

Policy Updates – May 2024

AIGCC rounds up policy updates in the region.

1. Global/ASEAN

Coal phase out at G7

G7 Ministers of Climate, Energy, and the Environment met in Turin have released their [meeting communique](#). The document highlighted commitments on “accelerating efforts towards the phase out of unabated coal power generation.” (Apr 2024)

ASEAN Taxonomy Version 3

[Version 3](#) of the ASEAN taxonomy introduced technical screening criteria for the Transportation & Storage and Construction & Real Estate sectors (Mar 2024).

ASEAN-Interconnected Sustainability Ecosystem (ASEAN-ISE)

Bursa Malaysia, the Indonesia Stock Exchange (IDX), the Stock Exchange of Thailand (SET), and Singapore Exchange (SGX Group) agreed to adopt common ESG metrics to construct an “[inter-connect sustainability ecosystem](#).” (Feb 2024)

2. China

New guidelines

- The Chinese authorities has issued [guidelines](#) to strengthen the financial support for green and low-carbon development. China **will formulate and introduce unified carbon accounting standards** for financial institutions and promote environmental data disclosure among institutions and financing entities. (Apr 2024)
- The Shanghai Stock Exchange has released [guidelines](#) for sustainability reporting on various topics, including coping with climate change, rural revitalisation, and driving innovation. (Apr 2024)

- The Chinese authorities has released [guidelines on promoting the development of high-quality green insurance](#). (Apr 2024)

3. Hong Kong

General Updates

- [The Hong Kong Taxonomy for Sustainable Finance](#) is now available (May 2024)
- Hong Kong Stock Exchange (HKEX) published conclusions from its [consultation on climate disclosure requirements](#). (Apr 2024)
- Hong Kong Monetary Authority (HKMA) issued its [digital green bond](#), the world's first multi-currency digital bond. (Feb 2024)

4. Indonesia

Updates from Otoritas Jasa Keuangan (OJK)

- Released the [Climate Risk Management & Scenario Analysis \(CRMS\) Guideline](#) that covers how to measure climate risks, methodologies of carbon emission calculations, data on physical risks, macroeconomy projections, and climate risk impacts. (Mar 2024)
- Published the [Indonesia Taxonomy for Sustainable Finance](#). (Feb 2024)

5. Japan

Offshore wind

- Japan became the first international partner of the [U.S. Floating Offshore Wind Shot](#), which aims to advance innovation and lower the costs of floating offshore wind power. This follows the establishment of the [Floating Offshore Wind Technology Research Association \(FLOWRA\)](#). (Apr 2024)

Updates to sustainability disclosure standards and guidelines

- The Sustainability Standards Board of Japan (SSBJ) has published [drafts of its sustainability disclosure standards](#), which are open for public consultation until 31 July 2024. (Mar 2024)

- The Financial Services Agency (FSA) has released new [impact investing guidelines](#), emphasising the principles of intention, contribution, identification, measurement, management, and innovation. (Mar 2024)

6. Malaysia

Updates from Capital Markets Malaysia (CMM)

- Announced a [public consultation on enhanced disclosures](#) for the country's Energy, Transport & Storage, Construction & Real Estate, Agriculture and Manufacturing sectors. (Apr 2024)
- CMM and Climate Bonds Initiative launched the [Transition Strategy Toolkit](#) to guide corporates in designing their climate transition plans. (Apr 2024)

7. Philippines

Taxonomy Guidelines

- The [Securities and Exchange Commission \(SEC\) Philippines](#) and the central bank, Bangko Sentral ng Pilipinas (BSP), have adopted [the Philippine Sustainable Finance Taxonomy Guidelines](#) (SFTG). (Feb 2024)

8. Singapore

Climate-related reporting and disclosures

- The Singapore Business Federation, Agency for Science, Technology and Research (A*STAR) and PwC launched an [Emissions Factors Registry](#) to help businesses meet their climate reporting needs. An initial baseload with data collected and consolidated from government agencies will be ready by the end of this year. (Apr 2024)
- The Singapore Stock Exchange RegCo announced plans to [mandate listed companies to provide climate-related disclosures](#) on Scope 1 + 2 GHG emissions by FY25 and Scope 3 emissions by FY26. (Feb 2024)

9. South Korea

Updates from the Financial Services Commission (FSC)

- Launched the “Future Finance Taskforce” - this climate-focussed taskforce will navigate how to achieve carbon neutrality by 2050, and how to improve companies' adaptation capabilities from a long-term perspective. One of the taskforce's priorities also includes expanding investment in renewable energy. (Apr 2024)
- [Announced plans](#) to enhance climate finance in the banking sector and boost the role of major financial institutions. Proposed measures include increasing their annual green funds supply, active investment into building facilities for renewable energies, and creating a climate technology fund. (Mar 2024)

Other Updates

- The Korea Sustainability Standards Board (KSSB) released a [draft of Korea's sustainability disclosure standards](#). A public consultation is open from now until the end of August. (Apr 2024)
- The Bank of Korea and the Financial Supervisory Service announced plans to undertake [climate stress tests](#) with 14 financial companies. (Mar 2024)