

market as an attractive financing option for MSMEs and MTCs. As at December 2024, the SC has entered into two Memoranda of Understanding (MOUs). The first was a partnership with Khazanah Nasional to catalyse the growth and expansion of MTCs via an initial RM500 million investment commitment by Khazanah, as well as through various capacity-building programmes and a fundraising incubation initiative to enhance the capital market-readiness of MTCs. The other was with the Credit Guarantee Corporation (CGC) to connect MSMEs and MTCs to capital market financing solutions that best meet their financing needs via CGC's imSME platform, as well as to support the de-risking of investments in MSMEs and MTCs by extending credit guarantees to capital market solutions.

Looking ahead, the SC will continue to engage extensively with parties interested in moving the Roadmap initiatives forward.

## Private Markets

### ***KL20 Summit 2024***

At the KL20 Summit 2024, spearheaded by the Ministry of Economy, the Malaysian government showcased ambitious plans to create a dynamic entrepreneurial ecosystem in the country. The aim is to create an environment that nurtures talent and attracts investment, making Malaysia a leading centre for entrepreneurship and innovation in the ASEAN region as well as a top 20 global startup hub by 2030.

In support of this national agenda, the SC participated in the summit to spotlight Malaysia as the top destination for global VCs and startups to set up their operations. The SC was one of the marquee exhibitors for the summit which was attended by GLICs, local and foreign VC/PE firms, investors, startups, and various government agencies. Under KL20, the SC is the implementing agency for the VC Golden Pass which aims to attract global or regional VCs to set up and manage funds out of Malaysia.

The KL20 Summit 2024 marked the beginning of the KL20 initiative, with discussions underway to continue the summit in 2025. In collaboration with key stakeholders, including the MOE, MOSTI, Khazanah Nasional, MAVCAP, MDEC, MRANTI, and Cradle, the

SC helped lay the groundwork for Malaysia's startup ambitions. A key insight from the summit highlighted Malaysia's unique positioning, with global VC/PE capital reserves at record highs, a neutral geopolitical stance, and strong domestic capabilities. Capitalising on these factors, Malaysia is positioned to achieve KL20's vision of becoming a top 20 global startup ecosystem by 2030.

### ***Penang: MBAN Coffee and Conversations + Engagements***

The SC also works closely with stakeholders at the state level to encourage the growth of alternative financing space in their respective agencies. On 8 January 2024, the SC participated as a keynote speaker in the Malaysian Business Angel Network (MBAN) event titled 'Coffee & Conversations: What's Next in Corporate Venturing', held at Harmonico Penang.

The event aimed to encourage discussion among corporates in northern Malaysia on corporate venture capital (CVC), and spur these corporates to begin their CVC journey. Through this event, the SC collaborated with key stakeholders including MBAN and Digital Penang. As a complement to the event, the SC also engaged CREST and Digital Penang in separate meetings to understand initiatives related to the capital market in the electrical and electronics (E&E) sector, paving the way for future collaboration between the SC and stakeholders in Penang.

### ***Johor: NaviGate (Alternative Financing) + Engagements***

On 20 May 2024, the SC organised its NaviGate event series in Iskandar Puteri, Johor, with the aim to explore sustainability practices in the alternative financing space including VC/PE. The SC collaborated with Iskandar Investment Bhd (IIB), MAVCAP, Penjana Kapital, Bintang Capital Partners and selected ECF and P2P financing operators for this event, which served as an opportunity for Malaysian MSMEs to discover alternative capital market financing avenues for green and sustainable financing needs.

Among the key takeaways from a private markets angle are insights on how VC/PE firms are adopting

sustainability considerations, standards or accreditation (e.g. UN Principles for Responsible Investment) and their implications to investment decisions in VC/PE firms. At the event, the SC also engaged with selected startups based in Johor to understand their funding needs and explore alternative financing avenues to serve their needs.

## Corporate Venture Capital Programmes

In 2024, the SC introduced the Catalyst Series, a dialogue on corporate innovation, to foster engagement between corporates and startups, validate business models, attract and retain top talent as well as tackle real-world business challenges. This series was introduced in recognition that corporate venture capital is an increasingly important pillar of the investment ecosystem and that many corporates are just starting their CVC journeys and may lack knowledge, talent and connections to startups.

The inaugural dialogue explored the role of innovation in cybersecurity and its importance to corporates. It also included experience sharing and networking opportunities for corporate leaders to learn about what worked and what didn't on their respective innovation journeys.

The second instalment of the SC's Catalyst Series, which was co-organised with The Hive Southeast Asia, explored how generative AI represents a paradigm shift to problem-solving and innovation as well as the adoption of AI and the ethical considerations. The event was attended by corporations, industry leaders, policymakers, and innovators who explored the transformative potential of generative AI in the digital economy. Partners and founders at The Hive, LLC, including T.M. Ravi and Kamesh Raghavendra, and The Hive Climate AI, such as Géraldine Andrieux Gustin were also in attendance to share how generative AI is on-course to become one of the most transformative eras in human history and the role AI has in addressing climate change.

Additionally, Capital Markets Malaysia (CMM) collaborated with the Institute of Corporate Directors Malaysia (ICDM) to deepen board-level insights on the strategic value of CVC. This partnership offered

senior leaders a platform to explore best practices, governance standards, and the advantages of innovation-led investments. Key takeaways from the session highlighted a broad investor perspective on innovation across diverse business models, while acknowledging the challenges in securing quality deal flow. Participants shared that with varied investment options, expert collaboration, and portfolio-based risk management, corporations can effectively optimise returns and minimise risks in the startup sector.

These sessions reflect the SC's focus on regulatory excellence as well as internal transformation,, sustainability, and talent development, ensuring a unified approach to its priorities for 2024.

On 30 September 2024, the SC convened a management offsite to streamline its priorities for 2025 and beyond, recognising that the year ahead will be critical in delivering several high-impact initiatives. The SC's senior management worked closely to align resources and strategies, ensuring optimal preparation for the upcoming ASEAN chairmanship year, the FATF Mutual Evaluation, and the rollout of key frameworks such as the MSME Roadmap, NSRF, and the Family Office initiative.

These engagements reflect the SC's commitment to continuous improvement and collaboration, enabling its staff to deliver results that shape the capital market's future. With a clear sense of direction and aligned efforts, the SC remains steadfast in its mission to support sustainable market growth, uphold regulatory integrity, and ensure that the organisation is ready to take on the challenges of 2025.

## Stakeholder Economy with SRI and ICM

Building a stakeholder economy is critical in creating a financial ecosystem where all stakeholders, comprising investors, businesses, regulators, and society, work together towards a common goal, fostering inclusive and sustainable growth. In alignment with the SC *Capital Market Masterplan 3* (CMP3), the SC is committed to elevating the ICM to its next phase of development. This strategic direction aims to ensure that Malaysia remains competitive and positions itself as a global leader and role model in the ICM.

Additionally, it aligns with the principles of *Maqasid al-Shariah*, which similarly seeks to shape a financial landscape that looks beyond profit to encompass the broader societal and ethical considerations. The integration of *Maqasid al-Shariah*, will also reinforce Malaysia's leadership role while guiding the industry towards ethical and sustainable growth in line with Islamic values.

In 2024, the SC initiated various efforts to forge and deepen relationships and in turn created new opportunities for collaboration and partnerships through conferences, roundtables, forums, and workshops. With the inherent design aligned with CMP3's objectives, the focus areas moving forward will include Islamic fintech, Islamic social finance, and impact investing, which are vital for developing a robust ICM while continuing to facilitate the existing ecosystem. By working together with key stakeholders, the SC aims to cultivate a stakeholder economy that not only meets the needs of the market but also upholds the values of *Maqasid al-Shariah*, ensuring that the ICM serves as an effective vehicle for raising funds, redistributing wealth, and driving sustainable economic development.

### Advancing The ICM Shariah Adviser Fraternity – SC Nadwah of Shariah Advisers In Islamic Capital Market 2024

The 2<sup>nd</sup> edition of the SC Nadwah of Shariah Advisers in the Islamic Capital Market 2024 (SC Nadwah 2024) was organised in partnership with Bursa Malaysia on 25 April 2024 at the SC. The event provided Shariah advisers and ICM stakeholders a key platform to receive updates and stay informed of the latest resolutions from the Shariah Advisory Council (SAC) and regulatory developments in ICM. One primary area of discussion centred on the implementation of the *Maqasid Al-Shariah Guidance for Islamic Capital Market Malaysia* in Islamic finance from regional and international perspectives. The event attracted close to 250 participants, reinforcing its role in enhancing the capacity of Shariah advisers with industry-specific knowledge and expertise.

A closed-door focus group discussion with Shariah Advisers was also held in collaboration with BNM on 26 April 2024. This was to explore the future direction

of Shariah advisory services and was attended by over 50 participants, including Shariah advisers, SAC members, and senior representatives from the SC, BNM, and Bursa Malaysia.



### Industry Dialogue with Shariah Advisers

On 8 March 2024, the SC organised an Industry Dialogue with Shariah Advisers in Islamic Capital Market 2024 (SC Shariah Advisers Dialogue 2024). The SC Shariah Advisers Dialogue 2024 was instrumental in enabling robust discussions on various matters including on the regulatory framework, capacity building, Shariah compliance and supervision in ICM, latest advancements in ICM, and addressing the critical issues and challenges faced by Shariah advisers in balancing compliance with innovation in this rapidly evolving sector.

A total of 50 participants attended the half day dialogue comprising Shariah advisers registered with the SC, Shariah committee members from Islamic financial institutions under BNM and other ICM stakeholders.



### Fostering Innovation In Islamic Fintech – FIKRAtech Roundtable

The FIKRAtech Roundtable was held in London, UK on 4 September 2024. Building on the success of the inaugural Islamic Fintech Roundtable in 2023, the FIKRAtech Roundtable was introduced to further stimulate discussions, experience sharing, and exploration of ideas and solutions for advancing the ICM through financial technology (fintech). It was attended by 24 Malaysian and UK fintech players, organised in collaboration with Islamic Finance News (IFN) and Malaysia Digital Economy Corporation (MDEC).

The discussion centred on the following key areas:

1. The strong potential of Islamic fintech is growing, at the same time its significant challenges, particularly in accessing capital to scale up, still persist.
2. The aspired outcomes from the Collaboration between Malaysia and the UK fintech ecosystems to drive the development of globally impactful solutions.
3. The success in Islamic social fintech requires clear regulations, equal opportunities, data-driven decision-making, and a strong focus on ESG and Shariah compliance.

### Amplifying Sustainability and Social Finance through ICM – SC Partners with IsDB to Advance ICM

A key ICM milestone was recorded when the SC signed an MOU with the Islamic Development Bank

(IsDB) Group on 29 April 2024 in Riyadh, Saudi Arabia. The occasion paved the way for greater co-operation in ICM and broadening the reach of Islamic fintech and social finance, particularly *waqf*. The Prime Minister of Malaysia, Dato' Seri Anwar Ibrahim and IsDB President and Chairman, Dr. Muhammad Al Jasser, witnessed the signing of the landmark MOU, the first-of-its-kind between the Malaysian capital market regulator and the multilateral development bank of the Global South.

Dato' Seri Anwar and Dr. Muhammad Al Jasser, in their meeting in March 2023, agreed that regulators, authorities and businesses in Malaysia are to work closely with IsDB to explore new areas of collaboration. These include developing and piloting innovative Islamic finance products, promoting the halal industry, and supporting MSMEs.

Under the MOU, both the SC and IsDB will collaborate in several key areas. These include facilitating innovation in Islamic fintech, promoting development of Islamic social finance, and encouraging inflow of investments. Both parties aim to increase capacity building, knowledge sharing and joint technical projects in key interest areas related to ICM, which can also be capitalised by both institutions for the benefit of other IsDB member countries.



### Waqf and Islamic Capital Market Roundtable and Engagements with State Islamic Religious Councils

The Waqf and Islamic Capital Market Roundtable, organised by the SC in collaboration with the *Majlis Ugama Islam dan Adat Resam Melayu Pahang* (MUIP), took place on 15 August 2024, at the Hyatt Regency Hotel in Kuantan, Pahang. Themed



'*Merintis Pelaksanaan Wakaf Kontemporari*', the Roundtable gathered over 60 stakeholders from the *waqf* ecosystem, including government agencies, policymakers, state Islamic Religious Councils (SIRCs), Shariah advisers, academia, and market practitioners. Discussions focused on the need for innovative contemporary *waqf* models and the application of technology to enhance *waqf* management, promoting transparency, efficiency, and community involvement.

In line with the previous roundtable, the SC conducted a series of post-event meetings with SIRCs to strengthen relationships, understand challenges, and explore synergies to maximise the impact of *waqf* development in Malaysia. The SC also discussed with SIRCs on the role of the MyCIF, initiated by the Ministry of Finance to co-invest in MSMEs through ECF and P2P financing platforms for developmental efforts for *waqf* asset and market-based fundings. SIRCs have expressed enthusiasm about collaborating with the SC to expand *waqf*'s impact through MyCIF and other ICM products.

As a key component of Islamic social finance, *waqf* has significant potential to address socio-economic challenges like poverty and unemployment while integrating with Shariah-compliant funds to achieve meaningful social impact for communities.

### 15<sup>th</sup> SC-OCIS Roundtable 2024

With the objective of furthering global thought leadership in Islamic finance, the 15<sup>th</sup> SC-OCIS Roundtable (Roundtable), themed 'Restoring Humanity in Finance', was held in Oxford from 7 to 8 September 2024. Since its inauguration in 2010, the Roundtable continues to spur discussions and intellectual discourse on contemporary issues in Islamic finance, contributing to developmental efforts particularly in the ICM space.

Discussions encapsulated restoring the moral lens to finance practices and shifting the focus from value extraction, where resources are exploited for short-term gain, towards value creation, where financial decisions are made with a view for long-term sustainability and societal benefit. It is hoped that the outcomes of the Roundtable will lead to the application of universal values, as encapsulated in the *Maqasid al-Shariah*,

throughout a company's value chain, including from funding to the delivery of products and services, aligned to stakeholder expectations.

The Roundtable was graced by HRH Sultan Nazrin Muizzuddin Shah, Ruler of Perak Darul Ridzuan and the Royal Patron for Malaysia's Islamic Finance Initiative who delivered a special address at the OCIS Malaysia Auditorium to more than 50 international participants.

### SC-World Bank Conference

The strong and long partnership between the SC and the World Bank (WB) was strengthened through the fifth edition of the SC-World Bank Conference, themed 'Empowering MSMEs: Cultivating Compassionate Growth through the Capital Market'. Held on 15 October, the conference focused on the crucial role of MSMEs in fostering equitable economic and social development. It explored how the capital market and ICM can address funding gaps through an inclusive approach aligned with *Maqasid al-Shariah*, to broaden wealth and nurture businesses within a supportive ecosystem.

The event underscored the importance of collaboration among governments, regulators, businesses, and investors, while highlighting technology, financial inclusivity, and supportive policies as key drivers for sustainable MSME growth.

Close to 300 participants from the MSME ecosystem, including government agencies, VC and PE firms, local Islamic banks, and GLICs attended the conference.

The conference's highlight was the launch of the *ESG Disclosure Assessment of Malaysia's Listed Companies and Recommendations for Policy Development*, jointly developed by the SC and the World Bank. Unveiled by Deputy Minister of Investment, Trade and Innovation, Liew Chin Tong, the report analysed the ESG practices of 90 companies listed on Bursa Malaysia and major asset owners. Key recommendations included ongoing monitoring and consultation to enhance ESG disclosures in line with the NSRF, promoting adherence to Bursa Malaysia's sustainability reporting guidelines, and encouraging ESG practices among domestic investors.

## Building a Sustainable Capital Market

To effectively develop SRI policies and promote a sustainable capital market, the SC emphasises active collaboration with various stakeholders, including public policymakers. These engagements ensure that SRI strategic objectives align with broader national policies and commitments to sustainable development and climate goals, laying the foundation for the future development of SRI policies and strategies in the Malaysian capital market.

## Joint Committee On Climate Change

The Joint Committee on Climate Change (JC3) remains committed to collaborating with the ministries, relevant government agencies and industry associations to advance the financial sector's response to climate-related risks, in line with national strategies and priorities.

As Co-Chairs, both the SC and BNM engaged with members and observers of JC3 on a myriad of topics and reviewed progress of ongoing work to ensure specific action plans support a just and orderly transition of the economy.

The JC3 outreach virtual session on 12 July 2024 also provided a comprehensive introduction on how the sustainability agenda is shaping the VC/PE industry both globally and regionally. This learning opportunity allowed JC3 members to deepen their understanding of how VC and PE can play a pivotal role in financing climate solutions.

The SC and BNM also hosted engagement sessions in the second half of the year, on behalf of the MOE and MOF on the *National Energy Transition Roadmap* (NETR) and Carbon Capture Utilisation and Storage (CCUS). At these sessions, the ministries facilitated discussions on the funding needs and explored suitable financing mechanisms for these projects.

In addition, JC3 in collaboration with Ministry of Natural Resources and Environmental Sustainability (NRES) hosted an engagement session on the *Rang Undang-Undang Perubahan Iklim Negara* (RUUPIN) and *Kajian Dasar Pasaran Karbon Kebangsaan* (KDKK) to gather feedback and commentary from JC3 members and

observers and other financial sector industry players on the proposed legislation and policy frameworks.

## Engaging in Committees and Workshops for Collective Climate Action

The SC continues to support various government initiatives by leveraging its expertise in sustainable finance through participation in related workshops as well as memberships of various committees.

During the first quarter, the SC also participated in an engagement session hosted by the Malaysia Productivity Corporation (MPC) on the development of an ESG Certification Framework to help improve Malaysia's position in all rankings and reports such as the GGEI: Global Green Economy Index (GGEI) and International Institute for Management Development (IMD).

The SC is a member of the Malaysia Petroleum Resources Corporation (MPRC) National OGSE Sustainability Framework (NOS-F) Guide Project Committee, with a primary function to review, provide constructive feedback and approve the final report for the NOS-F Guide.

On the global front, the SC serves as an advisory committee member of the Global Islamic Finance Program (GIFP) for Climate, Nature, and Development, announced at the 2023 United Nations Climate Change Conference (COP28) in Dubai. The SC continues to provide guidance and strategic direction for the establishment and operationalisation of the GIFP, which aims to mobilise Islamic capital through blended finance solutions to support nature-based solutions (NbS). This is aimed at leveraging Malaysia's global leadership in Islamic finance and the strong alignment between Islamic finance and SRI.

The SC chairs the COMCEC Sustainability Taskforce (COMCEC STF), which was established as a platform for capital market regulators to collaborate and identify common drivers for sustainable finance. The COMCEC STF also seeks to foster long-term collaboration among member countries by advancing co-ordinated solutions for sustainable finance and reporting. Among the initiatives undertaken by the Taskforce was a baseline survey designed to assess the status of members'

regulatory frameworks, shared challenges, and limitations within the sustainable finance ecosystem. The findings from this survey will assist COMCEC STF members in developing targeted outreach programmes and ensure effective identification of capacity-building needs aligned with the Taskforce's objectives.

### **Promoting SRI Awareness and Capacity Building Locally and Internationally**

The SC continues to engage in the active promotion of SRI through awareness and targeted capacity-building programmes. These initiatives are crucial in equipping stakeholders with the necessary knowledge and support to make informed decisions aligned with sustainability goals.

Capacity building efforts are an integral part of the agenda to foster sustainable finance. It presents opportunities to learn, consider key developing areas and exchange views to develop common approaches and solutions, to ensure that the capital market continues to meet changing global needs.

### **NaviGate: Capital Market Green Financing Series**

The SC continues to organise programmes under NaviGate: Capital Market Green Financing Series, the SC's flagship awareness programme for green and sustainable financing.

To discover opportunities in alternative capital market financing avenues such as ECF and P2P financing platforms, the SC, supported by CMM held the first NaviGate programme of the year on 26 April 2024 in Kuala Lumpur.

The half-day programme offered insights into the process of fundraising via ECF and P2P financing, with peer sharing of experience by MSMEs and platform operators, and their motivation to raise sustainable financing through these platforms.

This was followed by the second programme on 20 May 2024, where SC and Iskandar Investment Bhd (IIB) co-hosted the NaviGate: Capital Market Green Financing Series in Johor, offering insights into fundraising via ECF and P2P financing platforms, with MSMEs sharing their journeys towards sustainable financing. The programme also aimed to increase awareness of sustainability practices from the lens of VC/PE firms, emphasising their critical role in fostering green initiatives and responsible investments.

Concurrently, the SC led a closed-door roundtable engagement with Johor state agencies and other relevant stakeholders. This session focused on discussing sustainable development and climate-friendly initiatives, exploring how these can be facilitated through the capital market.

In line with the SC's ongoing efforts to facilitate transition finance and support businesses and industries in their shift towards a net zero economy, the SC, in collaboration with the Glasgow Financial Alliance for Net Zero's Asia Pacific Network (GFANZ APAC) hosted another NaviGate programme on 9 October 2024. This programme was supported by the British High Commission Kuala Lumpur and Bursa Malaysia.

The forum titled 'Transition Investing towards Net Zero', featured discussions on globally accepted transition planning and finance guidance from the UK Transition Plan Taskforce and GFANZ. Participants also gained insights into the investment strategies of net-zero-committed investors and explored challenges and opportunities for hard-to-abate sectors, particularly the energy sector, in the transition to a low-carbon economy.

The one-day forum featured speakers from the UK Transition Plan Taskforce (UK TPT), UK His Majesty's Treasury (HMT), GFANZ APAC Network, abrdn, Bursa Malaysia as well as Kumpulan Wang Persaraan (KWAP). Over 150 participants from ministries, GLICs, asset management companies, fund management companies, financial institutions as well as corporates attended the forum.

## Study Visits for Continued Learning

### (a) *Japan's Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS) Training Programme for Energy Transition Support for Malaysia*

From 26 February to 1 March 2024, the SC participated in AOTS' Training Programme for Energy Transition Support for Malaysia through a nomination by the Ministry of Economy. This programme, a collaboration between the governments of Japan and Malaysia, aims to provide capacity building to facilitate Malaysia's energy transition.

The Malaysian delegation also included representatives from the Ministry of Economy, Ministry of Energy Transition and Water Transformation, Ministry of Natural Resources and Environmental Sustainability, the Energy Commission, the Sustainable Energy Development Authority, the Malaysian Investment Development Authority, Petronas, and BNM.

The training programme featured discussions, sharing sessions, and site visits with Japan's Ministry of Economy, Trade and Industry, the Japan Research Institute of Innovative Technology for the Earth, Kansai Electric Power, Kawasaki Heavy Industry, and other prominent energy companies. Held across Tokyo, Kyoto, Kobe, and Osaka, the programme provided an opportunity for knowledge exchange and demonstrations of Japan's efforts and latest technologies. Additionally, the programme included insights into the financing required for energy transition, as well as the various financial instruments and structures needed to mobilise these efforts.

### (b) *Capacity Building Alliance of Sustainable Investment (CASI) Green Finance Capacity Building*

On 24 and 25 June 2024, the SC participated in the Capacity Building Alliance of Sustainable Investment (CASI)'s event, which featured a two-day workshop in Hong Kong, followed by a study visit to Huzhou (Zhejiang Province in China) from 26 to 28 June 2024. At the

workshop in Hong Kong, the SC participated in a panel session titled 'Market Updates and Policy Frameworks for Sustainable Finance' where updates on taxonomy, disclosure requirements as well as sustainable financing such as SRI and SRI-linked sukuk were discussed.

The study visit featured three themes, (a) using green finance to support industrial transformation and upgrading; (b) using green finance support ecological restoration; and (c) showcasing innovative practices by financial institutions in Huzhou.

The visit to Huzhou featured site visits which allowed participants to learn more about green projects in the region. One such example was the prefabricated buildings, which significantly reduce energy consumption, require less manual labour, results in less waste and shortens time taken to complete the project. Other interesting initiatives included green battery production, innovative bamboo utilisation in replacing plastic and the national wetland parks. As the pioneer of green development, Huzhou is the world's only international co-operation demonstration zone of ecological civilisation recognised by the Conference of the Parties to the United Nations Convention on Biological Diversity, or COP15.

The event was participated by over 300 attendees from 20 jurisdictions.

## Enhancing the Profiling of SRI Internationally

As a capital market regulator who is at the forefront in championing SRI and given its comprehensive approach in creating an SRI ecosystem, the SC participated in several events to share its experiences and viewpoints.

The SC is also regularly invited to speak on a wide range of sustainability topics at local and international conferences. This included events such as:

- Study Visit to Malaysia by the Kenyan Delegation on 30 January 2024 where the SC presented the SC's SRI Initiatives focusing on the Principles-Based SRI Taxonomy. The study visit was hosted by the World Bank;



- Borneo Energy Transition Conference 2024 on 27 February where the SC moderated a panel session titled, 'Accelerating New Energy Projects with Sustainable Financing Solutions', which discussed, (a) crucial building blocks as companies work towards their own transition plans; (b) real-world examples of companies leveraging the various sustainable finance frameworks as they seek to raise funding; and (c) how definitions, standards and taxonomies help achieve Malaysia's sustainability ambitions. The event was organised by MARC and SEDC Energy;
- Regional Seminar on Promoting Green Finance in ASEAN in Lao PDR on 6 March 2024, where the SC participated in a panel which covered the crucial role of regulators in unlocking green and transition finance flows in ASEAN;
- Funding Gaps to Achieve Carbon Transition Goals in ASEAN, organised by Moody's on 7 May 2024. The SC participated as a panellist on discussions around challenges for ASEAN countries that have high dependence on hard-to-abate sectors and the role of transition finance in supporting their decarbonisation journey;
- Ethical Finance ASEAN 2024: Scaling Up Sustainable Finance Virtual Summit on 8 May 2024. The SC participated as a panellist in the session titled 'COP Fireside: From Dubai to Baku – Driving Climate Finance'. The fireside discussed key outcomes for Malaysia at COP 28 from a climate finance perspective;
- Asia Investor Group on Climate Change (AIGCC) – CMM Roundtable on Malaysia's Energy Transition on 16 May 2024. The SC participated in the roundtable, where perspectives on how to support Malaysia's implementation of the NETR were shared;
- Roundtable on Blue Finance: Bonds, Sukuk and Loans co-organised by CMM and the International Finance Corporation (IFC), held on 17 May 2024 which saw discussions on the potential of blue bonds, sukuk and loans as innovative financing instruments;
- Unlocking Sustainable Financing Flows for Environmental and Social Impact in Emerging Markets: Lessons from Southeast Asia on 6 June 2024, organised by World Bank Treasury and SGX Fixed Income. The panel focused on the role of financial regulators in Southeast Asia to scale up sustainable finance including SRI sukuk and bonds and reduce climate and sustainability risks in the financial system;
- Kuala Lumpur International Sustainability Conference, hosted by the Asia School of Business on 7 June 2024 where the SC delivered the keynote address, urging regulators, corporations, academia, and civil society to collaborate and co-ordinate their actions to drive meaningful change;
- Asia Pacific Green Hydrogen Conference organised by Ministry of Energy and Environmental Sustainability Sarawak on 11 June 2024, where the SC delivered the keynote address on 'Derisking investment into green hydrogen', highlighting key case studies where the SRI Sukuk Framework has enabled Malaysian entities to issue SRI sukuk in the form of green, sustainable and social sukuk;
- Bond and Sukuk Trustee Forum on 1 August 2024, jointly organised by the SC and the Association of Trust Companies Malaysia. The SC participated as a panellist in the session on 'Sustainability and ESG Integration', covering issues such as (a) the broadening and deepening of the bond and sukuk market to meet Malaysia's sustainable development and climate change goals (b) harmonisation and transparency of sustainability-related disclosures and reporting standards and (c) how to strengthen fiduciary duty and mitigate greenwashing risks in sustainable investing as well as taxonomies;
- The 6<sup>th</sup> International Sustainable Energy Summit (ISES) 2024: International Sustainable Energy Summit organised by Sustainable Energy Development Authority (SEDA) Malaysia from 20 to 21 August 2024. The SC moderated a panel which touched on ESG-driven sustainable finance, including enabling policies, key trends and innovative financial products; and

- Empowering Sustainable Futures: Strategies for Financing the SDGs at the Malaysia SDG Summit 2024 organised by the National SDG Centre and Ministry of Economy on 18 September 2024. The SC participated in the panel session which discussed how the Malaysian capital market has been financing SDGs.

## INTERNATIONAL PROFILING

### International Organization Of Securities Commissions, ASEAN Capital Markets Forum And International Trade

#### *International regulatory co-operation*

The SC continues to demonstrate our commitment to global regulatory policy making and international standard-setting by being actively involved in the International Organization of Securities Commissions (IOSCO), the leading international standard-setter for securities regulation. IOSCO's membership regulates more than 95% of the world's capital markets in approximately 130 jurisdictions.

In March 2024, the SC was re-elected as the APRC representative to the governing Board of IOSCO. The re-election to the IOSCO Board is a recognition of the SC's active contribution and demonstrates the support and confidence IOSCO members have in the SC as an organisation. The SC's position on the IOSCO Board allows it to be at the forefront of global regulatory discussions and policymaking and gain relevant insights into emerging regulatory issues impacting capital markets. Close engagement with international regulatory counterparts also helps strengthen jurisdictional benchmarking which shapes domestic policies while ensuring that the SC's regulatory approach is in line with global best practices.

The SC is a member of IOSCO's Sustainable Finance Task Force (STF), where the focus of the work relates to corporate reporting (disclosure of sustainability-related information and sustainability-related assurance), promoting sound-functioning carbon markets, transition plans disclosures and green finance products in fixed income markets and ESG benchmarks. The SC formed part of the Technical Review Coordination Working

Group that assessed the International Sustainability Standards Board's (ISSB) draft climate-related disclosure standards, which ultimately led to IOSCO's endorsement of both the general and climate-related disclosure standards in June 2023. IOSCO has called on securities regulators to consider ways in which they might adopt, apply or otherwise be informed by the ISSB Standards within their jurisdictional context.

The SC subsequently launched NSRF in September 2024 which addresses the use of the standards issued by the ISSB as the baseline for sustainability reporting in Malaysia (refer to page 112 of SC Annual Report 2024).

The SC is a key member of IOSCO's Policy Committees on Emerging Risks, Secondary Market Regulation, Retail Investors as well as the Assessment Committee. In respect of IOSCO's Committee on Emerging Risks, the SC was involved in the development of the IOSCO Risk Outlook 2025/26 that reviewed emerging global risks, trends and vulnerabilities and their implications for global capital markets for the year. Within IOSCO's Committee of Retail Investors, the SC is involved in the work relating to investor education on crypto-assets, and influencers and their impact on retail investors.

Within IOSCO's Assessment Committee, the SC contributed to the development of Guidance Material for users of the *IOSCO's Assessment Methodology for the for Assessing Implementation of IOSCO Objectives and Principles of Securities Regulation*.

The SC is also a member of the IOSCO's Primary Markets Network and Diversity Network. Through the discourse in these various fora, the SC is able to gain insights and tap on relevant experience and expertise of regulators in other markets.

Within the Asia Pacific region, the SC is actively involved in the Asia Pacific Regional Committee, leading and participating in different working groups. As Chair of the APRC Small and Medium Enterprises (SME) Working Group, the SC published a Report on SME financing through regional capital markets which discussed regional SME financing needs and considered challenges and solutions to facilitate the development of effective SME financing within capital markets. In June 2024, the SC joined the newly established APRC Scams Online Working Group to exchange experiences