power generation projects) as well as the ASEAN SBS (i.e. projects which involve activities that pose a negative social impact related to alcohol, gambling, tobacco and weaponry).

