

INDONESIA SUSTAINABLE FINANCE IN CAPITAL MARKET SECTOR

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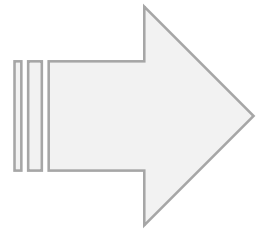
Encouragement of Corporate Green Sukuk

**OJK regulation
No. 60/2017:
Green Bonds**

INCENTIVES

75% off
on registration fees

50% off
on listing fees



**OJK Regulation
No. 18/2023:
Sustainability – Related
Bonds and Sukuk**



**Proposal for
similar
incentives.**

Rule 60	Rule 18
Bonds	Sukuk and Bonds
Green	Green, Social, Sustainability, Sustainability-linked and Waqf
Public Offering	Public offering and private placement
At least 70% of proceeds for green projects	100% of proceeds for eligible projects



Sustainable Finance Development

Commitment to Paris Agreement

National Determinant Contribution

29% Business as usual **41%** International supports

Enhanced National Determinant Contribution

31,89% Business as usual **43,2%** International supports



Net Zero Emission by 2060

OJK Initiatives

- Sustainable Finance Roadmap Phase I (2015-2019)
- Sustainable Finance Roadmap Phase II (2021-2025)
- Capital Market Roadmap (2023 – 2027)

Implementation

- Rule 51/2017: implementation of SF in financial sector
- Guidance of SF implementation for issuers & public companies, securities companies, and investment managers
- Rule 60/2017: Green Bonds
- Incentives for green bond issuance
- Indonesia Green Taxonomy 1.0
- Rule 14/2023: Carbon Exchange
- Rule 18/2023: Sustainability – related Bonds and Sukuk

What Indonesia Have?

Equity

- SRI KEHATI Index (2009)
- ESG Leader Index (2020)
- ESG Sector Leader IDX KEHATI index (2021)
- Quality 45 IDX KEHATI index (2021)
- IDX LQ45 Low Carbon Leaders Index (2022)

Debt Instruments

- **Corporate green bonds**
 - 6 issuers
 - USD1.14 billion
- **Sovereign green sukuk**
 - 11 issuances (global and domestic)
- **Sovereign SDG bonds**
 - EUR500 million (2021)
 - 12-year tenor | 1.3% coupon

Mutual Funds

- **ESG Funds**
 - 37 funds (July 2023)
 - IDR7.2 trillion (USD483.5 million)



IDX Carbon
Indonesia Carbon Exchange

26th September 2023

