



Suruhanjaya Sekuriti
Securities Commission
Malaysia

AVPN Virtual Conference 2020
Public-Private Solutions Sandbox
Impact Investment
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Overview of Green Sukuk

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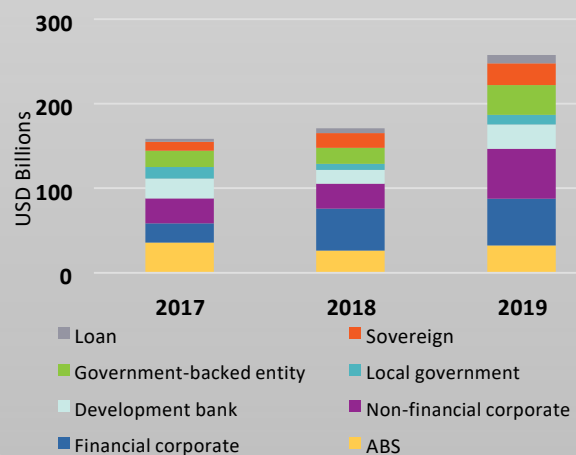
2019 Green Bond Market Summary

February 2020

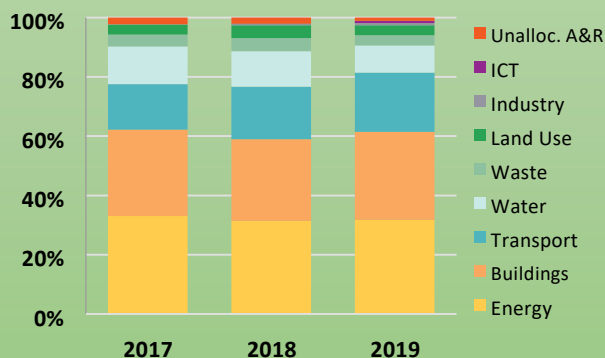
2019 at a Glance

- A new global record: USD257.7bn total green bond issuance*
- 51% growth on 2018
- 1788 green bonds from 496 issuers
- 250 new issuers, bringing a total of USD67.8bn
- 51 jurisdictions, of which 8 are new
- Dutch State Treasury Agency (Certified Climate Bond) at EUR5.99bn (USD6.66bn)
- Certified Climate Bonds cumulative total passed the USD100bn market milestone

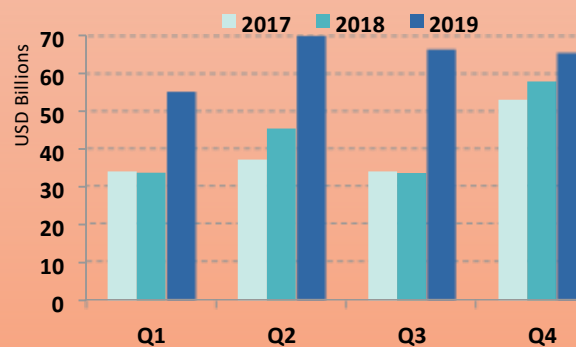
Green bond issuance: 2017 - 2019



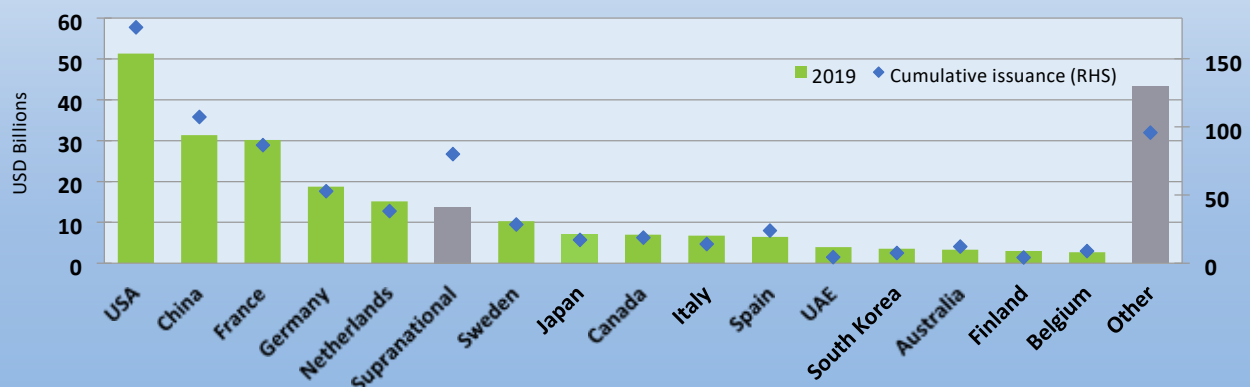
2019 Use of proceeds - Evolution



Quarterly issuance volume

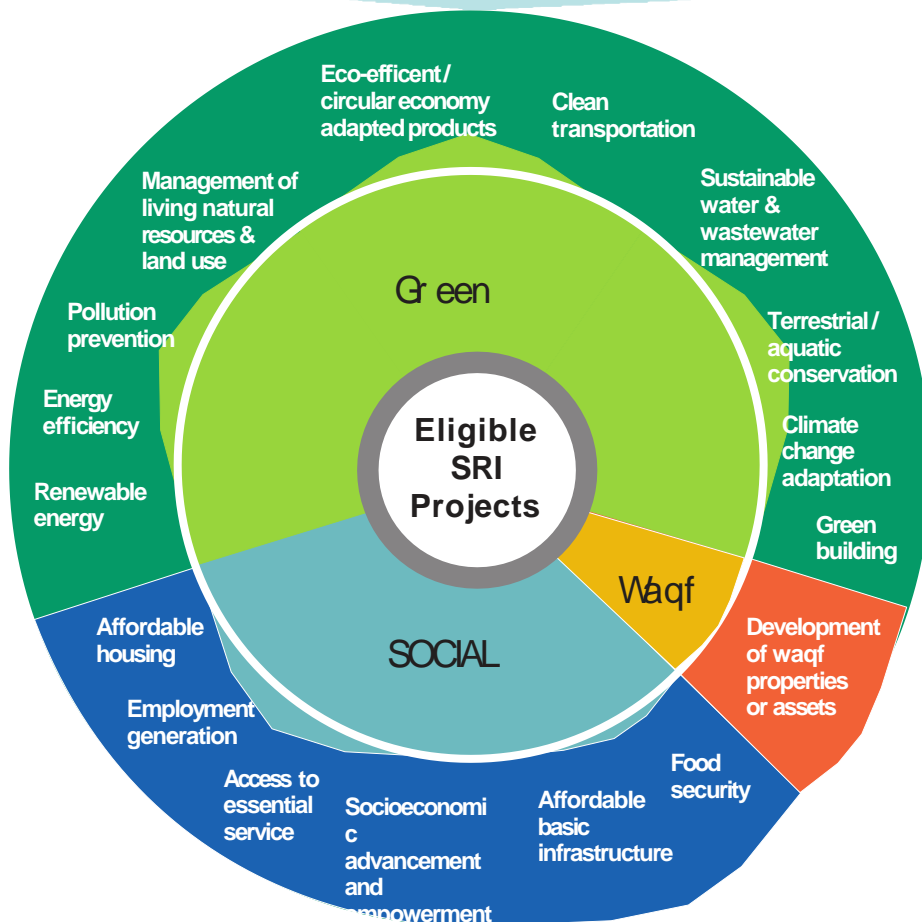
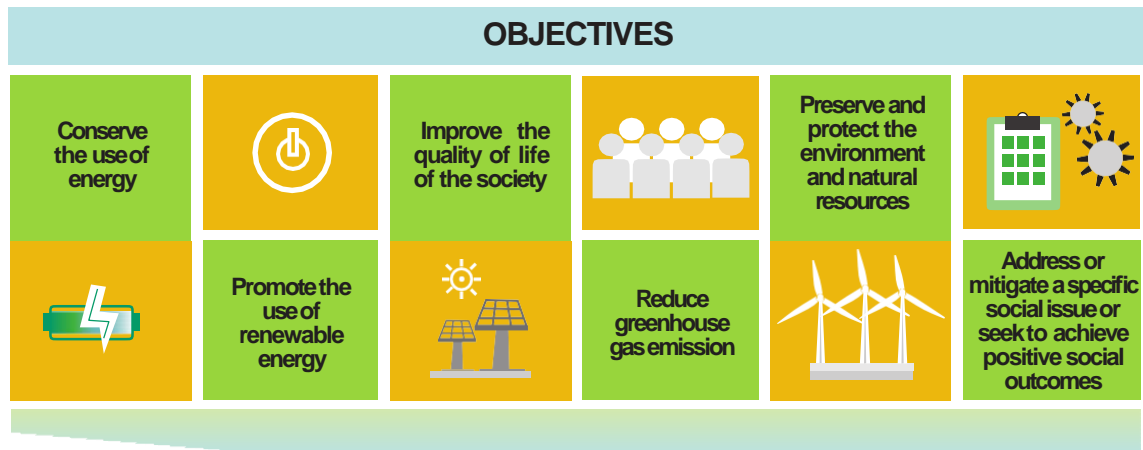


2019 green bond issuance: top 15 countries



* All charts and analysis are based on latest figures for 2019 issuance volume and number of deals. There are 28 deals still under assessment for inclusion in the CBI green bond database. Any subsequent variation will be reflected on the Climate Bonds website.

Eligible SRI Projects



Note: There can also be a combination of green and social projects.

Key components of the Framework



UTILISATION OF PROCEEDS

Proceeds raised from the issuance of the SRI sukuk are utilised only for the purpose of funding any activities or transactions relating to the eligible SRI projects.



PROCESS FOR PROJECT EVALUATION AND SELECTION

Establish internal processes for evaluation and selection of the eligible SRI projects.



MANAGEMENT OF PROCEEDS

Proceeds allocated for the eligible SRI projects are credited into a designated account or otherwise tracked in an appropriate manner.



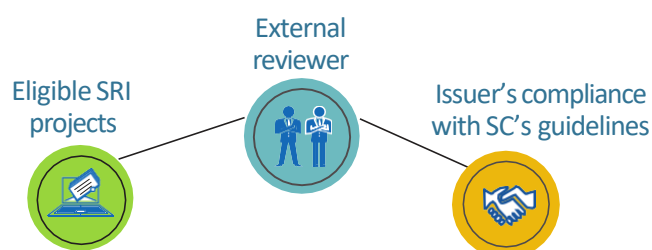
REPORTING

Annual reporting on the following:

- Original amount allocated for the eligible SRI projects;
- Amount utilised for the eligible SRI projects;
- Unutilised amount and where such unutilised amount is placed or invested pending utilisation; and
- List of the eligible SRI projects in which the proceeds have been allocated to as well as brief description of the said eligible SRI projects and their impact or expected impact.

External review

An external reviewer may be appointed to assess and provide report on the eligible SRI projects or the issuer's compliance with the relevant requirements as set out in the SC's guidelines.



Incentives and Grant Scheme

1. Tax Deduction on SRI Sukuk Issuances



- Tax deduction for the expenditure incurred on the issuance of SRI sukuk approved or authorised by or lodged with the SC until the year of assessment 2023.
- 90% of the proceeds raised are solely used for the purpose of funding SRI projects as specified in the Guidelines by the SC.

2. Green SRI Sukuk Grant Scheme (the Grant)



Objective

Extended to issuers to fund an external review cost relating to the green SRI sukuk issuance under the Framework.



Claim

- Issuer can claim for the Grant based on an issue or programme.
- Should there be more than one issuances requiring a separate external review, the issuer is able to claim on that review cost incurred.



Effective date of the Grant

From January 2018 until fully utilised.



Claim amount

90% of the actual external review cost subject to a maximum of RM300,000.



Effective date for green SRI sukuk issuance that qualifies for the Grant

From July 2017 onwards.



Application

- Application form is available at the Capital Markets Malaysia website – www.capitalmarketsmalaysia.com.
- The Grant will be paid on a reimbursement basis within 60 days upon complete submission.