

EMEAP Central Banks agreed to promote Green Bond investment through Asian Bond Fund

The following is issued on behalf of the Hong Kong Monetary Authority:

The Executives' Meeting of East Asia-Pacific Central Banks (EMEAP)(Note 1) is pleased to announce today (July 12) that the members have reached an agreement to promote investment in green bonds through the Asian Bond Fund (ABF). This is aimed at helping to catalyse further deepening of local currency-denominated green bond markets in the region.

From this viewpoint, the EMEAP ABF Oversight Committee has requested IHS Markit, an index provider of the iBoxx ABF Index, that it reviews the rule of the Index to promote the inclusion of green bonds. The details will therefore be based on the outcome of the review and disclosed once confirmed by IHS Markit.

The current ABF was established in 2005 to support the development of local currency-denominated bond markets in the region. The ABF, comprising the Pan-Asia Bond Index Fund (PAIF) and eight single-market funds, tracks the iBoxx ABF Index and is managed passively by private-sector fund managers with the Bank for International Settlements as the administrator. It invests in local currency-denominated bonds in EMEAP economies other than Japan, Australia and New Zealand.

Note 1: The EMEAP is a group of the following eleven central banks and monetary authorities in the East Asia and Pacific region: Reserve Bank of Australia, People's Bank of China, Hong Kong Monetary Authority, Bank Indonesia, Bank of Japan, Bank of Korea, Bank Negara Malaysia, Reserve Bank of New Zealand, Bangko Sentral ng Pilipinas, Monetary Authority of Singapore, and Bank of Thailand.