



## FOREWORD

This issue of *Nomura Journal of Asian Capital Markets* features articles from experts on a wide range of themes involving financial and capital markets in Asia.

Mushtaq Kapasi, Managing Director and Chief Representative for Asia Pacific of International Capital Market Association (ICMA), introduces ICMA's various initiatives for the development of the global sustainable bond markets. ICMA published the Climate Transition Finance Handbook in 2020 to provide guidance on raising funds for climate transition-related purposes. While ICMA has not published a global, industry-led taxonomy specifically for transition finance, it is currently working on additional market guidance to promote transition finance.

Liangye Song, Financial Industry Analyst at Nomura Institute of Capital Markets Research (NICMR), writes about new rules for China's green and transition bonds. The new rules were introduced in October 2024 to support the issuance of green and transition bonds in the China Interbank Bond Market and strengthen related information disclosure. While the new rules are expected to contribute to an increase in green and transition bonds issuance, enhancing consistency with international standards is considered important to attract foreign investors.

Mohammad Ridzuan Abdul Aziz, Board Advisor of Fintech Association of Malaysia, emphasizes the importance of financial technology (FinTech) for the development of finance and the capital market in Malaysia. Bank Negara Malaysia and Securities Commission Malaysia have introduced various guidelines and regulatory frameworks for FinTech development. The Islamic capital market, which plays an important role in generating economic growth for the country, has vast growth potential with optimal utilization of FinTech solutions.

Roongkiat Ratanabanchuen, Assistant Professor at Chulalongkorn Business School, discusses the regulatory landscape for digital assets in Thailand. Cryptoassets are categorized by Thailand Securities and Exchange Commission's taxonomy which was reclassified from the cryptoasset taxonomy proposed by the International Monetary Fund (IMF). Thai regulators appear to support "Responsible Innovation" and emphasize the need for proper risk management to avoid negative impacts on the stability of the payment and financial systems.

Chakorn Loetnithat, Senior Researcher at Thailand Development Research Institute, provides insights into investor personas in the capital market of Thailand which is transitioning into a fully aged society. While the issue of long-term financial security has become increasingly important, most citizens do not have enough savings for retirement or have not made a retirement plan. Policy responses should be tailored to specific personas, as treating all citizens with one-size-fits-all solutions is not likely to bring meaningful change.

Joseph Cherian, Chief Executive Officer of Asia School of Business, analyzes hedge fund performance over twenty years by using hedge fund strategy indices from North America and Asia. While hedge funds have long been considered to offer diversification and alpha, his study results show hedge funds are increasingly behaving like high-cost vehicles for delivering traditional beta. The hedge fund industry may need to redefine its value proposition in the years ahead.