

## **COMCEC Capital Market Regulators (CMR) Forum**

### **“Sustainability in Capital Markets Workshop”**

**Date** : 6-7 November 2023  
**Time** : Day 1 – 9.10am to 12.15 pm (Türkiye Time)  
Day 2 – 9.30am to 11.30 am (Türkiye Time)  
**Venue** : Virtual

#### **CMB CHAIRMAN WELCOMING REMARKS**

Dear distinguished representatives of,

- Organization of Islamic Cooperation Member States Capital Market Regulators,
- COMCEC Coordination Office,
- Private sector stakeholders
- Ladies and Gentlemen.

I would like to welcome you all to the COMCEC Capital Market Regulators (CMR) Forum **“Sustainability in Capital Markets Workshop”** organized by the Capital Markets Board of Türkiye and the Securities Commission, Malaysia under the COMCEC Capital Market Regulators Forum cooperation umbrella.

It is my pleasure to gather today with such a wide audience from the OIC countries financial markets public and private sector representatives to discuss in-depth globally compelling topics of “climate” and “sustainability” in capital markets perspective.

I believe Workshop sessions will provide excellent opportunity for the participants to hear from various regulators beyond Türkiye and Malaysia but also Indonesia, Egypt and Morocco. Moreover, distinguished institutions such as United Nations, World Bank, Islamic Development Bank, International Financial Reporting Standards, ISSB, International Capital Markets Association (ICMA) representatives will be sharing their insights. By this opportunity, I would like to sincerely thank to the Securities Commission Malaysia for supporting COMCEC CMR Forum, Capacity Building Task Force’s initiative and all other contributor institutions for being part of this remarkable event.

The Workshop is brought before you in line with the growing interest among CMR Forum member authorities following a 2022 dated Forum Survey indicating the need for capacity building on the capital market regulatory bodies, particularly in the area sustainable finance regulatory and market building guidance.

As we are all aware, supported with scientific evidence and real life experiences of wildfires, storms, heat waves and floods, climate related risks, sustainability risks and opportunities are already shaping our lives, economies and financial markets practices and regulatory frameworks.

Climate change is posing increasing risks to people and the ecosystems we are part of. In parallel, these risks are also threatening economics, financial stability and corporates. Against this reality, the backdrop of the Paris Climate Agreement, closer focus by governments and regulators, corporates and private finance stakeholders are increasingly adapting their business models, governance, reporting structures and factoring climate risk into their risk and capital allocation decisions.

On the other hand, combatting climate change by decarbonisation of economies, financing mitigation and adaptation investments, addressing “**climate finance gap**” is the major global challenge we are facing.

Against this setting, capital markets characterised with “long term”, “large volume investment” with “high transparency requirements” have an essential mission shifting corporates and financial services industry towards the UN Sustainable Development Goals by “*Mobilisation*”, “*Alignment*” and “*Impact*” missions.

In terms of “**Mobilisation of private finance**” last couple of years, climate change impact in financial markets first came along with an alternative asset class; innovative/thematic debt instruments labelled as “*green bonds, blue bonds, sustainability linked bonds, transition bonds, gender lens bonds*”. This year, in 2023 sustainable bonds', as an umbrella label, make up 13.7% share of the overall fixed income market.

As with “**UN Sustainable Development Goals (SDG) alignment**” important concept for tackling with **greenwashing concerns**;

“companies sustainability reporting standards”,  
“responsible investment principles” in the institutional investors side,  
“green finance taxonomies”,  
“assurance services” and  
“impact measurement” approaches have been primary tools for market participants and policy makers to facilitate the green economic transition.

I also would like to underline the fact that development level of capital markets is the base for integration of Environment, Social and Governance considerations to investment chain. This has utmost importance for “developing and emerging country” context for greening the financial markets. Moreover, OIC member countries vulnerability and high exposure to climate risks in Asia and Mediterranean basin makes global south’s position ever more critical. I believe our meeting today and invitation to establish a Sustainable Finance Task Force in the COMCEC CMR Forum serves properly to these challenges.

While 2-day Workshop intends to cover the regulatory aspects of sustainability by focusing on Malaysia and Türkiye’s experience in pursuing the sustainability agenda in both jurisdictions, we have sessions for presenting international institutions’ and various Forum member countries views on corporate sustainability disclosure, debt instruments and institutional investor participation.

With respect to Türkiye, my colleagues will be briefing you through sessions about the green agenda in the country and capital markets developments however I would like to underline that in line with Türkiye’s 2053 net-zero emission commitment, CMB, Türkiye is cooperating actively with domestic and international stakeholders for SDG alignment of capital markets with the aim of mobilization of private finance and securing transparency.

İnşallah today with your valuable presence and views, you will focus on most compelling issues for regulators but at the same time opportunities for new visions, better, responsive, regulatory environments. Therefore, please feel free to join the discussions and express your views at the sessions.

Ending my words, I would like to thank you all for your participation and hope you have lively discussions and a successful gathering.