



MSFI Monthly: January 2021

We are delighted to present our inaugural Malaysian Sustainable Finance Initiative (MSFI) Newsletter. The MSFI was launched on 23 July 2020 by Datuk Zainal Izlan Zainal Abidin, Chairman of Capital Markets Malaysia and His Excellency Charles Hay, the British High Commissioner to Malaysia. This initiative is funded by the Capital Market Development Fund and the UK Government's Prosperity Fund ASEAN Low Carbon Energy Programme.

ABOUT MSFI

MSFI is an initiative by Capital Markets Malaysia (CMM) and is led by a Steering Committee which includes members representing stakeholder groups within the financial sector involved with financing green or sustainable projects. The Steering Committee is comprised of representatives from:

- Securities Commission Malaysia (Chair)
- ASEAN Low Carbon Energy Programme (LCEP)
- Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)
- Fintech Association of Malaysia (FAOM)
- Malaysian Venture Capital & Private Equity Association (MVCA)
- Malaysian Investment Banking Association (MIBA)
- Persatuan Insurans Am Malaysia (PIAM)
- The Association of Banks in Malaysia (ABM)
- Secretariat: Capital Markets Malaysia



The Malaysian Sustainable Finance Initiative (MSFI): Virtual Launch

The objective of the MSFI is to provide the necessary impetus for industry stakeholders to facilitate capacity building, upskilling, awareness and thought leadership on sustainable finance. This initiative will lay the essential foundation for the long term needs of the economy and the financial system. The MSFI will support market development by way of the following three activities:

1. Conducting forums and meetings to increase awareness and facilitate sustainable finance conversations with leading organisations;
2. Organising capacity development workshops; and
3. Providing a knowledge platform for sharing best practices, initiatives, case studies, and emerging opportunities.

The MSFI works with industry associations and knowledge partners to provide stakeholders with relevant information and best practices on sustainable finance. This initiative is a collaborative effort to creating a positive impact in Malaysia and being the go-to reference and platform for sustainable finance-related matters.

**Datuk Zainal Izlan Zainal Abidin, Deputy Chief Executive
Securities Commission Malaysia**

“The reality of the effects of climate change has made it imperative for us globally to shift towards more sustainable and responsible practices. The Malaysian Sustainable Finance Initiative aims to support efforts of Malaysia’s financial sector to develop multiple financing avenues further to fund businesses and projects that are aligned to the sustainability agenda such as the United Nations Sustainable Development Goals.”

A COLLABORATIVE EFFORT

We are delighted to have the UK Government’s support of this initiative through the ASEAN LCEP, an overseas development assistance programme of the UK Government’s Prosperity Fund. In close collaboration with local and international entities from both the public and private sectors, the programme will help ASEAN harness the benefits of deploying low carbon energy by leveraging the UK’s extensive and proven expertise in green finance and energy efficiency. Ernst & Young, along with Carbon Trust and IMC worldwide are the delivery partner for the ASEAN LCEP, whereas the International Institute for Sustainable Development (IISD) is the sustainable finance technical partner.



Visit: www.msfi.com.my

H.E. Charles Hay, British High Commissioner to Malaysia

“The United Kingdom (UK) has recognised the important role the financial sector plays in tackling climate change. The trillions of dollars a year needed to address the SDGs is a huge financing gap, and governments and civil society are not able to meet these needs alone. We need financing from the private sectors to meet this gap. These types of financing are available, given the size, scale, and sophistication of the global financial system. Promoting sustainable finance is a key priority. As the host of the United Nation’s Climate Conference of Parties (COP26) in November 2021, the UK is galvanising global efforts to tackle climate change by collaborating with partner countries like Malaysia.”



KNOWLEDGE SHARING PLATFORM

The MSFI online portal acts as a knowledge platform for sharing best practices, initiatives, case studies, and emerging opportunities relating to sustainable finance. Since inception, we have included several articles and publications to provide comprehensive insight into Malaysia's progress on sustainable finance. We are encouraged by the progress so far and will continue to develop cutting-edge articles and publications on sustainable finance for our stakeholders within the financial ecosystem.

We are delighted to introduce some of the articles we have published on MSFI:

- [Sustainable Finance Landscape in Malaysia](#)

The objective of this document is to provide high-level coverage of key initiatives, policies and measures in the Sustainable Finance space in Malaysia, covering stakeholders in both the public and private sector.

- [Sustainable Finance: State of Market in Malaysia](#)

The objective of this article is to provide the current state of the market on sustainable finance in Malaysia and how it has been growing with the increase of demand for sustainable financial products.

- [Financing COVID-19 Stimulus through Sustainable Finance](#)

The objective of this article is to highlight how sustainable finance and responsible investment tools and mechanisms have emerged as a way to tap capital markets to finance COVID-19 stimulus measures.

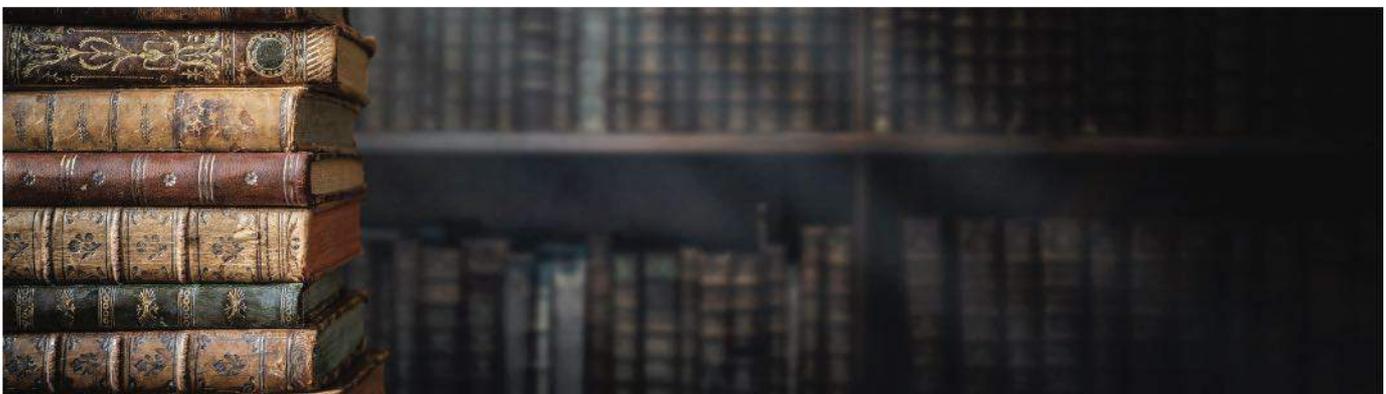
- **Integrating a Gender Lens in Sustainable Investing**

The article provides an overview of the current state of gender lens investing and explored the opportunities and challenges in catalysing gender lens investing.

The MSFI Secretariat is planning for a series of workshops for 2020, beginning with Sustainable Bonds for Investment Banks and Potential Issuers. Details will be up on the MSFI website soon!

Other workshops planned for 2020:

- Private Equity and Venture Capital Funding for a Green and Circular Economy
- Green Financing through Digital Platforms and Potential Issuers
- Sustainable Finance for Banks and Insurance Companies
- Call for Action on Sustainable Financing



KUALA LUMPUR JOINS FINANCIAL CENTRES FOR SUSTAINABILITY (FC4S)

On 9 November 2020, Capital Markets Malaysia became a member of the UN-convened international Network of Financial Centres for Sustainability (FC4S). CMM, as an affiliate of the Securities Commission Malaysia (SC) has committed to facilitating the development of Malaysia’s sustainable finance and investing ecosystem over the next three years. In an effort to streamline its sustainable finance work CMM formed the Malaysian Sustainable Finance Initiative (MSFI).



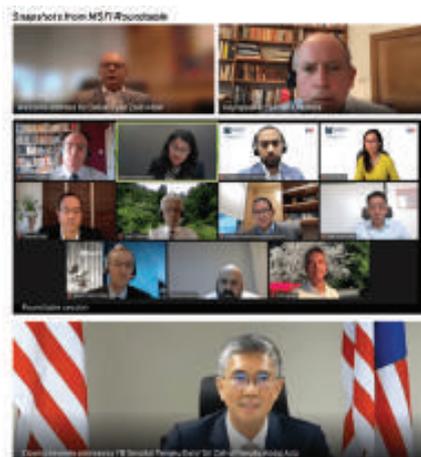
The FC4S Network, an initiative by the United Nations Environmental Programme (UNEP) and UNDP, is a collective of the world’s financial centres aided by partners and donors, and supported by a Secretariat with a central aim to support Members to fully align themselves with the Paris Agreement and the Sustainable Development Goals.

MSFI ROUNDTABLE

On 18 November 2020, the MSFI hosted its inaugural engagement entitled, ‘A Real Conversation: A Commitment to Advancing Sustainable Finance’. The roundtable was a platform for candid and frank discourse with nine key stakeholders within the banking and finance sector about their commitments to advancing sustainable finance.

Patron of the MSFI YB Senator Tengku Dato’ Sri Zafrul Tengku Abdul Aziz, Minister of Finance Malaysia, delivered a keynote address. We were also honoured to have Datuk Syed Zaid Albar, Chairman of the Securities Commission Malaysia and Sir Ian Cheshire, Non-Executive Director and Chairman of Barclays Bank UK PLC as special guest speakers.

The roundtable was attended by 60 C-suites of major financial institutions and professional associations in Malaysia.



In efforts to enable Malaysia to meet its Paris Agreement commitments, the roundtable which was moderated by Stephen Nolan, Co-Director, UNEP Inquiry, Managing Director, Financial Centres for Sustainability (FC4S), did not just discuss the sustainable agenda and the commitments to the Task Force on Climate-Related Financial Disclosures (TCFD), but also addressed several salient matters such as;

- What is the best way forward to transition towards sustainability while supporting the real economy?
- The importance of the Nationally Determined Contributions and Sustainable Finance Roadmap to be established by science-based facts

In efforts to position Malaysia as a sustainable developmental hub, conversations have been initiated to shift the focus from awareness of sustainable finance to implementation and execution of programmes and initiatives to develop a comprehensive and holistic Sustainable Finance Roadmap. Alongside the Ministry of Finance’s commitments to push this agenda forward, MSFI will also keep an account of the efforts to integrate sustainability at every step of the financial value chain.

The abovementioned initiatives and milestones mark the first step for MSFI in supporting and catalysing sustainable finance efforts in Malaysia. In the coming months, we will be introducing a series of capability building workshops on sustainable finance as part of our continuing efforts in achieving our objectives. To keep you updated on the latest news on sustainable finance, we will be introducing monthly bulletins which will include regulatory updates, latest market news, newly released articles and upcoming MSFI events. We would like to express our gratitude and appreciation to everyone that was involved in making MSFI possible. We are committed to growing the sustainable finance sector in Malaysia, *and we look forward to hearing from you.*