

Enhancing the SRI Information Architecture for Greater Transparency and Accessibility

In designing a comprehensive information architecture within the capital market, particularly in promoting disclosure information on SRI sukuk and bond markets, the SC had collaborated with its affiliate, the Bond+Sukuk Information Exchange (BIX), to establish a dedicated SRI Centre.

The SRI Centre launched on 25 August 2020, provides enhanced transparency and access to information on ringgit-denominated SRI bond and sukuk issuances in the country. The one-stop hub was launched during the SRI Virtual Conference 2020 organised by the SIDC. Accessible via the BIX website, it provides comprehensive and up-to-date information from a single source to all market participants as well as the general public. The SRI Centre is part of the recommendation under the 5-year plan of the *Sustainable and Responsible Investment Roadmap for the Malaysian Capital Market* (SRI Roadmap).

Accelerating Climate Resilience Through the Financial Sector

The health crisis has highlighted the far-reaching impact of the pandemic on the global economy, with demand and supply shocks spreading across borders. This had raised a further sense of urgency to the work of the Joint Committee on Climate Change (JC3) in supporting efforts to build resilience against adverse climate and environmental-related events and secure an orderly transition to a more sustainable economy.

As Co-Chair of the JC3, the SC jointly hosted its third meeting on 14 September 2020. The meeting discussed the progress of initiatives under its four sub-committees as well as the focus of priorities for the next 12 months. This includes capacity building, creating awareness and developing measures to help bridge current gaps in climate and environment risk-related information needed to support risk management and solutions on products by financial service providers.

The SC also serves as the Chair of the Sub-Committee 3 on Product and Innovation. In 2020, this sub-committee completed a Gap Analysis and several recommendations were identified. This included accelerating the roll-out of existing financial and capital market products, and introducing new products to finance the transition to a sustainable economy.

Enhancing Social Finance and Impact Investing Through the Islamic Capital Market

Waqf-Featured Fund Framework

In November 2020, the SC released a *Waqf-Featured Fund (WQ-FF) Framework* to facilitate the offering of unit trusts and wholesale funds with *waqf* feature. The framework provides a platform for fund managers to launch products that integrate commercial with social objectives. Investors will also have the opportunity to invest and participate in products that could deliver sustainable benefits for society.

WAQF-FEATURED FUND FRAMEWORK



Contains new requirements for WQ-FF to facilitate the offering of Islamic unit trust funds and Islamic wholesale funds with *waqf* feature.



Only Islamic unit trust funds and Islamic wholesale funds that comply with the requirements under the new chapter of the *Guidelines on Unit Trust Funds* and LOLA Guidelines respectively, can consider themselves as a fund with *waqf* feature.



These requirements provide guidance and clarity in the areas of investment objective and distribution policy, eligible *waqf* recipients, disclosure documents, information memorandum and product highlights sheet (where applicable), and breakdown of total amount distributed in the fund report.