

Seminar on development of green bond in Thailand



17 ตุลาคม 2562

การเปิดเผยข้อมูลตามเกณฑ์ ก.ล.ต.

ทำตามเกณฑ์ตราสารหนี้ในปัจจุบัน



เปิดเผยข้อมูลเพิ่มเติม 5 หัวข้อ

1. Standard ที่ใช้
2. Use of proceeds
3. Project evaluation & selection
4. Management of proceeds
5. reporting



ควรมี external reviewer



Standards ที่สากลยอมรับ เช่น
ASEAN/ Japan/ China

Use of Proceeds



GREEN BONDS

ใช้ในโครงการที่
เกี่ยวข้องกับ
การอนุรักษ์
สิ่งแวดล้อม



SOCIAL BONDS

ใช้ในโครงการที่
เกี่ยวข้องกับ
การพัฒนาสังคม



SUSTAINABILITY BONDS

ใช้ในโครงการที่เกี่ยวข้องกับ
การอนุรักษ์สิ่งแวดล้อม
และพัฒนาสังคม

Green/ Social/ Sustainability Bonds issued by Thai issuers

Bonds issued by Thai issuers

Issuer	Bond Type	Project	Offering	Program/ Issuance size (m)		Issue period	Tenure (yrs)	External review	Standard	certification
				Baht	USD					
Y2018										
TMB	green	Financing of green projects (renewable energy, energy efficiency and green buildings)	Foreign bond	1,920	60	Q2	7	IFC (investor)	n.a. (issued prior to ASEAN standards implementation)	-
KBANK	sustainability	Financing of green and social projects	Foreign bond	3,200	100	Q3	5	Sustainalytics	ASEAN	-
B. Grimm Power	green	Renewable energy	PP-10	5,000	156	Q4	5 and 7	DNV GL	ASEAN	CBI
Y2019										
BTS Group	green	Low Carbon Transportation	II&HNW	13,000	406	Q2	2/3/5/7/10	Sustainalytics	ASEAN	CBI
EA	green	Renewable energy	Foreign bond	3,000*	94*	will be offered for sale in October		DNV GL	ASEAN	CBI
BAY	social	Women Entrepreneurs	Foreign bond	7,040	220	will be offered for sale in October		Sustainalytics	ASEAN	-
Total				33,160	1,036					

*The earlier 2 tranches amounting THB 7,000M or USD 219M, which are also used for the same renewable energy project (not disclosed as Green Bond at the time of filing)

ASEAN standards: ineligible projects

- Green Bond: fossil fuel power generation
- Social Bond: alcohol, gambling, tobacco and weaponry

*Issuer must be ASEAN issuers or projects are in ASEAN countries.

Report on use of proceeds (market practice)

- annual report on the use of proceeds until full allocation (timely basis in the case of material developments)
- annual report should include → a brief description of allocated projects and expected impact
- supplemented by a confirmation of such use of proceeds by an external review provider (recommended)



List/ Label for Thai Green, Social and Sustainability Bond



List / Label



**ACMF List of ASEAN Green/ Social/
Sustainability Bonds/Sukuk**



**Green/Social/Sustainability
Bond Label**

- **Failure to comply with the standards after approval → bonds will be removed from the ASEAN list**
- **If non-compliance project increases, the regulations may be revised to ensure sustainable market development.**

Supporting measures from SEC & ThaiBMA



- Approval & filing fee waived (until 31 May 20)
- Capacity building & seminar to raise awareness
- Bootcamp for issuers
- Proactively engage with institutional investors & issuers

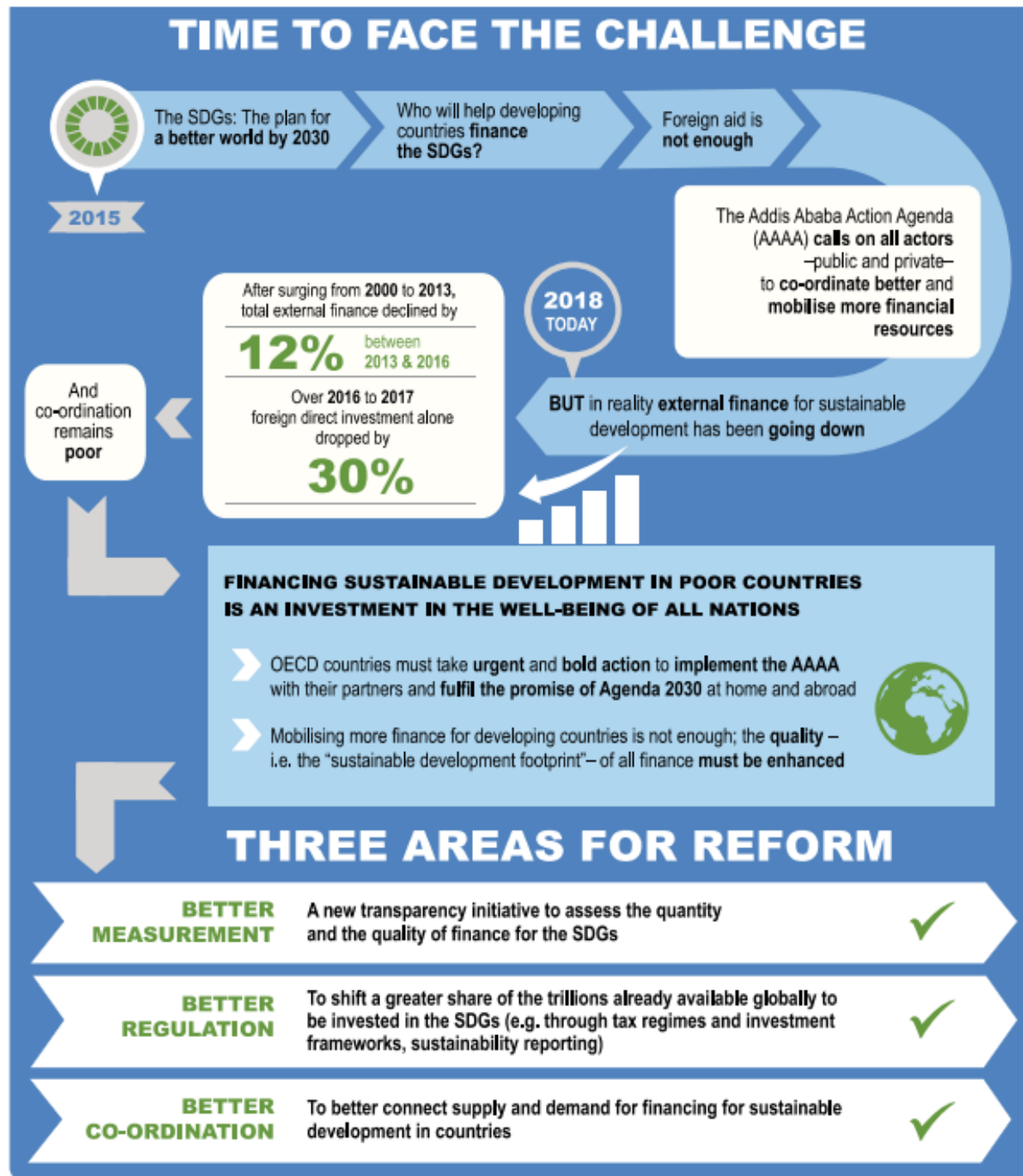


- Bond registration fee waived (until 28 Jun 20)

Future things to do

- 1. Co-ordinating with relevant authority → more incentive**
- 2. Reduce issuer's cost & confusion → Harmonize standard & taxonomy (Green bond, green loan, ESG disclosure)**
- 3. Local reviewers**
- 4. Impact measurement**

Financing the Sustainable Development Goals



Source : OECD GLOBAL OUTLOOK ON FINANCING FOR SUSTAINABLE DEVELOPMENT 2019

Transition Bond/EU Climate Transition Benchmark

Transition Bond:

- Use of Proceeds: Projects in transition towards greener business/efficiency improvement of GHG* emission reduction

Example of Transition Bond:

Castle Peak Power Company Limited the electricity generation business (from coal fired plant) in Hong Kong issued Energy Transition Bond in 2017 to *finance gas fired power plants* to *replace coal fired power plants*.

Possible Transition Standard: EU Climate Transition Benchmark (during finalization)

- Clarification tool for investors GHG* emission-related investment strategies
- Disincentivize greenwashing

*Greenhouse Gas

Appendix

Standards/Frameworks Requirement:

Specific topic	ICMA Green Bond Principles	CBI Climate Bonds Standard	Draft EU Green Bond Standard
Reference of alignment with standard/framework in legal documentation	Recommended	Required	Required
Project categories	Guidance on high-level categories	Linked to detailed qualification criteria	Compliance with a detailed EU sustainability taxonomy
Disclosure of proportion of proceeds used for refinancing	Recommended	Required	Required
Impact monitoring and reporting	Recommended	Addressed in Climate Bonds Standard qualification criteria	Required to report whether issuer is monitoring impact or not and if so, disclose estimated/actual impact
External review requirements	Recommended External review may be partial, covering only certain aspects of an issuer's green bond or associated green bond framework, or full assessing alignment with all four core components of the GBP	Required	Required External review must confirm, at a minimum, the alignment, at issuance, of the EU green bond with all four core components of the EU GBS, or alternatively, confirm the alignment of the EU green bond programme as a whole
Publication of external review	Recommended	Recommended	Required
Accreditation of external reviewers	Not addressed in GBP	Have a dedicated "Approved verifier" list	Sets out accreditation requirements for external reviewers