Speaking Notes of Shri Amarjeet Singh, WTM, SEBI at the Sabah Asia-Pacific Impact Investing for Sustainable Development Summit 2026, Malaysia (Virtual Address)

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Financing the Future: Building inclusive, sustainable and responsible capital markets

1. Hon'ble Chief Minister, Hon'ble Minister of Tourism, Chairman, SC Malaysia, Tan Shri Andrew Sheng, who has been my mentor and a good friend for many years, distinguished panelists and participants, Good morning. Apologies, I could not make it in person. I thank Tan Shri Andrew Sheng and the organizers for the invitation.

2. This morning, I wish to focus on how capital markets can contribute to financing the development needs of emerging economies. I'll be referring to a few slides along the way — the key pointers on them should help you follow the structure of my remarks.

3. Let me first set the context. The Sustainable Development Goals represent one of the most ambitious global commitments of our time. Yet global attention to the SDGs has steadily waned over this decade, as the world has moved from one crisis to another – from the COVID-19, to the Russia – Ukraine war, and more recently, the conflict in West Asia and the oil-price shock that followed.

4. The annual SDG financing gap now exceeds $4 trillion, and could widen to $6.4 trillion by 2030. Yet in 2025 alone, just to give you an interesting comparison, global spending on artificial intelligence reached nearly $1.5 trillion — and is projected to cross $2 trillion in 2026. A single company, SpaceX, engaged in AI apart from space exploration, completed the largest IPO in history this June, raising over $85 billion and reaching a market valuation of roughly $2 trillion.

5. I raise these numbers together not to pit one against the other, but to ask a harder question: if capital markets can mobilize at that speed and scale for one transformative idea, why do we continue to treat SDG financing as a problem of scarcity? To my mind, rather than an issue of scarcity, it is perhaps a problem of architecture — of where capital flows, why, and who it ultimately reaches.

6. This is precisely why the themes at this Summit — impact investing, blended finance, sustainable finance — matter so deeply. They speak to a central developmental question: how can capital be mobilized and directed in a manner that delivers not only economic growth, but also social and environmental outcomes?

7. The conventional model of capitalism has undoubtedly demonstrated enormous strengths including its capacity to generate growth and innovation. Yet, it has also contributed to an uneven distribution of gains and rising inequalities in societies.

8. For developing economies in particular, this calls for a rethink. We need a form of capitalism suited to our own context — one that is more inclusive, more sustainable and more responsible.

9. My remarks are organised around these three pillars in the context of capital markets drawing on our experience at SEBI. I will then turn briefly to the supporting role of technology and digital infrastructure, before concluding with my views on the role financial-market regulators must play.

A. Pillar 1 – Inclusive Markets

10. Let me now turn to the first pillar: inclusive markets.

11. Capital markets are essential to a modern economy, but the play in markets is often dominated by large corporates, fund houses and sophisticated investors. In countries with high income and social disparities, the real question is how markets can become instruments of wealth creation for households across income segments - and, India’s experience shows that policy design can make a difference.

12. Let me illustrate and pick Systematic Investment Plans (SIPs) - a product from the Indian Mutual Fund space. SIP is a disciplined method of investing small, fixed amounts at regular intervals in Mutual funds. SIPs have become one of India's most powerful instruments of financial inclusion, with monthly inflows now averaging over USD 3.2

billion. Building on this, SEBI has enabled small-ticket SIPs starting at just ₹250 (under USD 3), so investors from low- and middle-income segments can begin their investment journey with a modest amount.

13. We have also introduced targeted distribution incentives to bring first-time women investors into mutual funds, and similar incentives for new investors from B-30 cities — those beyond the top thirty centers by mutual fund assets — to extend the formal investment ecosystem to those it has not traditionally reached.

14. Various policy measures over the years have led to a substantial increase in the number of unique mutual fund investors from a little over 10 millions a decade ago to more than 60 millions today.

15. In the primary market, reserving a meaningful portion of IPO allocation for retail investors enables ordinary citizens to participate in the growth of businesses, while a dedicated SME platform, with calibrated disclosure and governance norms helps small and medium enterprises access formal capital they might otherwise struggle to raise.

16. These initiatives aim at enhancing financial inclusion, gender equality and improved access to capital for smaller enterprises and are therefore closely aligned with the broader SDG agenda.

B. Pillar 2 – Markets for Sustainability

17. Let me turn to the second pillar: markets for sustainability. The urgency here is not abstract. According to some estimates, the three-year average global temperature has now breached 1.5°C above pre-industrial levels for the first time — a stark warning that the margin for action is narrowing. The last eleven years have been the eleven warmest on record. In 2025 alone, floods, heatwaves and wildfires killed thousands and cost the world well over a hundred billion dollars.

18. This is the backdrop against which we speak of markets, capital and growth. Sustainable capitalism is about recognising this reality and integrating environmental and social

considerations into business and investment decisions, because they are now central to the long-term resilience and competitiveness of business itself.

19. Capital markets have an important role in the transition towards a sustainable planet. I see this role in two parts – First, markets can help ensure that sustainability-related risks and opportunities are appropriately priced and reflected in valuations and the cost of capital. Second, they can help mobilise the massive capital required for mitigation, adaptation and sustainable infrastructure.

20. *Transparency and disclosures:* The global push for sustainability-related transparency — first from investors, then regulators — has met some serious political headwinds in recent times; the World Bank's retirement of its climate finance target about two weeks back is just one example. These are setbacks, but the direction of travel remains clear: investors will keep seeking better information on how businesses are exposed to, and responding to, sustainability risks and opportunities.

21. In India, SEBI introduced the Business Responsibility and Sustainability Report or BRSR, for the top 1,000 listed entities by market capitalization in 2021 - a home-grown framework, tailored to domestic requirements and aligned with national priorities.

22. *Product development*: Markets also need the right products to channel capital toward transition and climate action and socially beneficial outcomes. SEBI's framework for ESG debt securities encompasses green, transition, social, sustainability and sustainability-linked bonds. Municipal bonds are another important piece, given that cities sit at the frontline of water, sanitation, transport and climate-resilient infrastructure challenges. We have been engaging with municipalities to deepen this market.

23. These initiatives intersect meaningfully with the SDG agenda. A great deal, however, still needs to evolve in the journey towards sustainable capitalism - in particular, the fundamental tension between profitability and sustainability. The market's focus on short-term gains must give way to a more nuanced understanding of long term value.

C. Pillar 3 – Responsible Markets

24. Let me now move to the 3rd pillar: responsible markets - the idea that profit and purpose can co-exist and that economic success can also contribute to social progress.

25. This concept is not new to India. Our stakeholder-oriented approach predates many of the modern Western discussions on the role of business in society. The idea that corporations should serve broader societal goals resonates with the ancient principle of *Vasudhaiva Kutumbakam* which translates to "The world is one family”.

26. This orientation is also embedded in our corporate-law. The Companies Act, 2013 requires directors to act in the best interests not only of the company and its shareholders, but also of its employees, the community and the environment. The Act also mandates CSR expenditure for a specified set of companies.

27. The Social Stock Exchange, or SSE, extends this idea into the securities-market. Conceptually, it is an intersection where capital markets meet social purpose. It connects social enterprises with donors, impact-oriented investors and philanthropists. It strengthens confidence in social enterprises through greater transparency on the purpose of fund-raising, actual use of funds and outcomes achieved.

28. The SSE enables innovative channels and instruments for fund-raising by not-for-profit organisations, including Zero Coupon Zero Principal or ZCZP instrument, Social Impact Funds and Development Impact Bonds. The ZCZP instrument is particularly distinctive - designed specifically for the Social Stock Exchange. It carries no financial return—no interest, no dividend and no repayment of principal, only the promise of a measurable social return. Corporates have been recently permitted to deploy 10% of their annual CSR spend by subscribing to ZCZP instruments on the SSE.

29. The SSE complements the SDG agenda by directing capital towards social priorities while improving transparency and discipline in the social sector. The broader lesson is that, with the right design, market institutions can serve social outcomes as effectively as commercial ones.

D. Technology as an enabler

30. Technology and digital infrastructure provide the supporting foundation for all these efforts. Technology can widen access, reduce costs, and improve efficiency.

31. In India, digital payments through UPI and electronic onboarding through e-KYC have reduced friction in access to financial services, while digital fund blocking holds have shortened IPO listing timelines.

32. Artificial intelligence and advanced analytics are increasingly strengthening market surveillance and risk management, helping regulators detect anomalies earlier and respond faster.

33. Greater use of technology must be supported by appropriate safeguards relating to cybersecurity, privacy and data protection.

E. Concluding Remarks – changing role of financial market regulators

34. Let me conclude with a few reflections on the evolving role of financial-market regulators.

35. Traditionally, regulators have focused on important core objectives: investor protection, orderly markets, disclosure, market integrity and systemic stability. These responsibilities remain foundational. However, regulators must increasingly ask a wider question: how can financial markets contribute to better outcomes for economy and society?

36. The SDGs remind us that development is ultimately about outcomes. Similarly, the success of a market cannot be assessed only by narrow indicators such as market capitalisation, trading volumes or new listings. These matter, but they do not convey the full story.

37. We must also ask whether more households are becoming long-term investors; whether smaller enterprises can access growth capital; and whether markets are financing the

transition to a sustainable economy. The future of capitalism in developing economies will depend, in significant measure, on how we approach these questions.

38. I said at the outset that the SDG financing gap is not a problem of scarcity, but of architecture. If that is true, then regulators are among its architects. In my view, the rules we write, the incentives we design, and the trust we build will largely decide whether capital finds its way to where the world needs it most. That is the responsibility — and the opportunity — before us.

Thank You !