

## **TERMS OF REFERENCE**

### **The Sustainability Task Force of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC)**

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#### **1. Background**

- 1.1 The market for sustainable finance is rapidly growing in response to the climate emergency. Climate change concerns, regulations and promise to deliver on international commitments have ensured growing demand for sustainable finance. Despite impressive growth, the sustainable finance market requires more effort to reach maturity, with some reports estimating a financing shortfall of up to USD4.2trillion annually to reach net zero. As a result, financial regulators world-wide, are aiming to provide investors with transparent and reliable information regarding sustainability issues. Sustainability-related financial disclosure standards by the ISSB and the IFRS provide a global framework for financial markets across the entire globe. The adoption of the sustainability standards in the COMCEC region shall serve to be both beneficial yet also challenging. Within this context, the sharing and exchange of experiences from member countries regulators will be significantly vital in enhancing, promoting and effectively implementing sustainable finance practices.

#### **2. Mission Statement**

- 2.1 The Sustainability Taskforce (STF) aims to improve the understanding and opportunities of sustainable finance and reporting and the economy-wide effects it will have in supporting COMCEC members towards net zero pathway.
- 2.2 This will be undertaken through a comprehensive awareness / capacity building plan that is flexible enough to be adopted across the various member countries with the aim of enhancing the confidence of stakeholders in sustainable financing and reporting, thereby expanding the reach of sustainable finance and mobilising the necessary capital needed to respond to the demands of decarbonising.

#### **3. Objective**

- 3.1 The STF will be guided by three (3) key objectives:
- Identify and understand common drivers for sustainable finance including opportunities and challenges to finance emerging markets projects; and provide a platform to discuss development of standards in sustainable reporting.
  - Build capacity and awareness of opportunities for sustainable financing through experience sharing, dialogues and cross jurisdiction training and seminars.
  - Foster long-term collaboration between member countries by advancing coordinated solutions for sustainable finance and reporting.
  - Collate data among COMCEC members as a basis to work towards developing sustainability standards.

**4. Membership**

4.1 The membership of the STF is as follows:

- Securities Commission Malaysia (SC) – Chair
- Capital Markets Board of Turkiye (CMB) - Vice Chair
- Members
  1. Oritas Keuangan Indonesia (OJK)
  2. Securities & Exchange Commission (SEC) of Pakistan
  3. Capital Market Development Authority (CMDA) Maldives
  4. Moroccan Capital Market Authority (AMMC)
  5. Central Bank of Azerbaijan (CBAR)

**5. Secretariat**

1. Securities Commission Malaysia and Capital Markets Board of Turkiye are the secretariat of this STF.
2. The STF will be responsible for the preparation of minutes, notes, and communications related to matters under its ambit.
3. The STF Secretariat will also be supported by the COMCEC Secretariat in communicating with all COMCEC members.

**6.0 Scope and Responsibilities**

6.1 The STF and secretariat are responsible for the following:

<p>(a) STF</p>	<ul style="list-style-type: none"> <li>• To undertake a “call for feedback” to understand current state of status for capital market regulators regulatory framework, common challenges, constraint and limitations in the sustainable finance ecosystem players.</li> <li>• To undertake targeted outreach sessions to inform and discuss preliminary findings following “call for feedback”.</li> <li>• To evaluate and identify capacity-building needs / initiatives relating to the STF’s objective and promote their implementation in a consistent and comparative manner.</li> <li>• To periodically analyse the extent to which priority capacity-building needs / initiatives identified by the STF have been addressed and the role that the STF has played in that process and to identify gaps and recommend ways in which such gaps could be addressed.</li> </ul>
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	<ul style="list-style-type: none"> <li>• To develop a proposal for conducting training seminars and for ecosystem players which will directly and indirectly also address enhance the regulatory and monitoring capacity of capital market regulators in sustainable finance.</li> <li>• To support coordination and collaboration with relevant parties in achieving the objectives of STF.</li> </ul>
(b) Secretariat	<ul style="list-style-type: none"> <li>• Schedule online meetings of the STF and where required, source a suitable venue to facilitate in person attendance, broadcast and meetings. Meetings should be scheduled at least 1 month in advance, except in exceptional circumstances.</li> <li>• Draft agendas and papers<sup>1</sup>, collaborating with STF members where necessary – these should be circulated via email to members at least 3 working days in advance of meetings, except in exceptional circumstances as determined by the chair.</li> <li>• Take a summary note of STF meetings. On an annual basis, provide an update of the STF's work programmes and activities where required/ relevant.</li> <li>• Monitor timelines of initiatives and highlight any deviation with resolution of issues.</li> </ul> <p>Note: <sup>1</sup>Although papers will primarily be prepared by the STF's secretariat, the chair may request for non-STF members input to be provided into STF secretariat papers, where relevant to their expertise and remit, and subject to agreement with each respective organisation.</p>

6.2 The STF is not a decision-making platform and does not endorse nor prescribe rules or regulations for financial institutions under any jurisdiction. Findings, views and recommendation from the STF serve to provide necessary guidance to stakeholders looking to adopt sustainable financing to support the net zero transition. Input gathered through the STF may be used to facilitate and support policy making in the respective jurisdiction.

## 7. Meetings

7.1 The STF will organise meetings at least two (2) times annually. Discussion among STF members may be conducted physically or virtually e.g. emails, video conferences.

7.2 The quorum necessary to convene a STF meeting shall be by a 2/3 majority of its members.

- 7.3 The STF resolutions can be made via circular resolution including where the resolution is required for timelines and deliverables of the STF.
- 7.4 Discussions will be circulated to all STF members after each meeting and minutes to follow via email.
- 7.5 The STF Chair, where required, to provide an in-person annual update/report to the COMCEC CMR Forum Annual Meeting at the end of the year.

Ends.