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JURISDICTION
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PRACTICE AREA
Capital Markets

CLIENT ALERT

Two New Guidelines on Sustainable Capital Market Instruments

The Capital Markets Board ("**CMB**") published two new guidelines pursuant to its Decision No. 49/1500 dated 13 August 2026, as announced in CMB Bulletin No. 2026/51 of the same date. The Guidelines on Green, Sustainable and Social Capital Market Instruments ("**Green and Social Guide**") replace the CMB's 2022 guidelines on green and sustainable debt instruments and lease certificates and extend the framework to social capital market instruments. The Guidelines on Sustainability-Linked Capital Market Instruments ("**Sustainability-Linked Guide**" and, together with the Green and Social Guide, the "**Guides**") establish a separate framework for sustainability-linked instruments.

The key principles introduced by the Guides are as follows:

- **Green and Social Guide.** Depending on the type of instrument, all issuance proceeds must be allocated exclusively and, as soon as practicable, to financing or refinancing of eligible green and/or social projects. Blue capital market instruments focusing on sea and ocean-related projects are also treated as green capital market instruments. The Guide is structured around four core components: use of proceeds, project evaluation and selection, management of proceeds, and reporting. Issuers are required to publish both use-of-proceeds and impact reports and to obtain a verification opinion regarding the final use-of-proceeds report.
- **Sustainability-Linked Guide.** The Sustainability-Linked Guide applies to instruments whose financial or structural characteristics vary depending on whether the issuer achieves predefined environmental, social and/or corporate governance targets. The Guide is built around five core components: the selection of key performance indicators (KPIs), calibration of sustainability performance targets, instrument characteristics, reporting, and verification. The selected indicators must be measurable or calculable, externally verifiable, and comparable, while the targets must be ambitious and time-bound. The instruments must incorporate predetermined financial or structural consequences linked to the target achievement. Accordingly, coupon payments or other key terms may be adjusted. Issuers must publish a performance evaluation report at least annually and obtain an independent verification opinion.

Separate issuance ceilings must be obtained from the CMB for domestic and international issuances conducted under the Guides. For domestic issuances, issuers must submit a board-approved framework document together with the required second-party opinion on the CMB. Following the CMB's approval of the relevant issuance ceiling, these documents must be disclosed on both the issuer's website and the Public Disclosure Platform. For domestic issuances, external review services are limited to second-party opinions and verification. For international issuances, a framework document prepared in accordance with the applicable foreign standards, together with a second-party opinion, must be submitted to the CMB.

The CMB fees applicable to issuances under the Guides will be reduced by 50%. In the case of lease certificates, this reduction will apply in addition to the fee reduction already available to such instruments.