

## **SEC public hearing on proposed regulations related to issuance and offer for sale of Sustainability-linked Bond.**

SEC is seeking public comments on the proposed amendments and new regulations related to issuance and offer for sale of Sustainability-linked Bond (SLB) to further develop the capital market's key role in contributing to solving social and environmental issues and promoting sustainable development of businesses in various industries more extensively through the alternative sustainable finance product.

SLB is any type of bond instrument for which the financial and/or structural characteristics, such as a bond coupon, can vary depending on whether the issuer achieves the predefined sustainability/ESG objectives. For example, for an SLB with a step-up coupon mechanism linked to the target of GHG emissions intensity reduction, the issuer will pay a higher interest rate on the bond if such target is not met.

Furthermore, while Green Bond, Social Bond, and Sustainability Bond focus on raising capital for sustainable projects, the advantage of SLB for companies is that the proceeds are not limited to specific projects and can be used for general corporate purposes. Therefore, SLB is more suitable for companies that are interested in sustainability transformation but have not yet had a specific sustainable project that requires funding.

SEC is therefore proposing regulations related to issuance and offer for sale of SLBs that are in accordance with international practices and also made reference to conventional debt securities regulations and internationally-recognized standards. The proposed regulations would include additional disclosure requirements as well as issuers' obligation to appoint an external review provider to provide opinions on issuers' sustainability performance against predefined sustainability/ESG KPIs and targets. Such regulations would provide companies with an alternative sustainable finance product that would enable them to fund the sustainable transformation of their businesses while enhancing the capital market's role in creating a positive social and environmental impact and promoting sustainable development of businesses in a wider range of industries.

For further details of this public hearing, please visit

[https://www.sec.or.th/TH/Pages/PB\\_LISTVIEW.aspx](https://www.sec.or.th/TH/Pages/PB_LISTVIEW.aspx). Also, stakeholders and interested parties

are welcome to submit comments through the website, or contact Bond Department via

email: [debt@sec.or.th](mailto:debt@sec.or.th). The public hearing ends on 21 December 2020.