



# MOF NEWS

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No.88/2022

June 21<sup>st</sup>, 2022

## **Seminar on Developing the Ecosystem for Sustainable Finance in the Capital Market and Digitalization for Inclusive Finance: Embracing the Digital Fundraising**

### **21<sup>st</sup> June 2022 Khon Kaen**

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Dr. Pornchai Thiraveja, Director-General of the Fiscal Policy Office and Spokesperson of the Ministry of Finance has reported that on June 21, 2022, the Ministry of Finance in conjunction with the Securities and Exchange Commission of Thailand (SEC) organized a seminar on Developing the Ecosystem for Sustainable Finance in the Capital Market and Digitalization for Inclusive Finance: Embracing the Digital Fundraising with the support of the Organisation for Economic Co-operation and Development (OECD) at AVANI Hotel & Convention Centre in Khon Kaen, Thailand. The seminar consists of three sections as follows.

1. Sustainable Finance and Digitalization: Views from Policy Makers: Mrs. Patricia Mongkhonvanit, Director-General of the Public Debt Management Office (PDMO), and representatives from Asian Development Bank (ADB), Malaysia's Ministry of Finance, and Singapore's Ministry of Finance attended the session. The panelists emphasized the importance of linking budgeting and fundraising plans to the Sustainable Development Goals. Representatives from Malaysia and Singapore highlighted financial framework that responded to the economic and environmental needs of their respective economies. PDMO Director-General discussed the issuance of Sustainability Bonds as a method for achieving sustainable development and reducing greenhouse gas emissions. For the issuance of sustainability bonds to be successful, cross-agency cooperation in adhering to practices of sustainable finance is required. Digital technology will increase fundraising and improve policy implementation, making them more accessible and inclusive to the general public. In addition, utilizing digital solutions in the energy, production, and transport sectors can contribute to a 20-percent reduction in greenhouse gas emissions.

2. Seminar on Developing the Ecosystem for Sustainable Finance in the Capital Market comprises of two topics include:

2.1 Developing the Ecosystem for Sustainable Finance in the Capital Market: Ms. Ruenvadee Suwanmongkol, Secretary-General of SEC, representatives from Indonesian Ministry of Finance, Financial Service Agency of Japan, Sustainable Finance Institute Asia, and OECD involving in standard-setting and regulation of the capital market emphasized the significance of the Environment, Social, Governance (ESG) concept. Panelists also discussed priorities in the development of an ecosystem for sustainable finance by APEC economies with participation from the public in the development disclosure and governance standards.

2.2 Sustainable Finance Taxonomies and Transition Finance Frameworks for Emerging Economies and Price-based Carbon Mitigation Measures: Speakers from OECD and the private sector shared their knowledge, and lessons learnt regarding the development of sustainable finance taxonomy and also financial instruments that would help firms transition to be more sustainability-driven, and turn traditional financing into sustainable one.

3. Seminar on Digitalization for Inclusive Finance: Embracing the Digital Fundraising comprises of two topics as follows

3.1 Enabling Policies and Regulatory Frameworks for Digital Financial Inclusion of SMEs in the Capital Market: Panelists from SEC and Asian Development Bank (ADB) presented and discussed their experiences on policy frameworks and technology to facilitate SMEs fundraising in capital markets. In Thailand, the SEC has introduced crowdfunding as a means for SMEs and start-up entrepreneurs to raise capital. As of 31 May 2022, through crowdfunding, the private sector has raised almost USD 76 million. In addition, the private sector can raise funds through Initial Coin Offerings (ICOs) in the form of digital tokens that have been approved by the SEC.

3.2 Challenges & Opportunities of Digital Fundraising Tools: Panelists from the World Bank and the private sector that are engaged in fundraising through digital technology shared lessons, benefits and challenges in applying digital technology for fundraising in the capital markets. Private sector entrepreneurs believe that digital technologies used in new forms of fundraising such as crowdfunding and ICOs have helped SMEs to access funding more conveniently and swiftly. Clarity of regulations and policies of government agencies and financial services regulators will help support this form of fundraising to be more efficient and safer for businesses and investors.

This seminar provided APEC members with guidelines and progress in developing the ecosystems for sustainable finance in capital markets and access to funding through digital tools. Thailand, as the host of the APEC Meeting in 2022, will report the results of the seminar at the upcoming APEC Senior Finance Officials' Meeting on 22 – 23 June 2022 in Khon Kaen Province. The results are then summarized as policy recommendation documents and will be presented to the 29th APEC Finance Ministers' Meeting in October 2022.