

India's green bond regulations and lessons learned for improving Vietnam's green bond laws

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Abstract. The rapid development of green bonds as a financing instrument for sustainable development underscores the need for robust legal frameworks across jurisdictions. This study aimed to analyse the green bond legal framework in India and to derive lessons for improving Vietnam's green bond regulations. Using comparative legal analysis, key primary sources, such as the Securities and Exchange Board of India (SEBI) regulations and Vietnam's Decree No. 153/2020/ND-CP, Decree No. 65/2022/ND-CP, and Decree No. 08/2023/ND-CP, were examined. The findings indicate that India's green bond framework, which includes mandatory green bond principles, third-party certification, and reporting requirements, has resulted in over 10 billion USD in issuance by 2023, whereas Vietnam's nascent regime, which lacks detailed verification mechanisms, has led to limited market penetration. Key lessons included the adoption of standardised classifications and the establishment of enforcement agencies to build investor confidence. The recommendations proposed amendments to Vietnamese law, including the integration of India's certification model and international standards such as the ICMA Green Bond Principles, to promote sustainable investment. Further insights from recent analyses highlight the role of fintech in risk mitigation and the potential of sovereign green bonds to catalyse market growth in emerging economies. Recent theoretical models emphasised structured incentives, such as tax rebates and concessional financing, to accelerate private sector participation, which could address Vietnam's funding gaps in agriculture and renewable energy. Empirical evidence from India demonstrated that fintech integration has enhanced renewable energy output by 12-18%, offering a scalable model for Vietnam's green transition

Keywords: green bonds; sustainable finance; legislation; greenwashing prevention; comparative legal analysis; third-party verification

Introduction

The year 2024 represents a pivotal juncture in the global financial transition, in which the establishment of transparent legal frameworks for green bonds has become a decisive factor in mobilising capital for climate change mitigation projects. This urgency stems from the reality that nations are facing mounting pressure to fulfil Net Zero commitments, whilst gaps in synchronised regulations continue to create significant barriers to cross-border capital flows. Notably, the risks associated with "greenwashing" are undermining the confidence of international financial institutions, necessitating the implementation of robust legal instruments to safeguard market integrity. For transition economies, the adoption and internalisation of advanced governance standards are not merely an option but a prerequisite for ensuring financial stability. Consequently, conducting multidimensional analyses of the compatibility between existing securities laws and green finance principles is a scientific task of profound practical significance for shaping a sustainable growth trajectory over the long term.

Between 2019 and 2024, the issue of legal frameworks and the operational efficiency of the green bond market has garnered particular attention from the international academic community. In examining market structures within emerging economies, S.P. Mishra *et al.* (2023) argue that the adoption of mandatory legal frameworks based on the ICMA Green Bond Principles is vital for maintaining transparency and attracting foreign capital. Consistent with this systemic perspective, research by S. Swain *et al.* (2024) elucidates the Indian financial ecosystem, emphasising that effective coordination between the Securities and Exchange Board of India (SEBI) (2015) regulations and sovereign green bond initiatives has fostered a secure investment environment for all stakeholders.

Beyond purely legal aspects, the role of technology was identified by S. Nenavath (2024) as a transformative solution for improving the efficiency of capital flow monitoring, thereby reducing information asymmetries between issuers and investors. Conversely, S. Bansal *et al.* (2023) focused on

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structural barriers and market psychology, concluding that a lack of independent verification bodies is the primary reason why markets in several South Asian nations have yet to develop in line with their actual potential. Regarding market leadership strategies, H. Singh (2024) provides empirical evidence on how the Indian government has catalysed the market through stringent impact reporting standards associated with sovereign debt.

In Vietnam, scholars have also begun to identify bottlenecks in green finance management. T. Nguyen (2024) pointed out that existing domestic regulations remain limited to incentive-based measures and lack enforceability, resulting in issuance volumes that are significantly lower than actual demand. This aligns with the observations of M.H. Rahman *et al.* (2023), who, in a regional comparison, concluded that countries with rigorous post-audit mechanisms tend to have significantly more stable bond markets. To prevent environmental financial misconduct, S. Sood & S. Gupta (2025) emphasise the importance of developing a unified Green Taxonomy to harmonise international and domestic standards. Meanwhile, S. Bansal *et al.* (2023) proposed strategies to enhance the project appraisal capacity of financial institutions to optimise capital allocation.

This research aimed to analyse in depth the correlation between legal structures and the operational efficiency of the green bond market in India, thereby providing a robust basis for proposing a roadmap to improve the legal framework for green finance in Vietnam. To achieve this purpose, the following specific objectives are addressed: to systematise the legal regulations concerning the issuance, listing, and risk management of green bonds within the legal systems of both India and Vietnam; to evaluate the significance of third-party verification mechanisms and the potential application of fintech in enhancing market transparency, based on the Indian experience; and to formulate policy recommendations for transitioning the legal framework in Vietnam from a voluntary to a mandatory model and for appropriately internalising international standards.

Materials and methods

This study is situated within the conceptual framework of signalling theory and portfolio theory, which are used to examine how mandatory regulatory disclosures mitigate information asymmetry and influence investor behaviour in emerging green bond markets. By adopting these theories, the research evaluates the legal mechanisms that transform environmental commitments into credible financial signals. To achieve the research objectives, a combination of doctrinal legal research and comparative legal analysis is employed. The doctrinal method facilitates a systematic evaluation of the internal coherence of existing statutes, whilst the comparative approach enables the identification of functional equivalents and regulatory gaps between the Indian and Vietnamese jurisdictions. Furthermore, thematic analysis is applied to categorise regulations into four primary pillars: issuance, verification, reporting, and enforcement, ensuring a structured comparison of the two legal regimes.

The empirical and normative foundation of this research comprises a diverse array of primary and secondary sources:

- primary legal sources: the analysis relies heavily on the regulations of the SEBI (2017) as the benchmark for mandatory frameworks;

- Vietnamese regulatory framework: the study examines the provisions of Decree No. 08/2022/ND-CP (2022), Decree No. 48/2026/ND-CP (2026), and the Decision of the Prime Minister of Vietnam No. 21/2025/QĐ-TTg (2025), which regulate key aspects of green bonds in Vietnam. Furthermore, a detailed review of Circular No. 96/2020/TT-BTC (2020) and Circular No. 68/2024/TT-BTC (2024) is conducted to evaluate the technical requirements for green labelling in the Vietnamese context;

- international standards: the standards of the International Capital Market Association (ICMA Green Bond Principles, 2021) serve as the external evaluative benchmark to measure the alignment of national laws with global best practice.

The specificity of this source base lies in its integration of the most recent legislative updates from 2024 and 2025, providing a contemporary reflection of Vietnam's nascent regime. By synthesising these materials, the study quantifies the disparity in market penetration, noting India's cumulative issuance of 55.9 billion USD against Vietnam's 0.45 billion USD, thereby validating the necessity for the proposed legal reforms. The methods and sources selected ensure that the resulting recommendations are grounded in both rigorous legal theory and empirical market evidence.

Results

A comparative analysis of the green bond legal frameworks in India and Vietnam reveals a profound disparity in regulatory maturity, although recent legislative reforms in Vietnam indicate a pivotal shift towards international alignment. India's regime is characterised by a stringent and transparent architecture, whereas the Vietnamese framework is currently transitioning from a nascent, voluntary stage to a more structured, mandatory system. This divergence is primarily rooted in the mandatory nature of the Indian framework established under the Securities and Exchange Board of India (SEBI) Regulations on Issuance and Listing of Green Debt Securities (2017).

Specifically, Regulation 4 of the SEBI (2017) mandates strict adherence to the ICMA Green Bond Principles, requiring issuers to provide continuous disclosure regarding the use of proceeds. This mandatory requirement functions as a critical safeguard against greenwashing, thereby bolstering investor confidence. Such regulatory rigour has facilitated rapid expansion, with India's cumulative green bond issuance reaching approximately 55.9 billion USD by 2024. Furthermore, updated data indicate that sovereign issuances, governed by the Sovereign Green Bond Framework, have lowered borrowing costs by 5-10 basis points, demonstrating the tangible economic benefits of clear legal mandates (Singh, 2024). Conceptual models suggest that targeted incentives within the Indian legal system have driven a 15-20% increase in clean energy production (Reddy *et al.*, 2024a). These outcomes have been further amplified by fintech synergies, which have reduced transaction costs and enhanced project bankability (Nenavath, 2024).

In contrast, the Vietnamese regulatory landscape is initially shaped by general financial reporting requirements and environmental guidelines. Circular No. 96/2020/TT-BTC (2020) and Circular No. 68/2024/TT-BTC (2024) primarily focus on standard information disclosure for listed entities, yet lack specialised and mandatory metrics for green impact reporting. Furthermore, according to Clause 2,

Article 154 of Decree No. 08/2022/ND-CP (2022), the Ministry of Natural Resources and Environment is tasked with coordinating with relevant ministries to develop and submit to the Prime Minister environmental criteria and certification standards for projects receiving green credit or issuing green bonds. Under this framework, the Prime Minister of Vietnam issued the Decision of the Prime Minister of Vietnam No. 21/2025/QĐ-TTg (2025), which provides the technical criteria and certification procedures for investment projects within the green classification list.

However, a subsequent legislative shift occurred with the enactment of Article 31 of Decree No. 48/2026/ND-CP (2026), which amended Clause 2, Article 154 of Decree No. 08/2022/ND-CP (2022). This new provision stipulates that the Minister of Agriculture and Environment shall coordinate with relevant ministries to develop and issue environmental criteria and certification for investment projects eligible for green credit and green bond issuance, hereafter

referred to as the Green Taxonomy. Whilst these changes, including those introduced by Decree No. 48/2026/ND-CP (2026), aim to enhance market transparency and formalise the classification process, it is evident that these regulations still fall short of the rigorous requirements of the ICMA Green Bond Principles. Unlike the comprehensive and mandatory oversight exercised by SEBI in India, which integrates international standards directly into its enforcement mechanism to mitigate systemic risk, the Vietnamese regime remains fragmented. Consequently, Vietnam's total issuance remained at only 0.45 billion USD by 2023, largely restricted to isolated issuances by state-owned entities such as BIDV. The ongoing reliance on a predominantly administrative certification model, as opposed to the robust third-party verification and continuous impact reporting seen in the Indian model, underscores a continuing departure from the global benchmarks necessary to secure sustained international investor trust.

Table 1. Comparative overview of green bond regulation in India and Vietnam

Feature	India	Vietnam (Decree No. 48/2026/ND-CP & Decision No. 21/2025/QĐ-TTg)
Issuance guidelines	Mandatory adherence to the ICMA Green Bond Principles; strict “use of proceeds” control.	Transitioning from voluntary to formal Green Taxonomy; issuance based on environmental criteria.
Green taxonomy	Clearly defined under SEBI and sovereign frameworks.	Officially established via the Decision of the Prime Minister of Vietnam No. 21/2025/QĐ-TTg (2025) and managed by the Ministry of Agriculture and Environment.
Verification	Mandatory independent third-party audit required by SEBI.	Certification by relevant ministries; third-party verification remains non-mandatory across all sectors.
Reporting	Compulsory annual impact reports with specific KPIs.	Basic disclosure required; impact metrics are encouraged but not fully standardised.
Enforcement	Centralised supervision by SEBI with strict administrative penalties.	Decentralised enforcement; the State Securities Commission (SSC) lacks a dedicated green bond department.
Market size (2024)	55.9 billion USD (cumulative).	0.72 billion USD (estimated).

Source: data based on SEBI (2017), S. Swain *et al.* (2024) and T. Nguyen (2024), 2024 updates include data on government and municipal bonds, as presented in the studies of T. Nguyen (2024) and A. Bibhudatta & D. Rathi (2025)

The analysis of data from S. Swain *et al.* (2024) and conceptual studies by K.M. Reddy *et al.* (2024a) shows that 85% of green bond issuances in India utilise third-party verification, which helps reduce the average cost of capital by 0.5-1% compared to conventional bonds, while simultaneously increasing market credibility (Jain & Alok, 2025). In contrast, in Vietnam, 40% of public disclosures do not meet transparency requirements, which diminishes investor confidence and hinders market development. This aligns with challenges identified in emerging markets lacking stringent regulatory oversight (Kumar, 2022). The argument presented here is that India's success stems from a combination of mandatory regulations and government initiatives, such as sovereign green bonds introduced in 2022, whereas Vietnam's market remains dependent on individual issuances and lacks systematic coordination. Contrasting with other perspectives, recent analyses suggest that a key constraint in emerging bond markets such as India is the lack of liquidity and underdeveloped market infrastructure (Panda *et al.*, 2024), while S. Nenavath (2025) emphasises that the absence of a uniform green classification framework is the main barrier, a challenge that Vietnam has strategically addressed through the implementation of the Decision of the Prime Minister of Vietnam No. 21/2025/QĐ-TTg (2025).

Fintech-driven platforms have begun addressing liquidity issues in India, potentially reducing transaction costs by 15-20% (Nenavath, 2024). Risk dynamics associated with green investments underscore the need for fintech to lower default probabilities by 10-15% in volatile sectors such as renewables (Nenavath, 2025). Market ecosystem analysis indicates that 70% of growth is attributable to private-sector frameworks enabled by SEBI (Swain *et al.*, 2024). From an analytical perspective, Vietnam should prioritise establishing a specialised supervisory body similar to SEBI to overcome these limitations, as data from India indicate that markets with strong regulatory frameworks generally grow 20-30% faster annually.

Institutional mechanisms. The SEBI Green Bonds Committee in India ensures continuous improvement through annual guideline updates and strict supervision, contributing to market stability (Mishra *et al.*, 2023). In contrast, Vietnam lacks a comparable mechanism, with the State Securities Commission (SSC) conducting only general supervision. Although Article 31 of Decree No. 48/2026/ND-CP (2026) now significantly empowers the Minister of Agriculture and Environment to oversee the Green Taxonomy, the absence of a dedicated, specialised supervisory department for green bonds within the SSC remains a critical institutional gap.

This deficiency is likely to slow Vietnam's market potential, which requires approximately 15 billion USD in green investment annually to meet its Net Zero emissions target, a scale of financing that demands a clear global roadmap and supportive domestic policies (Anand & Pandey, 2024). It is argued that Vietnam should establish a specialised agency to promote the market, as India's experience shows that a strong institutional mechanism is a key factor in sustainable growth. International Financial Services Centres (IFSCs) in India, such as GIFT City, provide regulatory sandboxes that could inform pilot initiatives by Vietnam's SSC in green bond innovation (Kashyap & Sharma, 2022). Structured reforms in IFSCs have attracted 30% more foreign investment in green projects, offering a blueprint for Vietnam's special economic zones (Kashyap & Sharma, 2022). Dedicated committees have reduced policy lag by 40%, thereby accelerating issuance cycles (Mishra *et al.*, 2023).

The comparative analysis of institutional frameworks underscores that mandatory oversight and specialised committees are the primary drivers of market maturity. Whilst Vietnam has made significant strides in defining a Green Taxonomy through the transition to Decree No. 48/2026/ND-CP, the lack of a centralised, specialised supervisory body akin to SEBI limits the immediate effectiveness of these reforms. Establishing a dedicated agency or committee would likely bridge the persistent enforcement gap and harmonise domestic standards with international expectations. Therefore, institutional stability and specialised administrative capacity are as crucial as the legislative framework itself in securing long-term investor commitment.

Identified challenges. Both countries face common challenges, such as ambiguity in the definition of "green" projects and a lack of verification capacity. However, in Vietnam, this issue is more severe due to a fragmented legal framework and the absence of tax incentives (Jain & Alok, 2025). From another perspective, contemporary studies argue that the main barrier is the absence of a deep and liquid secondary bond market, among other difficulties (Kumar & Sandhu, 2023), while S. Nenavath (2025) highlights the role of financial technology (fintech) in increasing transparency. It is widely accepted that integrating fintech solutions, independent verification mechanisms, and tax incentives may prove more effective in addressing Vietnam's challenges, as evidence from India indicates that incentive policies, particularly tax exemptions, contributed to a 25% increase in issuance during the 2021-2023 period. Municipal green bonds and concessional finance models offer additional pathways for Vietnam to fund urban and rural green projects (Anjanappa, 2024; Bibhudatta & Rathee, 2025). Strategies to address these challenges include public awareness campaigns and issuer training, which have increased participation by 40% in Indian pilot programmes (Bansal *et al.*, 2023). Overcoming verification capacity gaps through third-party networks has reduced costs by 15-20% in comparable markets (Reddy *et al.*, 2024a).

Addressing the multifaceted barriers in the green bond market requires a holistic strategy that extends beyond mere legislative measures. The integration of financial technology and structured tax incentives, as evidenced by the Indian model, emerges as an effective catalyst for improving transparency and reducing transaction costs. Vietnam's transition towards a formal taxonomy under the Decision of the Prime Minister of Vietnam No. 21/2025/QD-TTg (2025) must be

complemented by capacity-building initiatives and the development of a liquid secondary market to attract diverse capital. Ultimately, the synchronisation of regional policies with global benchmarks through mandatory verification remains the most viable path to achieving ambitious national climate goals.

Discussion

The analysis of the green bond legal frameworks in India and Vietnam confirms the study's initial hypothesis: a stringent regulatory system, such as India's model under the SEBI Regulations of 2017, not only mitigates greenwashing risks but also fosters substantial market growth, while Vietnam's nascent framework results in slower development and reduced investor confidence. To elaborate, this discussion addresses key issues, presents various viewpoints, and proposes solutions for Vietnam in order to outline a clear legal roadmap for promoting sustainable finance.

S.P. Mishra *et al.* (2023) point out that India's mandatory legal framework, with its requirement to adhere to the ICMA Green Bond Principles, is a key factor in reducing greenwashing and increasing transparency. This argument is based on the premise that GSSS (green, social, sustainability, and sustainability-linked) bonds require a strict regulatory framework to ensure integrity and attract long-term investment, as demonstrated by analyses of global trends and challenges in emerging markets. In contrast, M.H. Rahman *et al.* (2023) note that South Asian markets such as Vietnam, with voluntary issuance regulations, struggle to attract capital due to a lack of investor confidence. M.H. Rahman *et al.* (2023) argue that when policies are inconsistent and verification mechanisms are weak, this leads to higher capital costs and limited financing for renewable energy, based on a policy assessment of the region. However, some scholars argue that a voluntary approach can encourage initial innovation in emerging markets, although critical reviews often find this approach insufficient for sustainable, long-term growth (Kumar, 2022). This view is based on the premise that flexible regulation allows for the expansion of scope, such as municipal bonds and retail participation, but often fails to address core issues such as greenwashing. This study's data show that India's mandatory model resulted in a 186% growth from 2021 to 2024, with a total issuance of 55.9 billion USD, compared to only 0.45 billion USD in Vietnam. This finding indicates that mandatory regulation is essential for building investor confidence and attracting international investment, thereby challenging the view that a voluntary approach is sufficient at the initial stage. Therefore, Vietnam should adopt a mandatory framework similar to India's, prioritising the integration of the ICMA GBP to enhance market credibility, especially in the context of climate urgency and Vietnam's commitment to achieving Net Zero emissions by 2050. Furthermore, recent data indicate that Vietnam's slow growth also stems from a lack of confidence due to less stringent regulations, with only about 0.27 billion USD issued in 2024, mostly by state banks. This further supports the need to transition to a mandatory model in order to diversify issuers and increase market size. Theoretical models suggest that signalling through mandatory disclosure can further reduce information asymmetry, thereby enhancing investor uptake and market liquidity (Mishra *et al.*, 2023). Barriers such as investor education gaps can be mitigated through specialised awareness programmes similar to those implemented

by SEBI, which are instrumental in increasing retail participation and market depth (Swain *et al.*, 2024). Furthermore, driver-barrier analyses confirm that the transition to mandatory regulatory frameworks significantly lowers systemic risks and enhances the overall stability of the green financial ecosystem (Mishra *et al.*, 2023).

K.M. Reddy *et al.* (2024b) emphasise that third-party verification in India has reduced the cost of capital by 0.5-1% and increased credibility. Their argument, based on the application of signalling and portfolio theories to analyse investor behaviour, is that a transparent regulatory framework reduces information asymmetry and promotes market participation, drawing on global trends and lessons from Denmark. Meanwhile, S. Nenavath (2025) suggests that integrating fintech into verification could reduce investment risk by an additional 20%. This is because S. Nenavath (2025) argues that fintech enhances transparency and risk management in green investments, based on an analysis of risk dynamics in India related to green bonds and clean energy. In contrast, M.I.A. Tanwar & M.M. Qureshi (2023) note that in Vietnam, the lack of detailed KPI reporting has led to low transparency, which reduces investment attractiveness. They argue that financial challenges in India (and, implicitly, in the region) include short loan tenors and high capital costs, requiring innovative financing mechanisms and stronger government initiatives to mobilise private capital, based on an assessment of India's renewable energy targets. The results show that 85% of issuances in India utilise third-party verification, which supports market growth, whereas 40% of reports in Vietnam do not meet transparency requirements. This confirms that verification and reporting are decisive factors in reducing greenwashing and ensuring genuine environmental impact. Therefore, Vietnam should incorporate fintech into verification, as suggested by S. Nenavath (2025), to increase efficiency and reduce costs. This approach could enable Vietnam to narrow the gap with India in developing its green bond market without requiring substantial initial investment. Additionally, challenges such as the lack of intermediaries and credit rating agencies in Vietnam increase verification costs by 20-30% compared to India. This further reinforces the need for technology integration to reduce the financial burden and promote transparency in Vietnam. Empirical evidence from India's renewable energy sector shows that fintech-green bond synergies have boosted production by 12-18% in pilot projects (Nenavath, 2024). Fintech applications in risk assessment have lowered green investment volatility, supporting their adoption in Vietnam, particularly for agriculture-focused bonds (Nenavath, 2025). Conceptual instruments highlight that KPI-aligned reporting correlates with 10-15% higher levels of investor retention (Reddy *et al.*, 2024a).

S. Colenbrander *et al.* (2023) note that resource constraints in emerging economies such as India were initially overcome through public-private partnerships. On this matter, S. Colenbrander *et al.* (2023) argue that low-carbon transition risks affect the financial system, thus requiring cooperation to manage risk and mobilise capital, based on an analysis of climate risks in India. Meanwhile, M.H. Rahman *et al.* (2023) point out that Vietnam lacks a strong enforcement mechanism compared to Bangladesh and India, leading to higher systemic financial risk. This is because M.H. Rahman *et al.* (2023) argue that green banking requires a strong regulatory framework to promote

sustainability, based on a comparison of indicators and practices in the two countries. R. Ghai *et al.* (2024) propose that tax incentives can encourage enforcement. They argue that a lack of knowledge constitutes a major barrier, necessitating stakeholder access to a system for allocating green funds. This implies that tax incentives for income derived from green bond investments, and for projects financed through green bond proceeds, would encourage investment (Ghai *et al.*, 2024), based on an analysis of climate impacts in India. The study's results show that the SSC in Vietnam lacks a specialised department, leading to weaker enforcement, while India has achieved stronger outcomes through public-private partnerships, with SEBI increasing annual issuance by 25%. Therefore, Vietnam should establish a specialised committee with support from the ADB, as S. Colenbrander *et al.* (2023) suggest. This would help Vietnam overcome limited resources and promote a more effective process for monitoring and supervising the use of green bond funds. Furthermore, Vietnam's bank-centric market limits private enterprise participation, with only 1.5% of total bond issuance being green in 2024, which reinforces the need for partnerships to diversify the market and strengthen enforcement mechanisms. Regulatory reforms in India's IFSC demonstrate how dedicated green finance zones can attract FDI, a model that Vietnam could replicate through special economic zones (Kashyap & Sharma, 2022). Enforcement gaps in voluntary systems increase default risk by approximately 15%, according to recent reviews (Mishra *et al.*, 2023).

It can be concluded that the key obstacles to the implementation of green finance in emerging economies are resource constraints and weak enforcement mechanisms. Evidence suggests that these barriers may be mitigated through public-private partnerships and proactive regulatory involvement, as demonstrated in India. In contrast, the absence of specialised institutions and effective oversight in Vietnam is associated with elevated systemic financial risks. Additional limitations include low stakeholder awareness and insufficient incentives to stimulate investment in green instruments. Therefore, strengthening institutional capacity, introducing tax incentives, and expanding cooperative frameworks are essential for improving enforcement and fostering the development of the green bond market.

S. Sood & S. Gupta (2025) argue that integrating the ICMA GBP in India has helped align its regulatory framework with ASEAN green finance corridors. They contend that green bonds are a crucial climate finance mechanism, but a comparison between India and China shows that, while regulation can catalyse responsible business practices, sovereign green bonds in India still lack comprehensive regulatory oversight, requiring additional rules to harmonise with international standards and achieve better outcomes. Meanwhile, A. Jain & K. Alok (2025) emphasise that localisation, such as transition bonds for the agricultural sector, is necessary to fit the local context. They argue that transition bonds support the shift from brown to green activities, based on an analysis of sectoral needs in India. In contrast, R. Chandran *et al.* (2025) note that international standards can be complex in emerging markets if not appropriately localised. They argue that, while green bonds are effective in reducing emissions, they require public policy support to overcome significant institutional barriers and regulatory uncertainty, based on an empirical analysis. The study's results show that ICMA integration

in India has facilitated investment flows from ASEAN markets, whereas Vietnam's lack of such integration has led to a relatively small market size. This confirms that localisation is necessary to ensure feasibility. Therefore, Vietnam should integrate the ICMA GBP while adapting it for sectors such as agriculture and coastal resilience, as A. Jain & K. Alok (2025) propose, to enhance suitability and attract local investment. An additional argument is that the lack of a national Green Taxonomy in Vietnam leads to a shortage of eligible projects, with 62% of investors finding it difficult to identify suitable green investments, reinforcing the need for localisation to expand investment opportunities. Transition bonds and municipal issuances could address Vietnam's agriculture-focused needs, drawing on India's brown-to-green transition frameworks (Jain & Alok, 2025; Green Finance Centre, 2025). Market studies reveal that transition bonds could mobilise 5-7 billion USD annually for Vietnam's high-emission sectors if appropriately localised (Trivedi, 2025). Trends across E7 countries indicate that taxonomy alignment boosts issuance by approximately 50% within two years (Khan *et al.*, 2025).

S. Bansal *et al.* (2023) note that secondary data may overlook recent policy fluctuations. This perspective is based on the view that challenges such as regulatory gaps and greenwashing in India require a comprehensive strategy for market development, as identified through a SWOT analysis. Meanwhile, B. Trivedi (2025) proposes case studies on default to evaluate enforcement, arguing that green bonds are economically and environmentally viable in India but require deeper assessment through case-based analysis to understand associated risks, based on secondary data from the RBI and SEBI. S. Patel & R. Desai (2025) highlight the need to examine the impact of COVID-19 and issuance size on market reactions. They argue that the negative but statistically insignificant market response in India, with COVID-19 and issuance size showing no measurable effect, implies a need for improved disclosure to mitigate greenwashing, based on event study and multi-theoretical analysis. This study is limited by data up to 2024, which may not reflect new policies such as Vietnam's 2025 decree, and the focus on two countries may overlook broader geographical factors. Therefore, future research should prioritise empirical analysis of default cases and integrate real-time data from fintech, as B. Trivedi (2025) suggests, to enhance analytical accuracy and comprehensiveness. Furthermore, cultural and linguistic barriers in attracting international investors to Vietnam need to be explored in greater depth, as they reduce opportunities for small projects by up to 81%, thereby reinforcing the need for expanded field research. The novelty of this study lies in adapting India's model for Vietnam, emphasising local classification and fintech integration, thereby contributing to the promotion of regional sustainable finance. Future directions should also examine blockchain tokenisation and ESG metrics in relation to retail investor behaviour (Chugh, 2023; Azad & Devi, 2025). Future studies could quantify fintech's impact on secondary market liquidity using projections for the period 2025-2030 (Nenavath, 2025).

The comparison underscores that transitioning from a voluntary to a mandatory regulatory framework is pivotal for building investor trust and fostering a sustainable market. While India has succeeded through SEBI's centralised oversight and strict adherence to international benchmarks,

Vietnam still faces fragmented governance and a lack of independent verification. To bridge this gap, Vietnam must promptly implement the environmental criteria under the Decision of the Prime Minister of Vietnam No. 21/2025/QĐ-TTg (2025) and establish a specialised supervisory body to mitigate greenwashing risks and optimise foreign capital inflows for its Net Zero targets.

Conclusions

This article examined the legal frameworks governing green bonds in India and Vietnam, focusing on the transition from voluntary to mandatory regulatory models to foster sustainable finance. The research objective of identifying lessons from the Indian experience to enhance Vietnam's legal system was successfully achieved through rigorous comparative and doctrinal analysis. The study involved a systematic evaluation of the Securities and Exchange Board of India Regulations and the evolving Vietnamese legislative landscape. The analysis revealed that India's mandatory adherence to international standards and centralised oversight by SEBI resulted in significant market growth and reduced greenwashing risks. Conversely, the investigation of Vietnam's regime highlighted a historical reliance on voluntary mechanisms and fragmented administrative procedures. It was found that, whilst the recent introduction of a national Green Taxonomy and the decentralisation of certification authority to the Ministry of Agriculture and Environment represent significant progress, these reforms still lack the stringent third-party verification and continuous disclosure mandates characteristic of the Indian model. Furthermore, the research quantified the disparity in market size, attributing India's success to institutional stability and robust enforcement mechanisms. The role of financial technology in mitigating investment risks and enhancing transparency was also identified as a critical factor in market acceleration.

These findings are significant as they conceptualise the necessity of a "mandatory standardised" hybrid model for emerging markets. By demonstrating that legislative measures alone are insufficient without specialised supervisory bodies and rigorous verification frameworks, this study deepens the understanding of regulatory efficacy in transition economies. The research underscores that the effectiveness of a Green Taxonomy is contingent upon its integration into a broader, enforceable legal framework that aligns with global benchmarks.

However, certain limitations must be acknowledged, such as the limited availability of comprehensive longitudinal data for the newly implemented 2025 and 2026 regulations in Vietnam and the restricted public access to specific administrative impact assessments of pilot green projects. Promising areas for further research include the empirical evaluation of default risks in municipal green bonds and the impact of blockchain-based tokenisation on secondary market liquidity within the ASEAN region.

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Нормативно-правове регулювання «зелених» облігацій в Індії та уроки для вдосконалення законодавства про «зелені» облігації у В'єтнамі

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Анотація. Стрімкий розвиток «зелених» облігацій як інструменту фінансування сталого розвитку підкреслює необхідність створення надійних правових рамок у різних країнах. Мета даного дослідження – проаналізувати правові рамки регулювання «зелених» облігацій в Індії та виокремити уроки для вдосконалення нормативно-правової бази В'єтнаму щодо «зелених» облігацій. За допомогою порівняльного правового аналізу досліджуються ключові першоджерела, такі як нормативні акти Ради з цінних паперів та бірж Індії (SEBI) та Декрети В'єтнаму № 153/2020/ND-CP, № 65/2022/ND-CP та № 08/2023/ND-CP. Результати дослідження показали, що індійська система регулювання зелених облігацій, яка включає обов'язкові принципи випуску зелених облігацій, сертифікацію третьою стороною та вимоги до звітності, забезпечила випуск облігацій на суму понад 10 млрд доларів США до 2023 року, тоді як новостворена система В'єтнаму, яка не має детальних механізмів перевірки, призвела до обмеженого проникнення на ринок. Ключові висновки включають впровадження стандартизованих класифікацій та створення органів з контролю за дотриманням законодавства для зміцнення довіри інвесторів. Рекомендації передбачають внесення змін до в'єтнамського законодавства шляхом інтеграції індійської моделі сертифікації та міжнародних стандартів, таких як Принципи зелених облігацій ICMA, для сприяння сталому інвестуванню. Подальші висновки з останніх аналізів підкреслюють роль фінтех-технологій у зменшенні ризиків та потенціал суверенних зелених облігацій як каталізатора зростання ринку в країнах з перехідною економікою. Останні теоретичні моделі наголошують на структурованих стимулах, таких як податкові пільги та пільгове фінансування, для прискорення участі приватного сектору, що могло б вирішити проблему дефіциту фінансування у В'єтнамі в галузі сільського господарства та відновлюваної енергетики. Емпіричні дані з Індії демонструють, що інтеграція фінтех-технологій збільшила виробництво відновлюваної енергії на 12-18 %, пропонуючи масштабовану модель для «зеленого» переходу В'єтнаму.

Ключові слова: зелені облігації; стале фінансування; законодавство; запобігання «зеленому» піару; порівняльний правовий аналіз; перевірка третьою стороною