

Committee of Experts on Sustainable Finance submits report to IFSCA

By TIOL News Service

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'Committee of Experts on Sustainable Finance', constituted by International Financial Services Centres Authority (IFSCA) submitted its final report to Chairperson, IFSCA on October 03, 2022. The committee was chaired by C.K. Mishra, Former Secretary to Government of India, Ministry of Environment, Forest & Climate Change. The committee members comprised of leaders and experts from the entire sustainable finance ecosystem including national and international institutions which can be accessed through the link:

The main focus areas of the committee were directed towards aligning the IFSC regulations with the international best practices, exploring ways in which capital flows through IFSC can be enhanced and also support development of innovative financial products in the area of green and sustainable finance. The committee has provided its recommendation on various aspects of sustainable finance including products, policies and regulations, capacity building and outreach initiatives related to green and sustainable finance.

Some important recommendations include developing a voluntary carbon market, framework for transition bonds, enabling de-risking mechanisms, promoting regulatory sandbox for green fintech and facilitating the creation of a global climate alliance among others. Considering the significance of the MSME sector in the economic development of the country, the committee also proposes setting up of a dedicated MSME platform for sustainable lending. The committee recommends to facilitate the use of innovative instruments such as catastrophe bonds, municipal bonds, green securitisation, blended finance among others. Focusing on the need to enhance capital flows in IFSC, the committee endorses the need to enable aggregation facilities, impact funds, green equity etc. in IFSC. In addition to the above, it recommends IFSCA to play a vital role in capacity building which lays the foundation for greening the financial system.

The Committee Chair C. K. Mishra on submission of the report expressed his gratitude to IFSCA for providing the opportunity for working on an issue which is of utmost importance for nations across the globe. He said,

"The unique mix of the committee members and the vast canvas on which the recommendations are based will surely provide the right start for the efforts being taken by IFSCA and project it as the hub for sustainable finance."

Chairperson, IFSCA thanked the committee of experts for their comprehensive recommendations and stressed upon the importance that IFSCA attaches to sustainable finance. He said,

"The report of the committee of experts would go a long way in shaping GIFT IFSC's strategies to emerge as an international hub for green finance, while also channelizing global capital to meet India's net zero commitments."

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