

Since its inception, the Australian Financial Markets Association (AFMA) has advocated for efficiency, integrity, and professionalism across Australia's financial markets. AFMA promotes best practice, and in some cases, AFMA maintains the standards and documentation for the trading of certain products and participation in some markets, especially for the Australian market.

In relation to sustainable finance markets, global consistency is important. In keeping with our commitment to professionalism and best practice, AFMA supports and encourages the use of the internationally recognised International Capital Markets Association (ICMA) Principles which include the [ICMA Green Bond Principles \(GBP\)](#), [ICMA Social Bond Principles \(SBP\)](#), [ICMA Sustainability Bond Guidelines \(SBG\)](#) and [ICMA Sustainability-Linked Bond Principles \(SLBP\)](#), when raising sustainable capital through issuing labelled sustainable bonds¹ or use of proceeds bonds in the Australian Debt Capital Markets (DCM). Since their inception, the ICMA Principles have been widely used in Australia, becoming the common DCM sustainable finance standard, based on global market practice.

In some cases, other methodologies, such as those issued by the Australian Securitisation Forum and Climate Bonds Initiative, are also used complementary to the ICMA Principles. AFMA similarly supports the use of such other recognised methodologies, processes, and assurance being applied along with an issuer's and the financial institutions, firms or banks' internal frameworks.

¹ Labelled sustainable bonds refers to any bond in which its basis and label is based upon and aligned with an ESG (Environmental, Social, Governance) principle.