

# **ORIENTATION FOR GREEN FINANCE AND GREEN FINANCIAL PRODUCTS FOR STOCK MARKET IN VIETNAM**



---

**Dr. Ta Thanh Binh**  
Deputy Director General, Department  
Vietnam State Securities Commission



# CONTENT

---

- What is green finance?
- Green Finance in Vietnam
- Green Growth Action Plan of the Financial Sector
- Orientation for green finance and green financial products for the stock market
- Solutions for implementation



# What is green finance?

---

- According to international organisations: Green Finance is the financing for green technologies, projects, manufacturing or business having environmental friendly orientation in general, while in particular, green finance is *financial services having environmental friendly orientation*.
- GIZ: Green finance is a collection of activities including intervention on policy, regulatory framework, financial infrastructure and different financial agencies.



# Green Finance Policy in Vietnam

---

- Green growth – Strategy towards sustainable development in Vietnam.
- Governmental Orientation in Vietnam:
  - ✓ Decision No. 1393/QĐ-TTg dated 25/9/2012 about the National Green Growth Strategy from 2011 – 2020 and vision towards 2050 approved by Prime Minister.
  - ✓ Decision No. 403/QĐ-TTg dated 20/3/2014 about the National Green Growth Action Plan from 2014 – 2020 approved by the Prime Minister.
- Orientation of the Finance Sector:
  - ✓ Decision No. 2183/QĐ-TTg dated 20/10/2015 issued by Ministry of Finance about the Green Growth Action Plan from 2014 – 2020 of the financial sector.

# Green Growth Action Plan of the Finance Sector

- To develop and improve fiscal policies relating to promotion for the implementation of Green growth;
- To review and improve the policy on green market development;
- To review and improve credit policy and governmental support;
- To propagate and raise awareness in the implementation of green fiscal policy;
- **SSC:** "To develop and improve fiscal policy framework in order to develop the national green capital market and green financial products".

# Current Status of the Stock Market and Green Finance in Vietnam (1)

- Capital mobilisation so far:
  - The Government has mobilised 800 trillion Vietnam Dong of government bonds;
  - Private sector has mobilised over 200 trillion Vietnam Dong of bonds;
- Scale of capital mobilisation via Stock market accounted for 20% of the whole social investment capital;
- Total capitalisation of the capital market (Public sector; bonds) about 90 billion USD, accounting for about 53% of GDP in 2014.
- Contribute for the promotion of equitising and restructuring SOEs (432 SOEs from 2014-2016).

# Current Status of the Stock Market and Green Finance in Vietnam (2)

- Issue Green Securities: Releasing stock book - entry, dematerialisation;
- Promote concentrated registry and depository; eliminate material stock certificates in Vietnam Securities Depository (VSD);
- Online transaction, online banking (non-cash payment for all securities transactions);
- Reporting and information disclosure mechanism on the website and online via IDS and CIMS;
- Provide foreign investors with online trading codes.

# Current Status of the Stock Market and Green Finance in Vietnam (3)

- Build Sustainable development report (integrated in the annual report or reported separately);
- Issue green bonds (Government bonds or Provincial bonds) for projects in the field of environmental protection, irrigation, transport, green urban reform;
- Organise online shareholder meeting;
- Develop online voting mechanism via VSD.
- Improve information disclosure and corporate governance mechanism in accordance with international practices and standard.



# Regulation on reporting environmental and social responsibility assessment of enterprise (Circular 155)

- Management of raw materials (packaged material and the ratio of recycled material);
- Energy consumption and saving through energy efficiency and renewable energy initiatives;
- Water consumption (rate of consumption and use of recycled water);
- Compliance with environmental protection law;
- Policy oriented to employees (wages, occupational safety and health, education, training and skills);
- Responsibility for the community and local;
- Green capital market activity.



# Policy Orientation for Green Capital Market (1)

---

1. Set up a green financial framework for the capital market operation: regulations and conditions for (green) listed shares, sustainable report and supervision (green finance criteria).
2. Build development projects for products of green capital market:
  - Green bonds (of green enterprises; released for green projects or products);
  - Governmental bonds and Provincial bonds serving for green objectives, programmes and projects;
  - Green indicators (sustainable index, Carbon index...) to monitor, evaluate and trade on capital market;
  - Green investment certificates issued by Investment Funds for green projects, programs and sector.

# Policy Orientation for Green Capital Market (2)



---

3. Develop and issue regulation and guideline for social and environmental risk management; enhance corporate social responsibility (CSR) of both listed enterprises and public companies.

4. Promote Stock Exchange agencies and the Vietnam Securities Depository (VSD) towards sustainable development



# Policy and Measure for Developing Vietnam Green Capital Market (1)

---

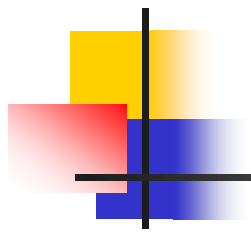
- Strengthen policy implementation, especially on taxes and fees to encourage enterprises to mobilise capital for green growth via issuing and listing green bonds / shares.
- Develop mechanisms to encourage and support enterprises and investment funds in favorable investment procedures and mechanisms while issuing bonds and investment certificates, ... for green projects, programs and sector.



# Policy and Measure for Developing Vietnam Green Capital Market (2)

---

- Research in establishing a Support Fund for Sustainable Development on the basis of international experience and review existing policy funds to ensure the focused resource and avoid spreading and fragmenting issue.
- Raise awareness; Implement administrative measures, and economic instruments promoting environmental friendly lifestyles, activities and consumer. /.



---

**THANK YOU VERY MUCH  
FOR YOUR ATTENTION!**