



International Standards In Green Bond Regulation: A Comparative Study of Indonesia and The Philippines

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Abstract: The integration of international legal principles and standards into Indonesian regulations has expanded significantly, particularly within the field of contemporary law. A notable area of development is the regulation of green bonds as a sustainable financing instrument in Indonesia, which is guided by principles formulated by the International Capital Market Association (ICMA) and standards established by the ASEAN Capital Market Forum (ACMF). This study examines how legal frameworks and the legal justification for adopting international standards are applied to green bond regulation in Indonesia and the Philippines. The research adopts a normative legal approach, employing statutory, conceptual, and comparative methods. Its objective is to identify the applicable regulations and to analyze the rationale underlying the incorporation of international principles and standards in green bond governance in both countries. The findings reveal that green bond regulation in Indonesia under POJK 18/2023 and in the Philippines under SEC Memorandum Circular No. 12, Series of 2018, represents a harmonization of ICMA's Social Bond Principles with the ASEAN Social Bonds Standards. From an international law perspective, the use of ACMF standards is grounded in the Vienna Convention on the Law of Treaties 1986, reflecting a theoretical inclination toward universalist protectionism.

Keyword: Comparative Studies, Regulation, Green Bond, Unification, Universalistic

INTRODUCTION

Green bonds are defined as a type of debt instrument whose issuance proceeds are invested in environmentally friendly business activities. Due to their specific issuance purpose, namely to support environmentally friendly projects, this distinguishes green bonds from other general bonds. The trend of green bond issuance, based on a Staff Working Paper from the IOSCO Research Department in April 2014, indicates that initially, green bonds were issued by several international organizations such as the World Bank, the African Development Bank, and the European Investment Bank. However, by 2017, companies in both the financial and non-financial sectors began entering the green bond market, both as issuers and as investors. (Indriastuty, 2020)

The implementation concept of eligible projects is adopted from the International Organization of Securities Commissions (IOSCO), which has issued Principles, the Green Bond Principles (GBP), and a Strategic Framework for Development and Climate Change. In the issuance of green bonds, IOSCO identifies two potential risks: the execution of eligible environmentally friendly projects in the use of proceeds from green bond issuance is not clearly defined, and there are still various interpretations regarding these green projects. Liquidity is present in the secondary market, as green bonds lack clear standards. To minimize these potential risks, the World Bank has issued guidelines for the issuance of green bonds outlined in the Strategic Framework for Development and Climate, which can be used as a reference in the formulation of green bond regulations, as follows: Specific criteria or definitions for green bonds must align with project eligibility criteria, namely projects focused on climate change mitigation and adaptation. Steps should be taken to select projects eligible to be financed through the issuance of green bonds by the World Bank. The determination and allocation of proceeds from the issuance of green bonds must comply with liquidity policies. Project reporting oversight must be able to demonstrate the progress, outcomes, and impact of funded projects in order to evaluate and measure the effectiveness of activities in terms of the established objectives. Compliance with green bond requirements must be ensured by reviewing projects financed through the issuance of green bonds.(Indriastuty, 2025)

In recent decades, Indonesia has consistently affirmed its dedication as a member of the global community. This commitment is evidenced by the ratification of The Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC) was formally institutionalized in Indonesia through the enactment of Law Number 16 of 2016. Additionally, Indonesia has formally cemented its commitment to realizing the Sustainable Development Goals agenda, institutionalizing this adherence through the issuance of Presidential Regulation/Decree Number 59 series of 2017, The SDGs constitute a comprehensive, long-term global agenda strategically designed to optimize the utilization and development of all available potentials and resources possessed by every member nation.(Irhamsyah, 2019) The preceding commitment is further substantiated by the subsequent enactment of a Presidential Regulation which is specifically dedicated to setting the national targets for the Sustainable Development Goals (SDGs) for the fiscal year 2024, The SDGs have 17 (seventeen) goals that must be achieved,(Endarto, 2024) and then A regulation formulated by formally referencing and incorporating the overarching goals and specific targets delineated within the 2030 Sustainable Development Goals (SDGs) framework. In light of these two formalized agreements, the trajectory of national development in Indonesia must be strategically oriented toward fulfilling the stipulated obligations arising from these international and national commitments.

The commitment to sustainable development, which constitutes an integral part of the 2030 Sustainable Development Goals (SDG) Agenda,(Hadi et al., 2022) is fundamentally underpinned by five essential core principles: People, Planet, Prosperity, Peace, and Partnership,(LEONARD F . HUTABARAT, 2022) this implies that the successful realization and fulfillment of the Sustainable Development Goals (SDGs) constitute a collective commitment shared amongst all nations that have ratified them, Indonesia being one such participating state. Consequently, all national development policies are mandated to be oriented towards and formally reference the achievement of the strategic plan outlined by Sustainable Development Goals, namely “to end extreme poverty, fight inequality and injustice, and protect our planet”.(UN Global Compact, 2019) However, based on the experiences of several countries, the development concept should ideally be accompanied by a financial model that aligns with the concept of sustainable finance. One form of sustainable finance in the capital market is the green bond, whose development is currently progressing very rapidly. However, pertaining to the issuance of green bonds which function as a prominent financial instrument

in the capital market and constitute the primary subject of analysis in this publication the International Organization of Securities Commissions (IOSCO) has yet to formulate the foundational principles governing their issuance, commonly referred to as the Green Bond Principles. In fact, some definitions in the issuance of green bonds that have been formulated are still unclear, including those related to:

1. The existence of substantial variation and diversity among the projects deemed eligible for funding utilizing the proceeds generated from the issuance of green bond.
2. Liquidity level of green bond in secondary market tends to be limited due to the fact that this instrument is not yet fully recognized or popular among investors.(Otoritas Jasa Keuangan, 2016)

The lack of clarity in this definition has been anticipated by The ICMA formally published the Voluntary Process Guidelines for Issuing Green Bond in June 2018, guidelines that are now broadly recognized as the Green Bond Principles. While it is understood that the GBP issued by ICMA are non-binding, voluntary guidelines, they nevertheless strongly advocate for enhanced transparency and disclosure. Crucially, they serve to promote integrity within the developing green bond market by providing essential clarity regarding the methodologies and approaches utilized in the issuance of these instruments.

The implementation of international standards in regulating green bonds in Indonesia aligns with the efforts of the ASEAN Capital Market Forum, which consists of capital market regulators from various countries in the region, to develop the ASEAN Green Bond Standards. These standards serve as voluntary guidelines for the issuance of green financial instruments within ASEAN region. In a study, the ASEAN countries examined included the Philippines, Thailand, Singapore, Malaysia, and Indonesia. These five countries are pioneers in the formation of ASEAN and simultaneously demonstrate a tangible commitment to addressing the impacts of climate change through the issuance of green bonds. Nevertheless, the collective agreement among ASEAN countries to implement sustainable finance principles will not be effectively realized without awareness and active participation from investors and business actors.(Anisha et al., 2025) In general, the concept of sustainable finance has grown and developed alongside the international commitments formulated in the Sustainable Development Goals (SDGs) in 2015. However, a definable reference can be found in Article 1 of the PBoC Announcement Number 39/2015, where a Green Financial Bond is defined as a security issued by financial institutions operating in accordance with legal provisions, with the objective of raising funds to support the development of the green industry. This instrument also promises interest payments on the funds obtained in accordance with the applicable agreements. In addition, Article 1 also contains definitions regarding green projects referring to the Green Bonds Endorsed Project Catalogue. Regarding the scope of financial institutions eligible to issue Green Financial Bonds, Article 2 of the People's Bank of China (PBoC) Announcement No. 39/2015 explicitly details the permissible entities. This list comprises a broad spectrum of financial institutions, specifically including development banks, policy banks, and commercial banks, alongside finance companies affiliated with business groups, as well as any other financial institutions that have been formally established and operate under prevailing statutory regulations. Furthermore, the regulations on Green Financial Bonds in this policy have several main objectives, namely to accelerate the development of an ecological civilization, provide guidance for financial institutions in implementing green finance principles, and support economic upgrading and restructuring, and also encourage the transformation towards a more sustainable pattern of economic growth.(Otoritas Jasa Keuangan, 2016)

Research related to International Standards in Green Bond Regulation has been limited; however, a search has identified at least three articles published in national and international journals. The first article was written by Dwi Elok Indriastuty, entitled Constitutional Review of Green Bond in Indonesia, which examines the constitutional basis for the regulation of green bonds in Indonesia. 2) The second article was written by Oluwaseun James Oguntuase and Abimbola Windapo, titled Green Bonds and Green Buildings: New options for achieving sustainable development in Nigeria. The article examines the concepts of green buildings and green bonds as investment instruments aimed at achieving the SDGs, (Salsadilla et al., 2023) including renewable and sustainable energy for housing in Nigeria. 3) The article by Hannah MacRae and Laura Tozer on the theme The Use of Green Bonds in Financing Energy Retrofit in Buildings. The study results indicate that energy retrofitting is an essential tool needed to achieve decarbonization in the building sector. The use of green bonds to finance retrofit projects provides substantial initial capital with long repayment periods. Among the three published articles, there are differences compared to this study, which focuses on the review related to the use of international standards in regulating green bonds in Indonesia. Moreover, this study also employs a comparative approach between regulations in Indonesia and the Philippines, further highlighting the novelty of this article.

From the above description, it is clearly evident that the importance of green bonds as one of the sustainable finance instruments is crucial to fulfilling global commitments. Therefore, regulations that are accommodating to these global commitments are necessary. As a consequence, the application of international principles and standards related to green bonds is not only implemented in Indonesia but also in several ASEAN countries that adopt the same approach. In this regard, the relevant discussion in this study is how green bonds are regulated in Indonesia and the Philippines, as well as the rationale for applying international principles and standards to green bond regulations in Indonesia and the Philippines.

METHOD

The research methodology employed in this article is normative legal research. This type of research is primarily concentrated on the systematic analysis of legal norms, fundamental legal principles, and relevant legislation. The investigation utilizes several distinct methodological approaches, specifically the research utilizes several distinct methodological approaches, specifically The methodologies employed in this study encompass the statutory approach, the conceptual approach, and the comparative approach. (Peter Mahmud Marzuki, 2017) The statutory approach is applied to examine, explore, and review various regulatory instruments and relevant legislation. The scope of this review includes provisions governing sustainable development, as well as analyzing the implementation of international agreements and conventions related to green bonds. The conceptual approach is used to delve into the concept of green bonds, which is necessary to distinguish the characteristics of conventional bonds or other debt instruments in the capital market, as well as to analyze the conception of international standards in the regulation of green bonds. Meanwhile, the comparative approach is specifically used to analyze and compare the regulatory framework of green bonds in Indonesia with that in the Philippines.

RESULTS AND DISCUSSION

Green Bond Regulations in Indonesia and Philippines.

Regulations on Green Bonds in Indonesia and the Philippines, an effort to achieve the Sustainable Development Goals and the development of Green Bonds, it is a highly relevant strategic measure to support sustainable development initiatives in Indonesia. As a financial instrument specifically channeling capital into environmentally-oriented projects that generate positive impacts, Green Bonds provide significant opportunities for both investors and

issuers.(CHANROND & Marie, 2023) These opportunities allow them to actively participate in efforts to mitigate climate change and preserve the environment, often at relatively efficient funding costs. Several factors influence the development of Green Bonds in Indonesia, including the structure of funding costs, the interest and attention of investors, and the fundamental condition of issuers. Compared to conventional bonds, Green Bonds offer several advantages. First, this instrument attracts investors who have high environmental awareness and concern. Second, the prices of Green Bonds are relatively stable, like conventional bonds, but tend to show value appreciation. Third, this product can reflect a positive corporate image while strengthening investor loyalty. Fourth, Green Bonds also play a role in promoting innovation in the developing financial market. In addition, the issuance process is relatively straightforward as it only requires additional information regarding the financed green projects. Overall, Green Bonds contribute to the promotion of environmental agendas, the enhancement of efficiency, sustainable economic growth, and the strengthening of investment models oriented toward sustainability. Corporate involvement in supporting the achievement of the Sustainable Development Goals can be realized through the preparation of a Sustainability Report. This reporting must be prepared in accordance with the standards set by the Global Reporting Initiative. The practice reflects a mimetic process in institutional isomorphism, that is, the company's adaptation to global demands to support SDGs. The SDGs themselves encourage companies to prepare reports that are more focused on sustainability aspects, thereby enhancing accountability for achieving sustainable development goals.(T et al., 2025)

From the comparative review that has been conducted, differences as well as similarities were found in the regulatory framework of green bonds between Indonesia and the Philippines. The main difference is identified in the regulatory structure, where Indonesia initially specifically regulated green bonds through the initial regulation governing green bonds in Indonesia was established through the initial regulatory framework for green bonds in Indonesia was established through The initial regulatory framework was the Financial Services Authority (OJK) Regulation Number 60 series of 2017,(Wahyuningsih et al., 2024) which specifically addressed the Issuance and Requirements of Environmentally Friendly Debt Securities (Green Bonds). This framework was subsequently updated and expanded by OJK Regulation Number 18 of 2023, titled Issuance and Requirements of Debt Securities and Sukuk Based on Sustainability. Under POJK No. 18 of 2023, the procedures for the issuance of various thematic bond instruments including green bonds, social bonds, sustainable bonds, and sustainability-linked bonds are all governed within a single, unified regulatory instrument. This approach stands in direct contrast to the methodology employed in the Philippines, where each type of thematic bond is regulated separately according to its specific category. For instance, green bonds in the Philippines are distinctively governed by the SEC Memorandum Circular No. 12, Series of 2018, known as the Guidelines on The Issuance of Green Bonds Under the ASEAN Social Bonds Standards in the Philippines.(ACMF, 2018)

The Financial Services Authority (OJK) Regulation Number 18 of 2023, which details the Issuance and Requirements of Debt Securities and Sukuk Based on Sustainability, specifically provides the governing regulatory framework for the issuance of both green bonds and green sukuk. Collectively, these instruments are categorized within the regulation as Environmentally Friendly Debt Securities (EBUS). FSA Regulation Number 18 series of 2023 replaces FSA Regulation No. 60/POJK.04 of 2017 and expands the scope of types of securities, sustainable themes, and issuance mechanisms. This regulation has a fundamental goal of integrating sustainability principles into the Indonesian capital market framework, with a primary focus on environmental preservation and achieving sustainable social impact. The issuance of this Financial Services Authority Regulation (POJK) is also a form of Indonesia's response and commitment to the Paris Agreement as well as climate change issues at both global and ASEAN regional levels.(Endri et al., 2025) Specifically, this POJK regulates the

obligations for issuers issuing Green Bonds to comply with all provisions of capital market laws and regulations, including transparency standards and reporting related to the use of funds raised from Green Bonds. The stipulations articulated in OJK Regulation Number 18 of 2023 mandate that all projects intended for financing must align with either The scope of activity refers to Environmentally Friendly Business Activities (KUBL) and/or Socially Responsible Business Activities. The scope of Environmentally Friendly Business Activities (KUBL) encompasses a comprehensive range of initiatives, including renewable energy generation, energy efficiency improvements, pollution prevention and control measures, the sustainable management of biological natural resources, biodiversity conservation, the development of eco-friendly transportation systems, effective water management, the implementation of climate change adaptation strategies, the production of eco-friendly products, the construction of environmentally conscious buildings, or any other commercial activity that is specifically focused on environmental sustainability. Conversely, KUBS includes initiatives promoting affordable access to basic infrastructure services and essential social services, the provision of affordable housing, strategies for job creation and unemployment reduction, ensuring food security, fostering socio-economic empowerment, and other defined socially responsible business activities. Funded activities can consist of new activities, ongoing activities, or those that have been completed. The funds must be used in accordance with the theme of the activities (environmental and/or social) and managed separately. Evaluation, selection, fund management, and reporting are key requirements for the issuance of green bonds.

This regulatory framework contrasts with the Green Bond Regulations in the Philippines, which are comprehensively detailed relevant instrument is SEC Memorandum Circular Number 12 Series of 2018, officially titled Guidelines on the Issuance of Green Bonds Under the ASEAN Green Bonds Standards in the Philippines. This Circular was explicitly formulated as the official directive intended to ensure that the issuance of green bonds conforms strictly to ASEAN Green Bond Standards. The paramount objective of this Philippine regulation is to ensure that issuers utilize the capital generated from Green Bonds exclusively to finance or refinance projects that rigorously satisfy specific environmental sustainability criteria. Examples of such eligible projects include, but are not limited to, investments in renewable energy, sustainable water management, pollution prevention, and biodiversity conservation. Fundamentally, these financed projects must provide clear and tangible environmental benefits and contribute demonstrably to the achievement of sustainable development objectives. (Bank, 2022)

Issuers of green bonds are required to carry out periodic reporting that is transparent and accountable regarding their use, in order to maintain the integrity and credibility of green bond instruments in both the local and international markets. This circular is also aligned with international standards to attract global investors. Furthermore, the Securities and Exchange Commission in the Philippines has developed a sustainability framework through other memoranda such as Circular No. 08 (Sustainability Bonds), Circular No. 03 (Sustainability-linked Bonds), and Circular No. 15 (Blue Bonds for sustainable marine and fisheries). All of this reinforces the Philippines' commitment to sustainable financing with strict and transparent standards. In summation, SEC Memorandum Circular Number 12, Series of 2018, establishes a comprehensive regulatory framework governing the issuance of green bonds within the Philippines. This framework is specifically focused on four key areas: Financing Criteria: Mandating the use of proceeds for specific environmentally friendly projects, Accountability: Requiring strict transparency and detailed reporting standards, Standard Alignment: Ensuring strict alignment with the ASEAN Green Bond Standards, Market Objectives: Promoting efforts to attract sustainable investment in full accordance with international best practices.

Funds from green bonds must be used for projects that meet the criteria of the ASEAN Green Bond Standards. Project eligibility includes scope of eligible activities includes renewable energy generation, improvements in energy efficiency, comprehensive water and waste management, the development of sustainable transportation systems, implementation of pollution prevention and control measures, as well as initiatives dedicated to biodiversity conservation. Projects must have clear environmental benefits and contribute to sustainable development goals. Issuers are required to conduct regular transparent reporting on fund utilization to ensure compliance and the integrity of green bond issuance. Projects and fund usage must adhere to standards of transparency and accountability to attract investors.(Hafidzoh & Wulandari, 2025)

A Comparative Study of the Implementation of International Standards in Regulation of Green Bonds in Indonesia and Philippines.

Fundamentally, the study of Comparative Law aims to identify and analyze the inherent similarities and differences in specific regulations between the legal systems of two or more countries. In its core function, Comparative Law can be systematically applied across diverse global legal frameworks with the overarching objective of enhancing and broadening objective is to enhance and broaden objective is to expand epistemological horizon concerning typology of existing legal systems when viewed from a transnational perspective. By utilizing comparative legal methodology, the discipline endeavors to achieve a deeper, more comprehensive, and integrated understanding of the scientific comparison and the respective societal functions performed by legal systems worldwide.(Zweigert & Drobning, 2006) Furthermore, comparative law serves to stimulate the convergence of legal systems and effectively mitigate national legal divergences. Crucially, it provides valuable assistance in the process of harmonizing a legal system, particularly when applied within the domain of international law.(Sinani & Mehmeti, 2025a) This perspective demonstrates a strong alignment with the ethos of global commitment, suggesting that the convergence of legal systems and the advancement of legal harmonization processes within individual nations are congruent with global obligations, particularly those enshrined in the SDGs.

One approach can be taken is to use the method of legal comparison, including those related to the regulation of green bonds. Its relevance to this study lies in the legal comparison concerning green bonds, which are part of thematic bonds. Green bonds themselves can be said to have emerged since the implementation of the SDGs commitments and have been adopted in Indonesia and the Philippines. This refers to the understanding that the study of comparative law fundamentally aims to identify and analyze the inherent differences and similarities present in specific legal regulations when contrasting the legal systems of various nations.

Comparative law constitutes a body of systematic scientific knowledge incorporating comparative-legal content. This discipline focuses on analyzing legal phenomena or institutions drawn from diverse areas of law, while also undertaking examination of the major contemporary legal systems present globally.(Sinani & Mehmeti, 2025b) From the perspective of legal substance, regulations governing green bonds can be appropriately categorized as a significant legal phenomenon influencing the major contemporary legal systems worldwide. Green bonds, classified within the broader category of thematic bonds, have experienced rapid proliferation in direct response to the global commitment embodied by SDGs. Consequently, the evolution of green bond regulations may be regarded as a core component actively shaping the global contemporary legal framework.

In alignment with their overarching classification (genus), green bonds are recognized as a specific category of thematic bonds, featuring alongside social bond, sustainable bond, and sustainability-linked bond. The nomenclature "thematic bonds" is utilized to collectively refer to these distinct types of debt instruments. The growth of thematic bonds, in their capacity as

debt securities, has undergone significant expansion in recent years. This rapid proliferation is attributable to their potential to substantially contribute to the implementation of the 2030 Sustainable Development Agenda. Thematic bonds are often regarded as innovative financial products due to their defining characteristic: the dedicated focus on the use of proceeds directed toward fulfilling the principles of Environmental, Social, and Governance criteria.(ESCAP, 2021)

Green Bond Principles (GBP), which are the recommended guidelines set forth by the ICMA, serve to facilitate continued expansion and robustness of the green bond market, encompass four essential core components, which are specifically:

1. Use of Proceeds is a component that requires the capital raised from the public offering of green bonds to be allocated exclusively for financing projects that fall under the category of green eligible projects. These projects must be aimed at addressing environmental issues, such as mitigating the degradation of natural resources, reducing the impacts of climate change, controlling pollution, and/or preventing the loss of biodiversity.
2. Process for Project Evaluation and Selection is a component that requires the green bond issuer to transparently explain the processes it undertakes. This explanation should ideally include the project selection procedures, the project eligibility criteria used, and the environmental sustainability objectives they aim to achieve.
3. Management of Proceeds, this component requires that the green bond issuer must fulfill the obligation to manage the funds obtained from the public offering in an accountable manner. This must be demonstrated through official internal procedures that specifically document the processes of recording, disbursing, and investing operational funds related to financing projects that qualify as green eligible projects.
4. Reporting must be carried out to ensure the availability of up-to-date and transparent information to public, focus is particularly on the utilization of funds generated from the issuance of green bonds.(Endarto et al., 2022b)

Through the establishment of the four principal components governing the issuance of green bonds, The guidelines were formally established and codified as the Green Bond Principles (GBP) by the International Capital Market Association (ICMA), it is anticipated that this framework will effectively function as a fundamental guideline or benchmark (reference framework) for market participants. Furthermore, these principles are expected to be developed and adapted as an essential regulatory framework concerning the procedures and governance of green bond issuance(Benlemlih & Jaballah, 2025) by each jurisdiction or member country, including their implementation in Indonesia.

As previously established, the comparative analysis of green bond regulations in Indonesia and the Philippines indicated the presence of both structural differences and substantive similarities. A particularly notable structural difference is observed in the Indonesian regulatory framework, where the initial provisions concerning green bonds were formally instituted through The initial regulatory framework in Indonesia was established by the Financial Services Authority (OJK) Regulation Number 60 of 2017, which specifically addressed the Issuance and Requirements for Environmentally Friendly Debt Securities (Green Bonds). Subsequently, this foundational regulation underwent a major update and scope expansion under OJK Regulation Number 18 of 2023, titled the Issuance and Requirements for Debt Securities and Sukuk Based on Sustainability. Crucially, OJK Regulation Number 18 of 2023 now integrates the issuance procedures for diverse thematic bond instruments specifically green bonds, social bonds, sustainable bonds, and sustainability-linked bonds within a single, unified regulatory framework.

This approach diverges from the model adopted by the Philippines, where each specific thematic bond category is regulated separately according to its type. Specifically, the issuance

of green bonds is governed by SEC Memorandum Circular Number 12, Series of 2018, titled Guidelines on the Issuance of Green Bonds Under the ASEAN Social Bonds Standards in the Philippines, (ESCAP, 2021) Notwithstanding these differences, substantial similarities exist in the regulatory substance. Specifically, the regulation of social bonds in Indonesia, as stipulated under the Financial Services Authority Regulation Number 18 of 2023, and the Securities and Exchange Commission Memorandum Circular No. 12 in the Philippines, both formally reference the international standards for issuing sustainability-based debt securities. These foundational standards include the Social Bond Principles issued by ICMA and the ASEAN Social Bond Standards promulgated by ACMF.

Thus, both regulatory frameworks are a direct outcome acceptance or adoption of principles, sets of rules, or standards promulgated by international organizations. Generally, the implementation of these transnational regulations within a sovereign state is widely recognized as a form of legal harmonization or unification. The legal instruments commonly utilized to achieve such harmonization or unification include international conventions and model laws. A model law, in this context, refers to a legislative template developed by an international organization for a specific legal domain template developed by an international organization for a specific legal domain, intended to serve as a reference for national legislation. This template serves as a non-binding reference for individual nations to either draft new national legislation or modify existing domestic regulations.

From the perspective of the application of legal subjects, an international convention whose legal subjects involve international organizations (whether between international organizations or between an international organization and a country's internal organization) must conform to the stipulations of the Vienna Convention on the Law of Treaties Between States and International Organizations or Between International Organizations, which was adopted in 1986 (Vienna Convention 1986). The Vienna Convention of 1986 formally establishes that the subjects of international law are not restricted solely to sovereign states; rather, international organizations are also explicitly granted the status of legal subjects. This recognition is explicitly articulated in the Convention's consideration, which states that, "... international organizations are parties as subjects of international law distinct from states." Referring to the aforementioned stipulations, international organizations such as the International Capital Market Association (ICMA) and the ASEAN Capital Markets Forum (ACMF) can logically be recognized as legal entities. Consequently, both the Social Bond Principles issued by ICMA and the ASEAN Social Bond Standards formulated by ACMF are therefore eligible for adoption through the established mechanisms of legal harmonization or unification.

From a theoretical standpoint, a fundamental distinction exists between the concepts of harmonization and unification. Harmonization is primarily oriented towards modifying existing rules to achieve a desirable level of alignment or convergence. This process can be realized either through international agreements established among participating countries or via mandates issued by supranational institutions. The core objective of legal harmonization is the endeavor to identify and attain uniformity, or establish points of convergence, concerning the essential principles contained within the diverse prevailing legal systems. (Zaki, 2021) Meanwhile, *International unification is defined as the formal adoption of an agreed-upon set of regulations, benchmarks, or protocols intended for application across transnational transactions. In the domain of international trade, this commonality has historically been established through various mechanisms, including customary practice, the development of accepted international usage, or via formal international accords. These international accords are typically negotiated and established either within the institutional framework of specialized professional organizations or directly between sovereign states through the formal legal mechanism of an international convention.* (Cenuk Widiyastrisna Sayekti, 2022) The scope of

legal unification encompasses the act of abolition (the removal or elimination) and the replacement of the prevailing legal system with a new, standardized and uniform legal framework.(Endarto et al., 2022a) From these two theoretical concepts, it can be concisely interpreted that the notion of harmonization functions as a mechanism of adoption modifying existing rules to align with a standard whereas the concept of unification serves as a model for the wholesale replacement of a legal system with a singular, uniform framework for *The establishment involves the formal institutionalization of a mutually consented-upon body of regulations, criteria, or directives. This framework is specifically designed either for application across transnational commercial dealings or for formalization through an international accord. Such an accord may be structured under the auspices of a relevant professional organization or formally enacted between sovereign states by means of a legally binding international convention.* Efforts to achieve unification or harmonization of various international agreements often face difficulties in being directly enforced within a country's legal system. This phenomenon triggers opposition, particularly from the Particularist school of thought. In general, there are two main currents of thought in this context, namely Universalist and Particularist. Manfred B. Steger classifies these protective views respectively as Universalist Protectionist and Particularist Protectionist.(Endarto et al., 2022a) Based on the comparative analysis previously detailed, it was determined that both the Financial Services Authority Regulation (POJK) Number 18 of 2023 applicable in Indonesia and the Securities and Exchange Commission (SEC) Memorandum Circular Number 12, Series of 2018 applicable in the Philippines are direct outcomes of a process involving the unification or adoption of the ASEAN Social Bonds Standards and the Social Bond Principles promulgated by the International Capital Market Association (ICMA).

CONCLUSION

Based on the analysis presented in the previous discussion section, the following conclusions can be drawn:

1. Green bond regulations in Indonesia are primarily governed by the Financial Services Authority (OJK) Regulation Number 18 of 2023, concerning the Issuance and Requirements of Sustainability-Based Debt Securities and Sukuk. This signifies that the regulation of green bonds in Indonesia is integrated with other types of thematic bonds under this singular instrument. This regulatory framework for sustainability-based bonds in Indonesia which includes both Sustainability-Based Debt Securities and Sukuk (a scope that expands upon the earlier OJK Regulation No. 60 of 2017 on Green Bonds) thus adopts an integrated approach. In contrast, the regulatory structure in the Philippines tends to separate regulations pertaining to green bonds from other thematic bond instruments. This is clearly evidenced by the Securities and Exchange Commission (SEC) Circular Memorandum No. 12, Series of 2018, titled Guidelines on the Issuance of Green Bonds under the ASEAN Social Bonds Standard in Philippines.
2. The rationale for applying international principles and standards in the regulation of green bonds, both in Indonesia as stipulated in POJK 18/2023 and in the Philippines as stipulated in SEC Memorandum Circular No. 12, is the outcome is the result is the unification or adoption of the ASEAN Social Bonds Standards and the Social Bond Principles, which were formally issued by the International Capital Market Association (ICMA). The juridical rationale for enforcing international principles and standards in green bond regulations in both Indonesia and the Philippines is based on the 1986 Vienna Convention, which allows the use of legal principles and standards developed by international organizations as subjects of international law to be applied in a country.

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