

NEW INDUSTRY PAPER CALLS FOR GREATER REGULATORY COORDINATION OF SUSTAINABLE FINANCE IN ASIA PACIFIC

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News

[ASIFMA](#), the financial industry's leading regional trade association, today released a new report, [Sustainable Finance in Asia Pacific: Regulatory State of Play](#), co-authored by Herbert Smith Freehills and its Indonesian associate firm [Hiswara Bunjamin & Tandjung](#).

The 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.

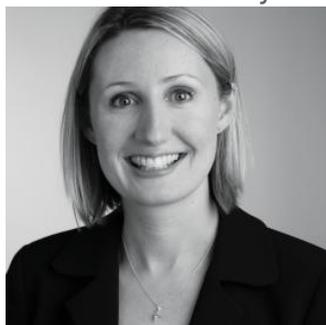
"With increasing global attention and momentum building across various markets, including those in Asia Pacific, there is a proliferation of related initiatives under way," continued Matthew. "Notwithstanding their positive intent, fragmented approaches introduce challenges that may ultimately undermine 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," said Hannah. "Over time, convergence to common frameworks is needed, whilst still allowing flexibility for nuance and differences between different economies' paths to sustainability."

"Our intention is this paper will be another step forward in helping the financial industry tackle what is an extremely complex, multidimensional issue," said Matthew.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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