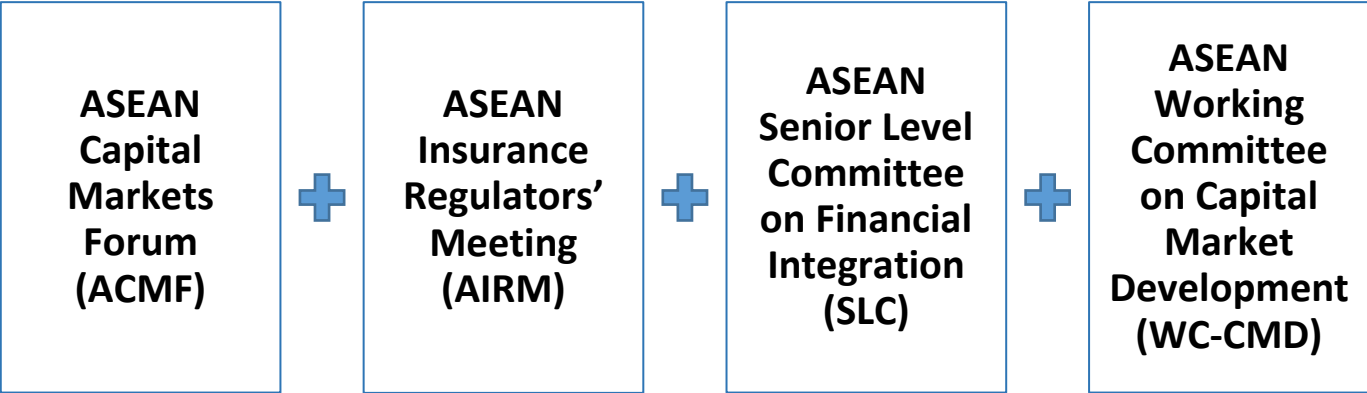


# ASEAN Taxonomy for Sustainable Finance Version 3

ASEAN Taxonomy Board













**Note:** Kindly refer to the full *ASEAN Taxonomy Version 3* document for further details on the information in this presentation

# Formation of the ASEAN Taxonomy Board (ATB)



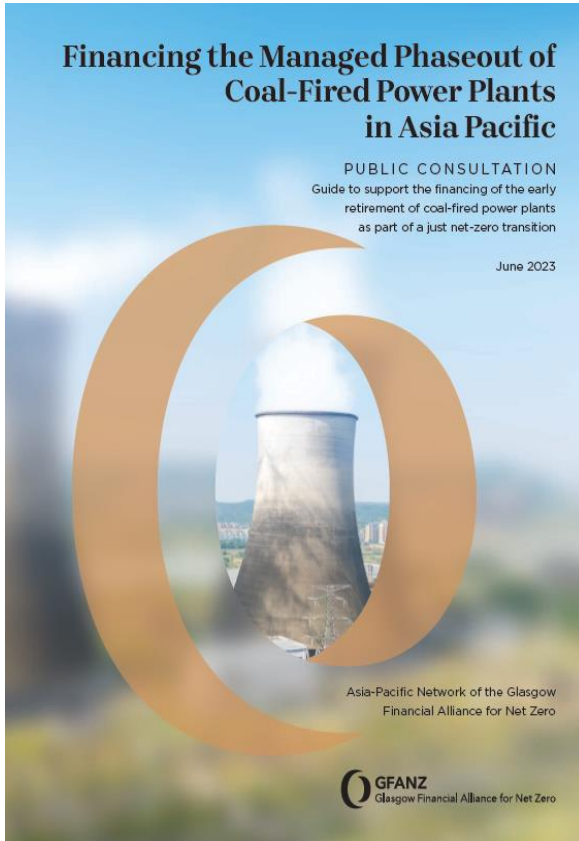
### ASEAN Taxonomy Board

Members:

-  Brunei Darussalam Central Bank
-  Non-Bank Financial Services Authority, Cambodia
-  Otoritas Jasa Keuangan Indonesia
-  Bank of the Lao PDR
-  Bank Negara Malaysia
-  Securities Commission, Malaysia
-  Ministry of Planning and Finance, Myanmar
-  Securities and Exchange Commission, Phillipines
-  Monetary Authority of Singapore
-  Bank of Thailand
-  State Securities Commission of Viet Nam
-  Insurance Supervisory Authority of Ministry of Finance Viet Nam

Established by: 4 sectoral bodies under the ASEAN Finance Cooperation Process:

- represents the banking, capital market and insurance sectors.
- facilitates the development of the ASEAN Taxonomy.
- The ATB was established under the auspices of the ASEAN Finance Ministers and Central Bank Governors' Meeting (AFMGM).



The ASEAN Taxonomy Version 2's Coal Phase Out (CPO) TSC has been referenced in a public consultation by GFANZ.

The ASEAN Taxonomy Version 2 was listed as a major initiative to support CPO in Asia in the ATF SG's Annual Report.



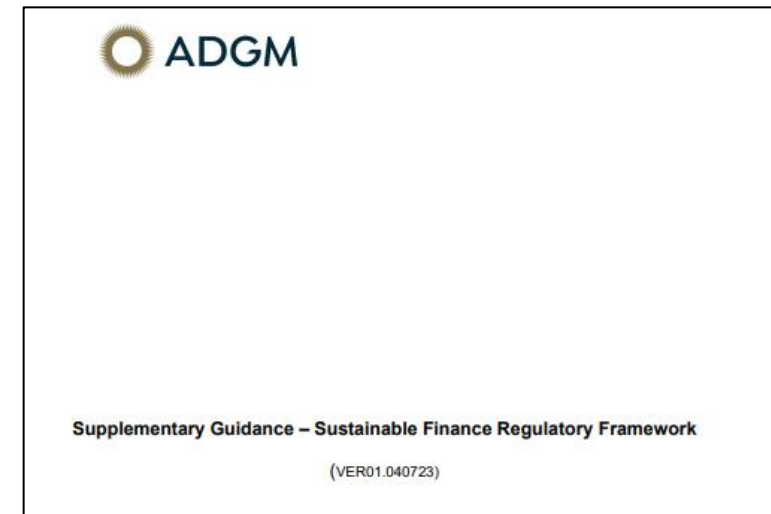
## References:

1. Financing the Managed Phaseout of Coal-Fired Power Plants in Asia Pacific, GFANZ APAC, June 2023. Source: [https://assets.bbhub.io/company/sites/63/2023/05/gfanz\\_consultation\\_managed-phaseout-of-coal-in-Asia-Pacific.pdf](https://assets.bbhub.io/company/sites/63/2023/05/gfanz_consultation_managed-phaseout-of-coal-in-Asia-Pacific.pdf)
2. Asia Transition Finance Study Group (ATF SG) Annual Report 2023, ATF-SG, September 2023. Source: [https://www.enecho.meti.go.jp/category/others/aggpm/ATFSG\\_Annual\\_Report\\_2023.pdf](https://www.enecho.meti.go.jp/category/others/aggpm/ATFSG_Annual_Report_2023.pdf)



The ASEAN Taxonomy was regarded as one of three most influential taxonomies in Natixis's report, The New Geography of Taxonomies (July 2023).

The ASEAN Taxonomy was named as one of three acceptable taxonomies by the Financial Services Regulatory Authority of the Abu Dhabi Global Market (July 2023).



## References:

1. Natixis, The New Geography of Taxonomies, July 2023. Source: [https://gsh.cib.natixis.com/api-website-feature/files/download/12776/the\\_new\\_geography\\_of\\_taxonomies\\_updated\\_july\\_2023.pdf](https://gsh.cib.natixis.com/api-website-feature/files/download/12776/the_new_geography_of_taxonomies_updated_july_2023.pdf)
2. Abu Dhabi Global Market, Supplementary Guidance - Sustainable Finance Regulatory Framework, July 2023. Source: [https://en.adgm.thomsonreuters.com/sites/default/files/net\\_file\\_store/ADGM1547\\_25739\\_VER01040723.pdf](https://en.adgm.thomsonreuters.com/sites/default/files/net_file_store/ADGM1547_25739_VER01040723.pdf)

# Overview of ASEAN Taxonomy Version 3

**1**

## **Principle 1**

The ASEAN Taxonomy will be the overarching guide for all ASEAN Member States, providing a common language and complementing their respective sustainability initiatives

**2**

## **Principle 2**

The ASEAN Taxonomy will take into consideration widely used taxonomies and other relevant taxonomies, as appropriate, and shall be contextualised to facilitate an orderly transition towards a sustainable ASEAN.

**3**

## **Principle 3**

The ASEAN Taxonomy shall be inclusive and beneficial to all ASEAN Member States.

**4**

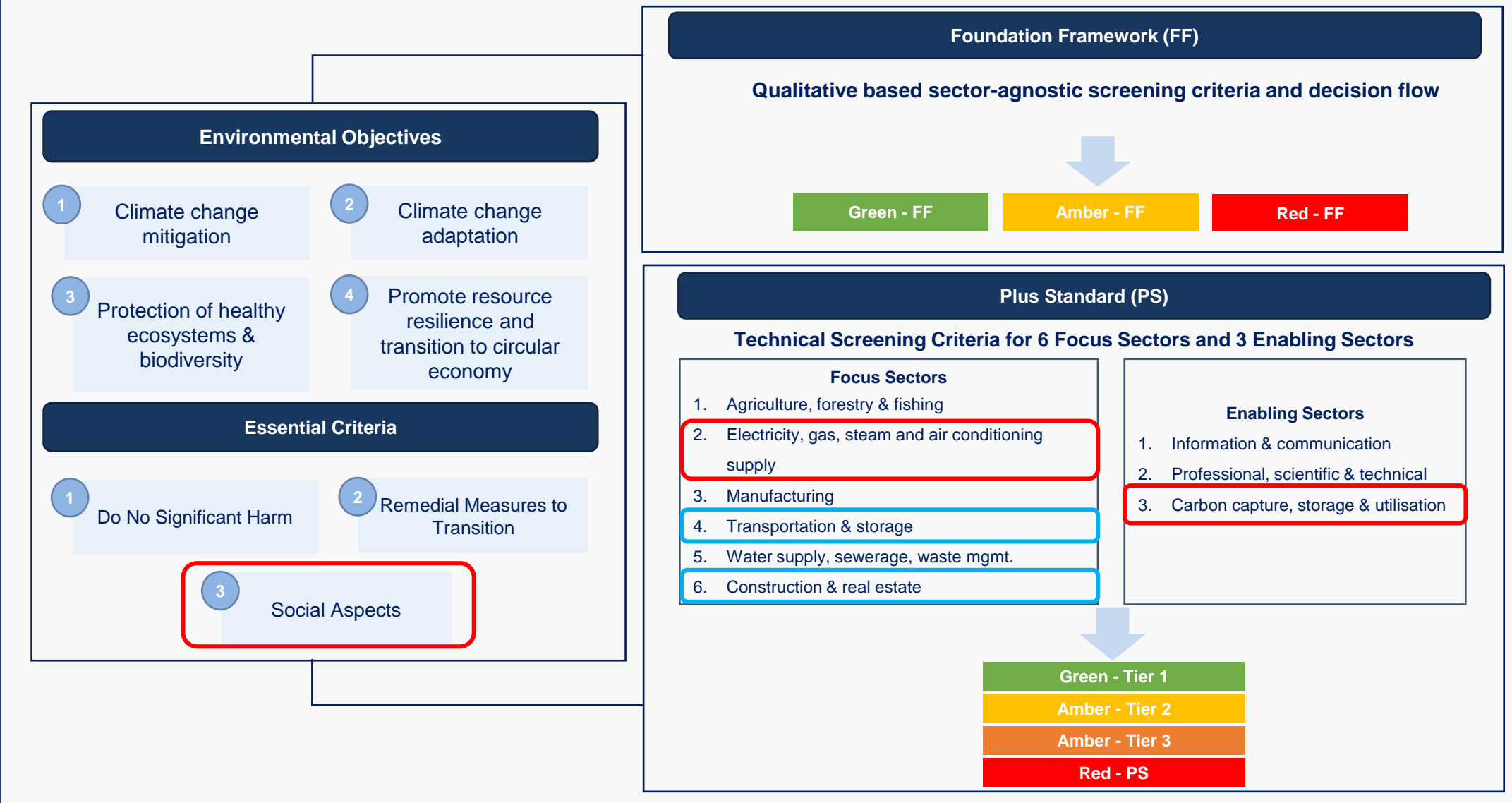
## **Principle 4**

The ASEAN Taxonomy shall provide a credible framework, including definitions, and where appropriate, be science-based.

**5**

## **Principle 5**

The ASEAN Taxonomy will be aligned with the sustainability initiatives taken by the capital market, banking and insurance sectors, or at least not be in conflict.



Technical Screening Criteria (TSC) were added in Version 3

Technical Screening Criteria (TSC) were added in Version 3

In Version 2, Social Aspects added as an EC and TSC for Energy and CCUS released

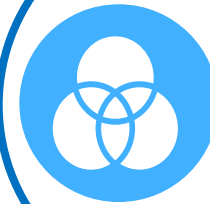
In Version 2, Social Aspects added as an EC and TSC for Energy and CCUS released

## Issues addressed

### 1. Tier-Setting



- Basis of tier-setting for added sectors.
- Enable interoperability with EU Taxonomy for “Green” tier.
- Ensure inclusivity for AMS with “Amber” 2 and 3 tiers.
- References include international and national AMS industry standards for both focus sectors (e.g., green building certifications)



### 2. Alignment with ASEAN Member States’ Taxonomies

- Commonalities in design elements, environmental objectives and thresholds for comparable activities.



### 3. Updates in Annexes of the ASEAN Taxonomy

- Clarification on usage and application.
- Updated AMS Regulations.





## Land Activities

**9** activities, including:

- Urban and suburban transport
- Road passenger transport
- Freight rail transport
- Operation of personal mobility devices and cycle logistics
- Development of infrastructure relevant to these activities



## Water Activities

**7** activities, including:

- Sea and coastal freight transport
- Sea and coastal passenger water transport
- Inland freight and passenger water transport
- Retrofitting of water transport vessels
- Development of infrastructure relevant to these activities



## Air Activity

**1** activity:

- Airport infrastructure, including low-carbon assets and facilities.

## Buildings

3 Activities, including:

- **Acquisition** and ownership of buildings
- **Construction** of new buildings
- **Renovation** of existing buildings

## Ancillary Activities

1 Activity:

- **Demolition** and site preparation

## Technology and Equipment

5 Activities, including the installation and maintenance and repair of:

- **EV charging stations**
- **Energy efficient** equipment
- **Devices for measuring, regulation and controlling** energy performance
- **Renewable energy** technologies
- **Early warning systems**

To ensure the **ASEAN Taxonomy** remains credible, interoperable and inclusive while reducing regulatory fragmentation, the Green Tier of the new focus sectors:

1. **Are aligned**, where appropriate, with relevant sectoral guidelines and regulations
2. **Reference widely used international Taxonomies** such as the EU Taxonomy, and where relevant tailored according to ASEAN's unique circumstances

## Construction & Real Estate (C&RE)

- TSC are aimed at achieving the highest available recognition in credible national and international **Green Building Certification** schemes
- TSC are largely aligned with the EU Taxonomy
  - Activities under C&RE mirror the EU Taxonomy and where relevant, have been adjusted to cater to ASEAN's circumstances (e.g early warning systems)

## Transportation & Storage

- TSC are aimed at achieving defined GHG emissions which reference credible 1.5°C-aligned science-based pathways, as aligned with the Paris Agreement
- **Land and Air transport and Infrastructure:** Near-zero or zero-emissions
- **Water transport and infrastructure:** Emissions reduction standards also set based on the 2023 International Maritime Organization (IMO) GHG Strategy
- TSC are largely aligned with the EU Taxonomy
  - Activities under T&S mirror the EU Taxonomy and where relevant, have been adjusted to cater to ASEAN's circumstances – **except for air transport vehicles**

The Amber Tiers (Amber Tier 2 and 3) of the ASEAN Taxonomy serve as a **transition** category, providing a useful stepping stone for companies to learn and make adjustments to their activities in pursuit of the Green tier. In particular, the Amber Tiers:

- Recognise the **diversity** in economic development, financial sector, and infrastructure maturity in the region
- Facilitate an **inclusive, just and orderly transition** towards a sustainable ASEAN.

## **Construction & Real Estate (C&RE)**

### **Amber Tier 2**

- TSC were developed in reference to relevant Green Building Certification Schemes and the measure Energy Usage Intensity (EUI)
- TSC aimed at activities supporting a transition towards a Green pathway within a defined timeframe

### **Amber Tier 3**

- There is no Amber Tier 3 TSC available due to the nature of C&RE activities

## **Transportation & Storage**

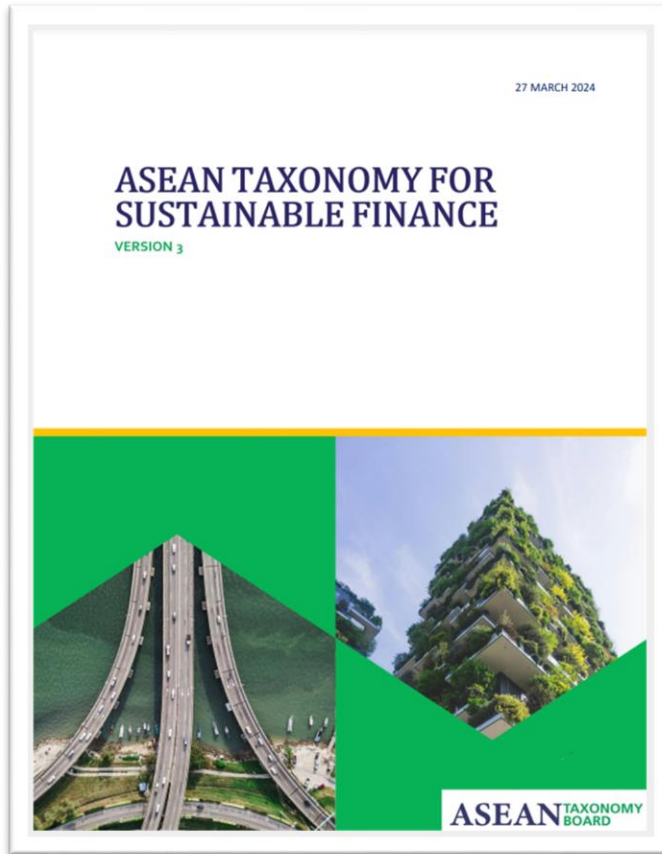
### **Amber Tier 2**

- TSC supports transition towards a Green pathway within a defined timeframe
- TSC were developed with reference to relevant sectoral guidelines where applicable, set by international bodies, e.g. the International Maritime Organisation

### **Amber Tier 3**

- TSC supports a reduction of GHG emissions levels following credible science-based pathways, but not aligned to a 1.5C pathway

# Where to Download the ASEAN Taxonomy Version 3 and Next Steps



## Download at the website below:

- ASEAN: <https://asean.org/book/asean-taxonomy-for-sustainable-finance-version-3/>
- AFCWP: <https://afcwp.asean.org/wp-content/uploads/2024/03/ASEAN-Taxonomy-Version-3-25-April-2024.pdf>
- SFIA: <https://www.sfinstitute.asia/wp-content/uploads/2024/04/ASEAN-Taxonomy-Version3.pdf>

## 2024-2025

- Commence **Stakeholder Consultation** for Version 3 planned for Q2 – Q4, 2024.

Thank you