ASIAN BOND MARKETS INITIATIVE
ASEAN+3 Bond Market Forum (ABMF)

17th ASEAN+3 Bond Market Forum (ABMF) Meeting

Venue: Auditorium A & B
1st Floor, Asian Development Bank HQ
6 ADB Avenue, Mandaluyong City, Manila, Philippines
22-23 January 2015

DATE&TIME	PROGRAM
22 January 2015	**DAY 1: Sub Forum 2 (SF2) meeting**
08:30 - 09:00	*Registration*
09:00 - 09:10	**Welcome Remarks** by Mr. Noritaka Akamatsu, Asian Development Bank
09:10 - 09:15	**Opening Remarks** by Mr. Jong Hyung Lee , SF2 Chair
09:15 - 10:20	**Session 1: Progresses of implementation of international standards** by Dr. Taiji Inui, ADB Secretariat - Update of ISO 20022 implementation plan in ASEAN+3 markets - Confirmation of ISIN allocation procedure in ASEAN+3 markets
10:20 - 10:50	**Session 2: Outline of Phase 3 Report** by Dr. Taiji Inui, ADB Secretariat
10:50 - 11:10	*Coffee break*
11:10 -11:30	**Session 3: AMBIF and settlement of AMBIF bonds** by ADB Secretariat team - Updates on AMBIF discussion and issues related to settlements
11:30 -12:15	**Session 4: Introduction of Financial Services Standardization in Asia** by ADB Secretariat team - ISO TC68 and Asia's involvement in ISO
12:15 - 13:15	*Lunch (EDR Coffee Lounge, 2nd Floor)*
13:15 - 14:30	**Session 5: IS0 20022 management process and governance** - UK experience of financial services standardization - ISO and its governance - ISO 20022 RMG and registration procedure - Involvement of market experts by Mr. James Whittle, UK Payments Council

DATE&TIME	PROGRAM
14:30 - 15:15	**Session 6: Function and importance of National Market Practice Group** by Mr. Taketoshi Mori, Bank of Mitsubishi-Tokyo UFJ - Functions and activities of National Market Practice Group
15:15 - 15:30	- *Coffee break*
15:30 - 16:45	**Session 7: Proposal of Re-organization of SF2 and establishment of a New Group under CSIF of TF4** by Mr. Satoru Yamadera, ADB Secretariat - Functions of the new group - Membership - Standardization and market practice
16:45 - 17:00	**Wrap up of SF2 discussion and others** by ADB Secretariat -Next ABMF meeting
17:00 – 17:10	**Closing Remarks by** Mr. Jong Hyung Lee , SF2 Chair
18:00 – 20:00	***Dinner hosted by ADB*** *(Auditorium Gallery)*
23 January 2015	**DAY 2: Sub Forum 1 (SF1) meeting**
08:30 - 09:00	*Registration*
09:00 - 9:10	**Opening Remarks** by Mr. Koji Ito, SF1 Chair
09:10 - 10:10	**Session 1: Presentation of the AMBIF common document** by ADB Secretariat team - Explanation of core elements to be recognized as AMBIF - Discussion and endorsement of the common document
10:10 - 11:15	**Session 2: Validation of the implementation guideline for selected markets (JP, MY, PH, TH, HK, SG)** by ADB Secretariat team - Explanation of AMBIF issuance procedures in each market
11:15 - 11:30	*Coffee break*
11:30 - 12:00	**Session 3: Remaining issues for other markets to be included in AMBIF** by ADB Secretariat team - Steps way forward to be recognized as AMBIF markets
12:00 - 12:30	**Session 4: How to Implement Pilot Issuance: Approach to attract potential issuers and potential Investors** by ADB Secretariat team - Potential issuers and potential investors - Issues to be tacked to attract and facilitate intra-regional investors

DATE&TIME	PROGRAM
12:30 - 13:30	*Lunch (EDR Coffee Lounge, 2nd Floor)*
13:30 - 15:00	**Session 5: Re-organization of ABMF** by Mr. Satoru Yamadera, ADB Secretariat -Objective of the re-organization -Works to be done under the new ABMF - AMBIF document management and issue-focused working group(s)
15:00 - 15:15	*Coffee break*
15:15 – 16:15	**Session 6: How to support Regional SRO under ABMF** - Issues to be discussed by SRO as the next step - Issues to be supported by ABMF
16:15 - 16:45	**Session 7: Revision of Bond market Guides** by ADB Secretariat team -Tour-de-table discussion and collection of information from national members
16:45 - 17:00	**Wrap up of SF1 discussion and others** by ADB Secretariat -Next ABMF meeting
17:00 - 17:10	**Closing Remarks** by Mr. Koji Ito, SF1 Chair

DAY 2
(23 January 2015)

Sub-Forum 1 (SF1)
Meeting

Session 1: Presentation of the AMBIF common document

by ADB Secretariat team

- Explanation of core elements to be recognized as AMBIF
- Discussion and endorsement of the common document

Version. 10
22/Jan/2015

Single Submission Form (SSF)

For Day 2, Session 1

ABMF SF1 Meeting
January *2015*

Satoru (Tomo) Yamadera,
Principal Financial Sector Specialist, RSDD, ADB
&
Prof. Shigehito Inukai + Matthias Schmidt
ADB Consultants for AMBF SF1

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   - Possible simultaneous submission of SSF
   - Multiple registration/listings to attract investors
6. Promotion of Medium-term Note Program in AMBIF
7. Feedback from Members

1. Introduction to AMBIF

- AMBIF (ASEAN+3 Multicurrency Bond Issuance Framework) is a policy initiative under the ABMI (Asian Bond Markets Initiative) to help facilitate intra-regional transactions through standardized bonds/notes issuance and investment processes. By doing so, it will facilitate the process of a recycle of savings within the region in a practical and efficient manner. This can be expected to contribute to the region's economic growth and stability enhancement.

- An AMBIF Market is defined as a professional bond market or market segment for AMBIF bonds/notes issuance; an AMBIF Market may be constituted as a result of professional investor concepts (such as Qualified Buyer), or professional market concepts (such as PP-AI), or because of exemptions from public offering market concepts (such as Excluded Offers and similar regimes).

- AMBIF Investors are investors eligible for buying and trading bonds/notes issued under AMBIF.

2. AMBIF Elements

AMBIF Elements (AMBIF Core Components)	*Brief Description*
✓ *Domestic Settlement*	*Bonds/notes are settled at a National CSD in ASEAN+3*
✓ *Harmonized Documents for Submission (Single Submission Form)*	*Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information along with ADRB recommendation needs to be included.*
✓ *Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)*	*Information on bonds/notes and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.*
✓ *Currency*	*Bonds/notes are denominated in currencies normally issued in domestic bond markets of ASEAN+3*
✓ *Scope of Issuer*	*Resident of ASEAN+3*
✓ *Scope of Investors*	*Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3*

3. Objective of the SSF

- The **Single Submission Form (SSF)** is aimed to facilitate an AMBIF bonds/notes issuance application to “regulatory, listing and registration authorities in each participating market.”
- SSF is prepared for the benefit of issuers aiming to issue bonds/notes to Professional Investors in ASEAN+3.
  - SFF should be looked at together with the AMBIF Implementation Guidelines, which explain specific issuance processes in respective markets.

SSF for Disclosure

- The SSF can be used either as disclosure for bonds/notes issued under a program/shelf-registration or for a discrete stand-alone AMBIF bonds/notes issuance.
- All the necessary disclosure information as specified by regulatory, listing and registration authorities should be submitted together with this Form, as may be required by applicable regulations/guidelines of the relevant jurisdictions.

4. Common Set of Information defined by SSF (1)

- The SSF contains a common set of information to be submitted when applying for AMBIF bonds/notes issuance for each participating market;
  - However, this does not impact on the ability of the regulatory, listing and registration authorities to request additional information if so deemed necessary for their review and approval.

4. Common Set of Information defined by SSF (2)

- The SSF will be recognized and endorsed by the regulatory, listing and registration authorities in each participating market;
  - However, this would not exclude the possibility to use another form or document when applying for an AMBIF bonds/notes issuance where the relevant authorities so admit or require.

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- Issuer's Parent Company's Jurisdiction:

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Authorities and Market Institutions to be applied to

General Information for Single Submission Form

Common Document for Submission to Regulatory, Listing and Registration Authorities and Market Institutions for Issuance of Notes under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), to be submitted by Issuer(s) to Regulatory, Listing and Registration Authorities and Market Institutions for Regulatory Process(es) as applicable.

Date of Submission: _____

Issuer's Name: _____

Issuer's Address: _____

[Issuer's Representative's Signature:] _____

Issuer's Representative's Name: _____

Issuer's Representative's Title & Status: _____

Submitted Authorities and Market Institutions:

Targeted Market		Regulatory, Listing or Registration Authority and Market Institution	Purpose of Submission	Tick
(The following list is still under consideration. PRC, Indonesia and Korea are still in the process of formalizing AMBIF markets. Cambodia, Lao PDR, Myanmar and Viet Nam do not have AMBIF markets yet.)				
Cambodia	1-1.	Securities and Exchange Commission of Cambodia (SECC)	Approval [correct term to be confirmed]	
	1-2.	National Bank of Cambodia (NBC)	Approval [correct term to be confirmed]	
People's Republic of China (PRC)	2-1.	People's Bank of China (PBOC)	Approval [correct term to be confirmed]	
	2-2.	National Association of Financial Market Institutional Investors (NAFMII)	Approval [correct term to be confirmed]	
	2-3.	Shanghai Clearing House	Depository / Settlement	
Hong Kong, China	3-1.	Hong Kong Exchanges and Clearing Limited (HKEx)	Submission for Listing [correct term to be confirmed]	
	3-2.	Hong Kong Monetary Authority (HKMA) – Central Moneymarkets Unit (CMU)	Depository / Settlement	
Indonesia	4-1.	Indonesian Financial Services Agency (OJK)	Approval [correct term to be confirmed]	
	4-2.	PT Kustodian Sentral Efek Indonesia (KSEI)	Depository / Settlement	
Japan	5.	Tokyo Stock Exchange – TOKYO PRO-BOND Market	Submission for Listing [correct term to be confirmed]	
Republic of Korea	6-1.	Korea Exchange (KRX)	Submission for Listing [correct term to be confirmed]	
	6-2.	Korea Financial Investment Association (KOFIA)	Submission for Registration [correct term to be confirmed]	
	6-3.	Korea Securities Depository (KSD)	Depository / Settlement	
Lao PDR	7-1.	Securities and Exchange Commission Office (SCC)	Approval [correct term to be confirmed]	
	7-2.	Bank of Lao PDR	Approval [correct term to be confirmed]	
Malaysia	8-1.	Securities Commission Malaysia (SC Malaysia)	Submission of Application for Approval [correct term to be confirmed]	
	8-2.	Bank Negara Malaysia (BNM)	Request for Approval [correct term to be confirmed]	
	8-3.	MyClear (BNM) - RENTAS	Depository / Settlement	
	8-4.	Bond Pricing Agency Malaysia (BPAM)	Submission for Registration [correct term to be confirmed]	
Myanmar	9-1.	Securities and Exchange Commission	Approval [correct term to be confirmed]	
	9-2.	Central Bank of Myanmar	Approval [correct term to be confirmed]	
Philippines	10-1.	Securities and Exchange Commission of the Philippines (PH SEC)	Submission of Note of Exemption [correct term to be confirmed]	
	10-2.	Bangko Sentral ng Pilipinas (BSP)	Request for Approval [correct term to be confirmed]	
	10-3.	Philippine Dealing & Exchange Corp. (PDEx)	Enrolment for Listing cum Trading	
	10-4.	Philippine Depository & Trust Corp. (PDTC)	Depository / Settlement [correct term to be confirmed]	
Singapore	11-1.	Singapore Exchange Securities Trading Limited (SGX)	Submission of Application for Listing	
	11-2.	Central Depository Pte Ltd. (CDP)	Depository / Settlement	
Thailand	12-1.	Securities and Exchange Commission (Thai SEC)	Filing for Approval [correct term to be confirmed]	
	12-2.	Public Debt Management Office (PDMO) of the MOF	Request for Approval [correct term to be confirmed]	
	12-3.	Thai Bond Market Association (ThaiBMA)	Submission for Registration	
	12-4.	Bank of Thailand *(Only in case issuer is financial institution for the use of proceeds as capital requirement)*	Request for Approval [correct term to be confirmed]	
	12-5.	Thailand Securities Depository (TSD)	Depository / Settlement	
Viet Nam	13-1.	State Securities Commission (SSC)	Approval [correct term to be confirmed]	
	13-2.	State Bank of Vietnam (SBV)	Approval [correct term to be confirmed]	
	13-3.	Vietnam Bond Market Association (VBMA)	Submission for Registration [correct term to be confirmed]	
	13-4.	Vietnam Securities Depository (VSD)	Depository / Settlement	

Issuer's Domicile:

Issuer's Domicile (Home Jurisdiction)	No.	Resident in

Issuer's Parent Company's Jurisdiction:

Issuer's Parent company's Jurisdiction	

This list is still under consideration.
PRC, Indonesia and Korea are still in the process of formalizing AMBIF markets.
Brunei, Cambodia, Lao PDR, Myanmar and Viet Nam do not have AMBIF markets yet.

Chapter I, Section 3: Targeted Professional Investor Markets in ASEAN+3(*):

No.	Targeted Professional Investor Market	Tick
1.	(Cambodia: PP Market)	
2.	China: Inter-Bank Bond Market (IBBM)	
3.	**Hong Kong: Professional Investors Only Market**	
4.	Indonesia: PP Market	
5.	**Japan: TOKYO PRO-BOND Market (Professional Investor Market)**	
6.	Korea: PP Market	
7.	(Lao PDR: PP Market)	
8.	**Malaysia: Excluded Offers – Sophisticated Investors Market**	
9.	(Myanmar: PP Market)	
10.	**Philippines: Qualified Buyers / Exempt Transactions Market**	
11.	**Singapore: Wholesale Market (Institutional Investors Market)**	
12.	**Thailand: PP-AI Regime (Accredited Investors Market)**	
13.	(Viet Nam: PP Market)	

(: So far, as of End of 2014, six markets have defined professional bond markets suitable for AMBIF.) (PP means Private Placement market.)*

5. Special Features of AMBIF and SSF (1)

- Simultaneous submission of SSF in multiple markets is possible.
  - In order to facilitate a shorter time to market for the issuer, SSF may be submitted to all relevant regulatory authorities and market institutions at the same time.
  - Before the submission of the SSF, the “AMBIF Implementation Guideline for each of the participating markets” should be referred to accordingly. (To be discussed in Session 2)

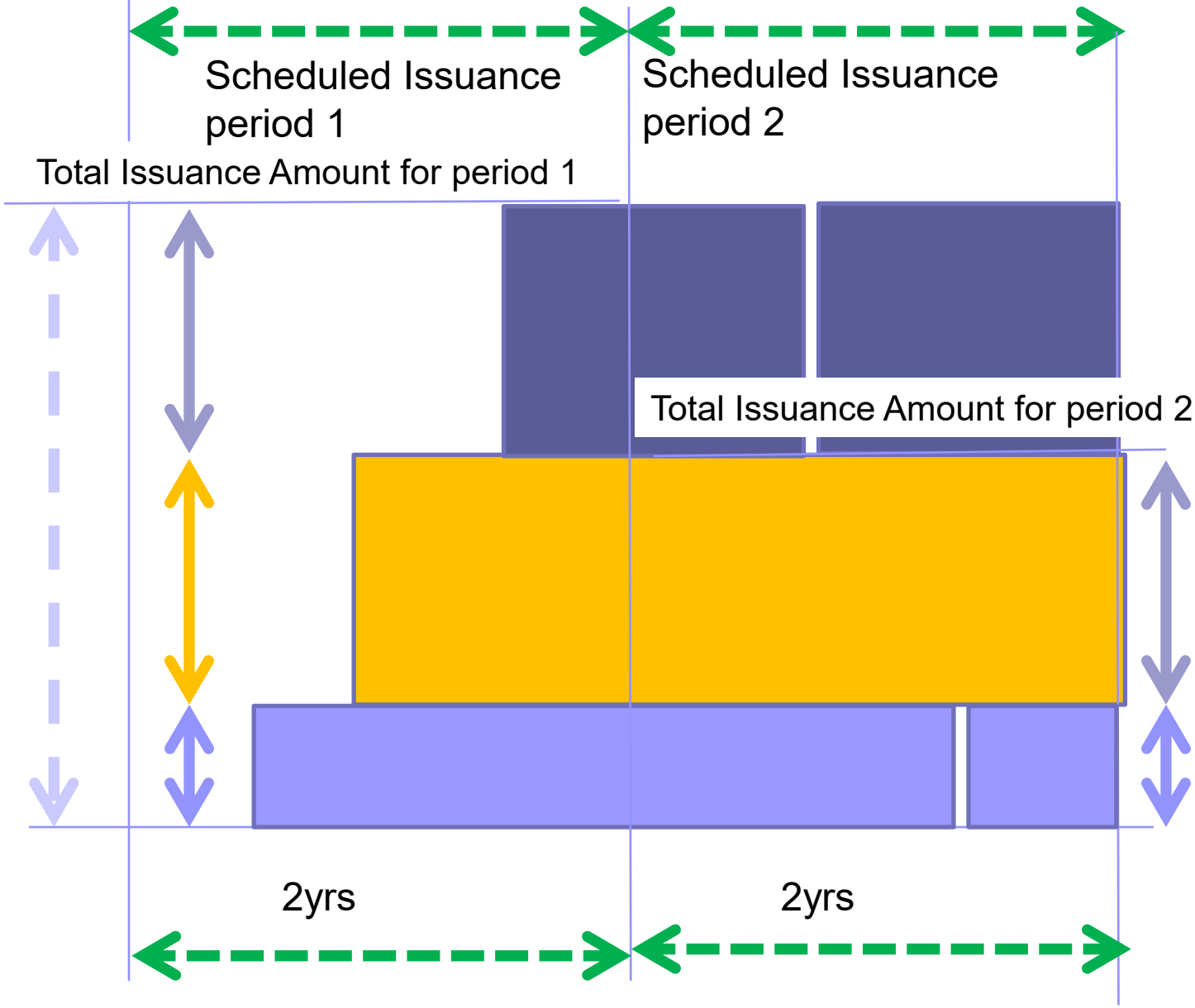
5. Special Features of AMBIF and SSF (2)

- AMBIF bond can be offered and registered / listed at multiple places to attract investors.
  - In order to increase visibility to investors in different ASEAN+3 markets, an AMBIF bond can be offered in multiple places.
    - For example, to attract Japanese investors, a Thai issuer may consider not only registering the bond at Thai BMA, but also listing on TSE. In addition, the Thai bond can be offered in Malaysia as well.

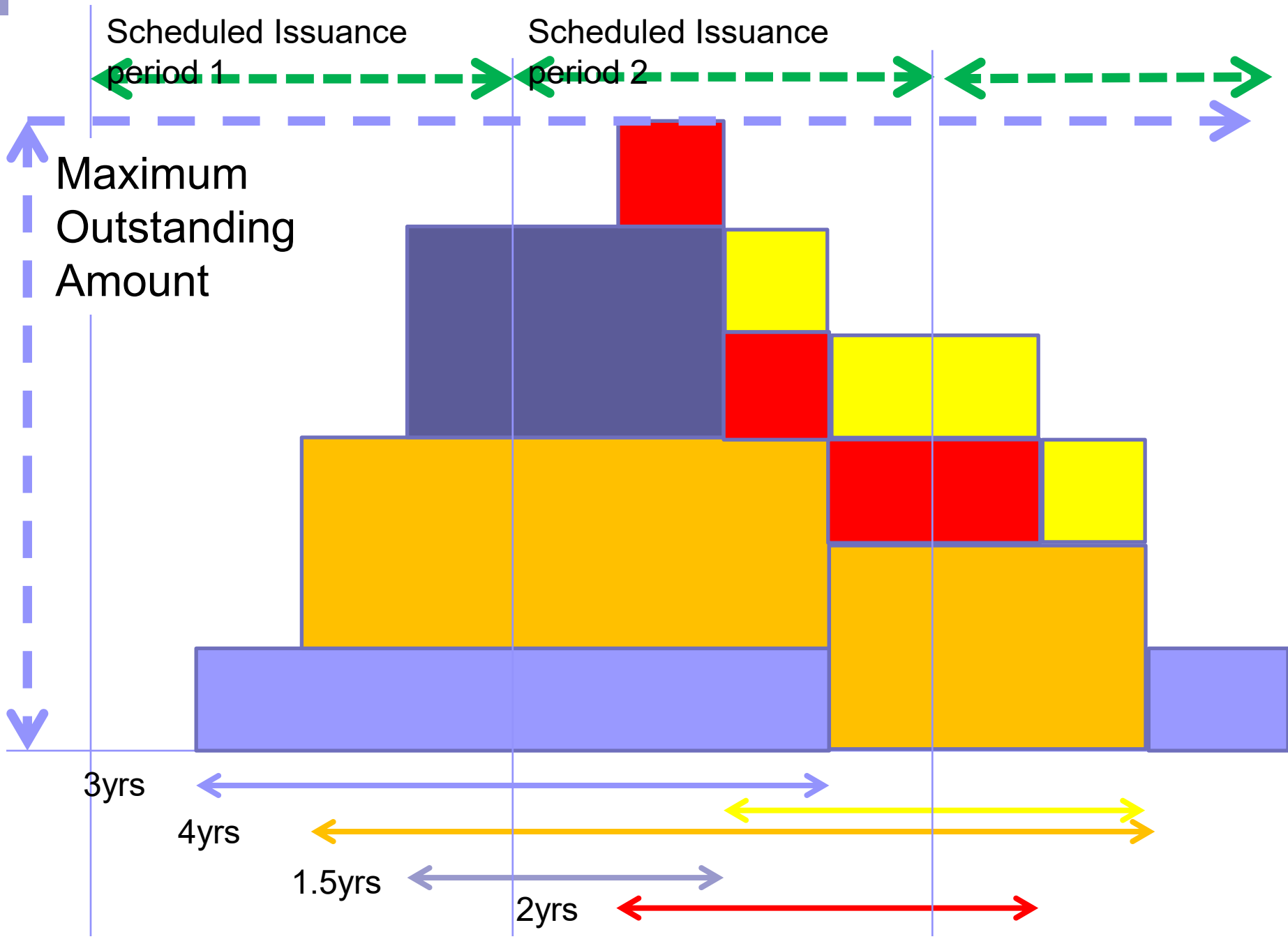
6. Promotion of Medium-term Note under AMBIF

- *The term '**Notes**' used in this **SSF** is intended to describe debt instruments to be issued in a general manner to professional investors in the participating ASEAN+3 markets. The terms below correspond to the expressions commonly used in the context of bonds/notes issuance in international debt capital markets and are typically familiar to regular issuers, professional investors and their service providers.*
  - *For the purpose of this **SSF**, the term '**Notes'** is meant to include various forms of debt instruments, such as bills, notes and bonds, without any prejudice towards any of the definitions of the individual terms as may exist in the current practice, laws and regulations of the participating ASEAN+3 markets.*
  - *The term '**Note Issuance Program'** is intended to describe a program under which multiple issuances of Notes are intended with a **maximum outstanding amount** and **common disclosure** of the issuer information. The term '**Note Issuance Program'** is also meant to cover any equivalent debt instrument issuance forms, including but not limited to, medium-term note (MTN) programs and debt issuance programs commonly used in mature debt capital markets.*

Shelf Registration



Note Issuance Program / MTN Program



7. Feedback from Members

7. Feedback from Members (1)

- The form looks already very comprehensive. In our role as trustee, Fiscal Agent, Paying Agent etc., the form would have all of the information that I would need.
- One thought may be to add a box to confirm that the Issuer is in compliance with all existing covenants from existing borrowing or to identify and justify any existing breach.
- We had a situation recently where we were asked to act as trustee for a bond issue where technical breaches existed that were only highlighted at the 11th hour. It would have been useful for us to have known about these in advance and I suspect it would be the same for the regulators and exchanges.

7. Feedback from Members (2)

IV. Information on the Notes

1. Summary of the Terms and Conditions of the Notes/Final Terms of Individual Issuance of Notes:

4.	**Maximum Outstanding Amount under the Program:** **Does it refer to the issue amount?**	
7.	**Denomination of the Notes:** **Suggest to add the following items which are commonly used in the market for bond issuance:** **i) Minimum Tradable Amount** **ii) Multiple Tradable Amount**	
12. (add)	**Record Date Rule:**	
16. (add)	**Suggest to add:** **Interest Payment Frequency**	
20. (add)	**Subject to FATCA Withholding Tax**	**Y / N**

7. Feedback from Members (3)

Comment #1:

- **Suggest to include details of advisor/underwriters who are appointed by issuer to cover all the cross-border issuance and investment**

Comment #2:

- **Could we expand the form to accommodate both "cross-border investment" and "cross-border issuance" to be clearly segregated and clearly allowed (as shown below) :**

Submitted Authorities and Market Institutions (P.6-) :

Targeted Market	Regulatory, Listing or Registration Authority and Market Institution	Purpose of Submission	Tick	
			Submission for Cross-Border Investment (Scheme 1)*	Submission for Cross-Border Issuance (Scheme 2)^

Continued next page ->

- * Refers to offering of bonds issued in Issuer's country and home currency to eligible investors in ASEAN+3 countries. Under this scheme, a large portion of the bonds would be issued to domestic investors in issuer' country and the remaining portion of the bonds is offered to eligible investors in ASEAN+3 countries. This offering does not amount to the creation of offshore bonds or internationalisation of issuer's home country. Bonds are issued in home country of issuer, thereby addressing foreign currency risk for the issuer. ASEAN+3 investors could enter into cross-currency interest rate swaps with banks, should they wish to hedge the foreign currency and interest rate exposures. In this regard, ASEAN+3 investors are usually investors who have experience in investing abroad, including the ASEAN+3 local currency bonds in the secondary markets.
- ^ Refers to issuance by issuers who are not the resident of the selected markets but intend to raise funds to be used either in that particular domestic markets or repatriate the funds to his home country upon executing a currency conversion.

Comment #3 :

- Are issuers required to indicate upfront all the markets they would like to offer or issue?
- Regulators in some markets such as Malaysia and Thailand set a period in which foreign issuers must issue their bonds once the applications are approved.
- In Malaysia, the SC Malaysia is reviewing the said period with an intention to shorten the timeframe. Currently, it is one year for non-MTN programme and 2 year for MTN programme.

7. Feedback from Members (4)

III. Information of the Program or the Shelf-Registration

26.	**Outstanding Debt from Previous Issue of Bond**	

IV. Information on the Notes

Other Information of the Notes:

14.	Type of Notes: *[Fixed Rate Notes]* *[Floating Rate Notes]* *[Zero Coupon Notes]*	1.	
		2.	
		3.	
15.	Method of Distribution: *[Subject to applicable selling restrictions. For instance, "Notes may be distributed [only to professional investors] on a syndicated or non-syndicated basis."]*		
16.	Outstanding Debt from Previous Issue of Bond		
17.	Timing of Bond Issuance		
18.	Cross Currency Swap Intermediaries		

Prof. Shigehito Inukai
ADB Consultant
Waseda University
1-21-1 Nishiwaseda, Shinjuku-ku
Tokyo 169-0051

Office +81 3 5286 1994
Mobile +81 80 3360 7551
shige.inukai@me.com

Matthias Schmidt
ADB Consultant

Office +61 3 95571314
Mobile +61 423 708910
macschmidt@me.com

Single Submission Form

Common Document for Submission to Regulatory, Listing and Registration Authorities and Market Institutions for Issuance of Notes

under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF)

ASEAN+3 Bond Market Forum (ABMF) Initiative

DRAFT

(Draft Version 31, 12 January 2015)

Prepared by ADB Consultants with the ADRB, and Related Authorities in the Region

Important Notes on this Form

Important Notes to related parties:

- *This **Single Submission Form (SSF)** is aimed to facilitate an AMBIF bonds/notes issuance application to regulatory, listing and registration authorities in each participating market. As such, this Form is prepared for the benefit of issuer(s) aiming to issue bonds/notes to Professional Investors in ASEAN+3.*
- *This Form contains a common set of information to be submitted when applying for AMBIF bonds/notes issuance for each participating market; however, this does not impact on the ability of the regulatory, listing and registration authorities to request additional information if so deemed necessary for their review and approval.*
- *This Form is a standard submission document (template) for AMBIF bonds/notes issuance(s) that is readily available for the markets defined in Chapter I, Section 3: Targeted Professional Investor Markets in ASEAN+3. As at the end of December 2014, professional bond markets in Hong Kong, Japan, Malaysia, the Philippines, Singapore and Thailand are available as the Targeted Professional Investor Markets.*
- *This Form is recognized by the regulatory, listing and registration authorities in each participating market; however, this would not exclude the possibility to use another form or document when applying for an AMBIF bonds/notes issuance where the relevant authorities so admit or require.*

Important Notes to Issuers who would like to submit this Form:

- *This **Single Submission Form (SSF)** can be used either as disclosure for bonds/notes issued under a program/shelf-registration or for a discrete stand-alone AMBIF bonds/notes issuance.*
- *All the necessary disclosure information as specified by regulatory, listing and registration authorities should be submitted together with this Form, as may be required by applicable regulations/guidelines of the relevant jurisdictions. This means that such information may not be provided only by way of referring to a particular filing place or website.*
- *In order to facilitate a shorter time to market for the issuer, this Form may be submitted to all relevant regulatory authorities and market institutions at the same time.*
- *Before the submission of this Form, the "AMBIF Implementation Guideline for each of the participating markets" should be referred to accordingly. (Currently in production)*

Notes about Terminology in this Form:

- *The term '**Notes**' used in this **Single Submission Form (SSF)** is intended to describe debt instruments to be issued in a general manner to professional investors in the participating ASEAN+3 markets. The terms below correspond to the expressions commonly used in the context of bonds/notes issuance in international debt capital markets and are typically familiar to regular issuers, professional investors and their service providers.*
- *For the purpose of this **Single Submission Form**, the term '**Notes'** is meant to include various forms of debt instruments, such as bills, notes and bonds, without any prejudice towards any of the definitions of the individual terms as may exist in the current practice, laws and regulations of the participating ASEAN+3 markets.*
- *The term '**Note Issuance Program'** is intended to describe a program under which multiple issuances of Notes are intended with a **maximum outstanding amount** and **common disclosure** of the issuer information. The term '**Note Issuance Program'** is also meant to cover any equivalent debt instrument issuance forms, including but not limited to, medium-term note (MTN) programs and debt issuance programs commonly used in mature debt capital markets.*

[Above Notes stay on the Form; Note below is for current review purposes only.]

[Important Notes for Reviewers of this Draft Form]

Important Notes to Regulatory, Listing and Registration Authorities and Market Institutions:

- *This **Draft Form** should be reviewed by ADRB and each regulator/authority, respectively. Reviewers are kindly requested to provide in their response the adequate **description** for their respective jurisdiction in each of the section, as may be applicable.*
- *Regulatory, listing and registration authorities and market institutions in each jurisdiction should, when reviewing this Draft Form, consider whether to include relevant information on the **following points** in this **Single Submission Form (SSF)**:*
  - ✓ *Whether the minimum disclosure requirement in a given market differs from (be more or less than contained herein) this **Single Submission Form**.*
  - ✓ *Whether the applicable law can or cannot accept exclusion of responsibility or liability from issuers or its officers.*
- *Regulatory, listing and registration authorities and market institutions in each jurisdiction are expected to review the draft "**AMBIF Implementation Guideline for each of the participating markets** (currently under production)" together with this **Draft Form**.*

Introduction to AMBIF and AMBIF Elements

- AMBIF (ASEAN+3 Multicurrency Bond Issuance Framework) is a policy initiative under the ABMI (Asian Bond Markets Initiative) to help facilitate intra-regional transactions through standardized bonds/notes issuance and investment processes. By doing so, it will facilitate the process of a recycle of savings within the region in a practical and efficient manner. This can be expected to contribute to the region's economic growth and stability enhancement.
- An AMBIF Market is defined as a professional bond market or market segment for AMBIF bonds/notes issuance; an AMBIF Market may be constituted as a result of professional investor concepts (such as Qualified Buyer), or professional market concepts (such as PP-AI), or because of exemptions from public offering market concepts (such as Excluded Offers and similar regimes).
- AMBIF Investors are investors eligible for buying and trading bonds/notes issued under AMBIF. (*)

The AMBIF Elements (AMBIF Core Components) are stated as follows:

AMBIF Elements (AMBIF Core Components)	***Brief Description***
✓ ***Domestic Settlement***	***Bonds/notes are settled at a National CSD in ASEAN+3***
✓ ***Harmonized Documents for Submission (Single Submission Form)***	***Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information along with ADRB recommendation needs to be included.***
✓ ***Registration or profile listing at ASEAN+3 (Place of continuous disclosure)***	***Information on bonds/notes and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.***
✓ ***Currency***	***Bonds/notes are denominated in currencies normally issued in domestic bond markets of ASEAN+3***
✓ ***Scope of Issuer***	***Resident of ASEAN+3***
✓ ***Scope of Investors***	***Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3 (*)***

Source: ADB Consultants for SF1

****: AMBIF Investors:***

- *Investors targeted under AMBIF are professional investors in ASEAN+3, as they may currently be defined in accordance with applicable laws and regulations in each jurisdiction or market practice.*
- *There is no intention to normalize the professional investor concepts across markets at this stage, since it is ABMF's policy to avoid changes to existing legislation as a result of defining and implementing AMBIF.*
- *The professional investors may also include foreign institutional investors (FII), if they are so defined in the laws and regulations as professional, or if market practice already shows evidence of FII investment activities.*

Single Submission Form

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I. General Information for Single Submission Form

Common Document for Submission to Regulatory, Listing and Registration Authorities and Market Institutions for Issuance of Notes under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), to be submitted by Issuer(s) to Regulatory, Listing and Registration Authorities and Market Institutions for Regulatory Process(es) as applicable.

Date of Submission: _____

Issuer's Name: _____

Issuer's Address: _____

[Issuer's Representative's Signature:]_____

Issuer's Representative's Name: _____

Issuer's Representative's Title & Status:_____

Submitted Authorities and Market Institutions:

Targeted Market	Regulatory, Listing or Registration Authority and Market Institution		Purpose of Submission	Tick
(The following list is still under consideration. PRC, Indonesia and Korea are still in the process of formalizing AMBIF markets. Brunei, Cambodia, Lao PDR, Myanmar and Viet Nam do not have AMBIF markets yet.)				
Cambodia	1-1.	Securities and Exchange Commission of Cambodia (SECC)	Approval [correct term to be confirmed]	
	1-2.	National Bank of Cambodia (NBC)	Approval [correct term to be confirmed]	
People's Republic of China (PRC)	2-1.	People's Bank of China (PBOC)	Approval [correct term to be confirmed]	
	2-2.	National Association of Financial Market Institutional Investors (NAFMII)	Approval [correct term to be confirmed]	
	2-3.	Shanghai Clearing House	Depository / Settlement	
Hong Kong, China	3-1.	Hong Kong Exchanges and Clearing Limited (HKEx)	Submission for Listing [correct term to be confirmed]	
	3-2.	Hong Kong Monetary Authority (HKMA) – Central Moneymarkets Unit (CMU)	Depository / Settlement	

Indonesia	4-1.	Indonesian Financial Services Agency (OJK)	Approval [correct term to be confirmed]	
	4-2.	PT Kustodian Sentral Efek Indonesia (KSEI)	Depository / Settlement	

Japan	5.	Tokyo Stock Exchange – TOKYO PRO-BOND Market	Submission for Listing [correct term to be confirmed]	

Republic of Korea	6-1.	Korea Exchange (KRX)	Submission for Listing [correct term to be confirmed]	
	6-2.	Korea Financial Investment Association (KOFIA)	Submission for Registration [correct term to be confirmed]	
	6-3.	Korea Securities Depository (KSD)	Depository / Settlement	

Lao PDR	7-1.	Securities and Exchange Commission Office (SCC)	Approval [correct term to be confirmed]	
	7-2.	Bank of Lao PDR	Approval [correct term to be confirmed]	

Malaysia	8-1.	Securities Commission Malaysia (SC Malaysia)	Submission of Application for Approval [correct term to be confirmed]	
	8-2.	Bank Negara Malaysia (BNM)	Request for Approval [correct term to be confirmed]	
	8-3.	MyClear (BNM) - RENTAS	Depository / Settlement	
	8-4.	Bond Pricing Agency Malaysia (BPAM)	Submission for Registration [correct term to be confirmed]	

Myanmar	9-1.	Securities and Exchange Commission	Approval [correct term to be confirmed]	
	9-2.	Central Bank of Myanmar	Approval [correct term to be confirmed]	

Philippines	10-1.	Securities and Exchange Commission of the Philippines (PH SEC)	Submission of Note of Exemption [correct term to be confirmed]	
	10-2.	Bangko Sentral ng Pilipinas (BSP)	Request for Approval [correct term to be confirmed]	
	10-3.	Philippine Dealing & Exchange Corp. (PDEx)	Enrolment for Listing cum Trading	
	10-4.	Philippine Depository & Trust Corp. (PDTC)	Depository / Settlement [correct term to be confirmed]	

Singapore	11-1.	Singapore Exchange Securities Trading Limited (SGX)	Submission of Application for Listing	
	11-2.	Central Depository Pte Ltd. (CDP)	Depository / Settlement	

Thailand	12-1.	Securities and Exchange Commission (Thai SEC)	Filing for Approval [correct term to be confirmed]	
	12-2.	Public Debt Management Office (PDMO) of the MOF	Request for Approval [correct term to be confirmed]	
	12-3.	Thai Bond Market Association (ThaiBMA)	Submission for Registration	
	12-4.	Bank of Thailand *(Only in case issuer is financial institution for the use of proceeds as capital requirement)*	Request for Approval [correct term to be confirmed]	
	12-5.	Thailand Securities Depository (TSD)	Depository / Settlement	

Viet Nam	13-1.	State Securities Commission (SSC)	Approval [correct term to be confirmed]	
	13-2.	State Bank of Vietnam (SBV)	Approval [correct term to be confirmed]	
	13-3.	Vietnam Bond Market Association (VBMA)	Submission for Registration [correct term to be confirmed]	
	13-4.	Vietnam Securities Depository (VSD)	Depository / Settlement	

Issuer's Domicile:

Issuer's Domicile (Home Jurisdiction)	No.	Resident in

Issuer's Parent Company's Jurisdiction:

Issuer's Parent company's Jurisdiction	

1. **Type of Submission:**

		Tick
Type-P.	Note Issuance Program:	
Type-S.	Shelf-Registration: *(Regulatory system of collective registration of the total amount of the note issuances that can be executed within a certain period of time)*	
Type-A.	Stand-Alone Issuance:	
Type-D	Drawdown Issuance from the Note Issuance Program / Shelf-Registration:	

2. **Distinction of the Form:**

		Tick
N.	New:	
R.	Renewal (Details are described below):	
A.	Amendment (Details are described below):	

3. **Targeted Professional Investor Markets in ASEAN+3***(*)*:

No.	Targeted Professional Investor Market	Tick
1.	(Cambodia: PP Market)	
2.	China: Inter-Bank Bond Market (IBBM)	
3.	**Hong Kong: Professional Investors Only Market**	
4.	Indonesia: PP Market	
5.	**Japan: TOKYO PRO-BOND Market (Professional Investor Market)**	
6.	Korea: PP Market	
7.	(Lao PDR: PP Market)	
8.	**Malaysia: Excluded Offers – Sophisticated Investors Market**	
9.	(Myanmar: PP Market)	
10.	**Philippines: Qualified Buyers / Exempt Transactions Market**	
11.	**Singapore: Wholesale Market (Institutional Investors Market)**	
12.	**Thailand: PP-AI Regime (Accredited Investors Market)**	
13.	(Viet Nam: PP Market)	

(: So far, as of End of 2014, six markets have defined professional bond markets suitable for AMBIF.) (PP means Private Placement market.)*

4. Denominated Currency of the Notes:

No.	Denominated Currency of the Notes (ISO 4217 Code)		Tick
1.	KHR		
2.	CNY	CNH: (HKMA-CMU Settled)	
3.	HKD		
4.	IDR		
5.	JPY		
6.	KRW		
7.	LAK		
8.	MYR		
9.	MMK		
10.	PHP		
11.	SGD		
12.	THB		
13.	VND		
14.	USD		

5. Clearing and Settlement:

No.	Denominated Currency of the Notes	Name of Central Depository	Name of Depository System	Distinction of DVP / Non-DVP / N/A

6. Place of Disclosure:

No.	Name of the Place of Disclosure
Detailed explanation about the profile listing, registration, if necessary:	

7. Any other Important Matters:

No.	Jurisdiction / Market *(*)*	Important Matter
1.	KH	
2.	CN	
3.	HK	
4.	ID	
5.	JP	
6.	KR	
7.	LA	
8.	MY	
9.	MM	
10.	PH	
11.	SG	
12.	TH	
13.	VN	
14.	Other (if any)	

(: each jurisdiction's regulator and/or authority are expected to describe important matter.)*

II. Issuer Information

(If two or more issuers intend to jointly establish a note issuance program, describe information for each of the issuers.)

Method of describing Issuer Information *(*)* *(An issuer can choose one method of describing as set forth below.)*		**Tick**
i.	Fully describe Issuer Information	
ii.	Specify the documents and places where AMBIF Investors are able to access the documents and designate them as '**Documents Incorporated by Reference**'	
iii.	Combination of above i) and ii)	

(: An issuer can also choose not to designate its Financial Information of the Issuer as 'Documents Incorporated by Reference,' provided the Issuer discloses its financial information in English in the Home Jurisdiction. For example, in case the Issuer has continuously disclosed English annual reports which contain consolidated financial statements with independent auditor's reports, the Issuer may state such fact below and describe how AMBIF Investors can access such annual reports, e.g. in the form of a web address.)*

1. Information on the Issuer:

1.	Name of Issuer	
2.	Name and Title of Representative	
3.	Address (Registered Address / Business Address)	
4.	Liaison Contact Person	
5.	Telephone and e-Mail	
6.	Business Registration No. (if any)	
7.	Date and Place of Incorporation	
8.	Authorised and Paid-up Capital	
9.	Trends of Key Financial Data	
10.	Description of Business	(See attachment*) *(*In case description is long.)*
11.	Risk Factors *(including Risks Related to Issuer's Business, Operations, and Regulatory Environment)*	(See attachment*) *(*In case description is long.)*

12.	Board of Directors	(See attachment*) *(*In case description is long.)*
13.	Controlling Shareholders or, in the Case of a Public Company, Names of Major Shareholders	(See attachment*) *(*In case description is long.)*
14.	Status of Affiliates	(See attachment*) *(*In case description is long.)*
15.	Website for Disclosure (if any)	

2. Financial Information of the Issuer:

1.	Consolidated Financial Statements *(i) Consolidated Balance Sheet* *(ii) Consolidated Income Statement and Consolidated Comprehensive Income Statement, or Statement of Consolidated Income and Comprehensive Income* *(iii) Consolidated Statement of Changes in Shareholders' Equity* *(iv) Consolidated Cash Flow Statement* *(v) Independent Auditor's Report* *(vi) Accompanied Notes*	(See Attachment*) *(*In case of above i, ii, iii.)*
2.	Other Matters	
	● Subsequent Events	
	● Litigations	

3. Information on the Guarantor or Provider of other Credit Enhancement (if any):

1.	Name	
2.	Address	
3.	Description of Business	
4.	Guaranty or Support Agreement Details	

4. Financial Information of the Guarantor or Provider of Credit Enhancement:

(See Attachment*) *(* In case description is long)*

III. Information of the Program or the Shelf-Registration *(*)*

(: Except for Item No.14 below, the component information for Program and Shelf-Registration is exactly the same.)*

1.	Issuer:	

2-1.	Guarantor (if any):	
2-2.	Provider of Credit Enhancement (if any):	

3.	Description of the Program or Shelf-Registration: *(Ref. "I. 1. Type of Submission (Type-P) or (Type-S)")*	

4.	Credit Rating(s) for the Program or Shelf-Registration:	

5.	Scheduled Issuance Period: *[DD/MM/YY] - [DD/MM/YY]*	

6.	Arranger(s) of the Program or Shelf-Registration:	
7.	Dealers and/or Underwriters:	
8.	Trustee or Equivalent *(*)* (if any): *[*: 'Bond Administrator' / 'Commissioned Company/Person' / 'bondholder representative']*	

9.	Fiscal Agent:	
10.	Paying Agents:	
11.	Registrar and Transfer Agent:	
12.	Other Agent ( ):	

13-1.	Legal Advisers to the Issuer(s)	

13-2.	Legal Adviser(s) to the Dealer(s):	

14-P.	Maximum Outstanding Amount under the Program:	
14-	Total Amount of the Notes	

S.	Issuances under Shelf-Registration:	

15.	Method of Distribution: *[Subject to applicable selling restrictions. For instance, "Notes may be distributed [only to professional investors] on a syndicated or non-syndicated basis."]*	
16.	Issuance in Series: *[Describe if notes will be issued in Series, and, if so, salient points of it and tranches within the series.]*	
17.	Forms of Notes: *[Book-entry]* *[Bearer]* *[Registered]*	

18.	Currencies: *[Describe currencies in which Notes under the Program may be denominated]*	

19.	Status of the Notes*(*)*: *[Subordinated]* *[Preferred]* *[Unsubordinated]*	

(: Under the current prescriptions for AMBIF, subordinated notes, index linked notes, dual currency notes and other structured notes are not considered by ABMF for inclusion as AMBIF issuances.)*

20.	Type of Notes: *[Fixed Rate Notes]* *[Floating Rate Notes]* *[Zero Coupon Notes]*	1.	
		2.	
		3.	

21.	Listing / Registration / Filing Place(s): *See [I.-6.Place of Disclosure]*	

22.	Use of Proceeds:	

23.	Governing Law(s) & Jurisdiction(s) of the Notes *(*)*:	

(: Governing law and jurisdiction, with respect to the Terms and Conditions of the Notes, will be those agreed among the contract parties, subject to applicable laws and regulations.)*

24.	Taxation / Tax Status: *[Prospective purchasers of the Notes are advised to consult their own tax advisors on Taxation in ASEAN+3 or Taxation as may be applicable in other relevant countries or economies]*	

25.	Selling Restrictions at Issuance: *[Notes shall not be distributed to non-professional investors in ASEAN+3]*	
	1.	
	2.	
	Selling Restrictions Thereafter: *[Notes shall not be distributed to non-professional investors in ASEAN+3]*	
	1.	
	2.	

IV. Information on the Notes

1. Summary of the Terms and Conditions of the Notes/Final Terms of Individual Issuance of Notes *(*)*:

(: This section may be used for describing the information of Individual Issuance of Notes, in case of 'Type-D' in 'I-1.Type of Submission.')*

1.	Issuer(s):	
2.	2-1.Guarantor (if any):	
	2-2.Provider of Support Agreement (if any):	
3.	Name of the Notes:	
4.	Maximum Outstanding Amount under the Program:	
5.	Form of Notes:	
6.	Status of the Notes:	
7.	Denomination of the Notes:	
8.	Issue Price:	
9.	Offer Price	
10.	Date of Issue:	
11.	Date of Maturities:	
12.	Early Redemption:	
13.	Interest / Coupon Rate:	
14.	Interest / Coupon Payment Method:	
15.	Negative Pledge:	
16.	Cross Default:	
17.	Governing Law and Jurisdiction*(*)*:	

(: Governing law and jurisdiction, with respect to the Terms and Conditions of the Notes, will be those agreed among the contract parties, subject to applicable laws and regulations.)*

2. Other Information of the Notes:

1.	Dealers and/or Underwriters:			
2.	Trustee or Equivalent *(*)* (if any): *[*: 'Bond Administrator' / 'Commissioned Company/Person' / 'bondholder representative']*			
3.	Fiscal Agent:			
4.	Paying Agents:			
5.	Registrar and Transfer Agent:			
6.	Other Agent: ( ):			
7.	Listing / Registration / Filing Place(s) of the Notes: *See [I.-6.Place of Disclosure]*			
8.	Settlement Place(s) of each Denominated Currency Notes: *See [I.-5.Clearing and Settlement]*	1.		
9.	Use of Proceeds:			
	1.	Amount of Proceeds from Sale of Notes:		
	2.	Use of Proceeds [and Timing of Disbursement]:		
10.	Risk Factors relating to the Notes:			
11.	Selling Restrictions at Issuance: *[Notes shall not be distributed to non-professional investors in ASEAN+3]*			
	1.			
	2.			
	Selling Restrictions Thereafter: *[Notes shall not be distributed to non-professional investors in ASEAN+3]*			
	1.			
	2.			
12.	Credit Rating for the Notes:			
13.	Other: *["final terms" for drawdown]*			

V. Terms and Conditions of the Notes

(This section is used for describing in detail the Terms and Conditions of the Notes for Program / Shelf-Registration or Stand-Alone Notes.)

***Samples** of the **Terms and Conditions of the Notes (for the Program / Shelf-Registration and Stand-Alone Notes)** will be included in the "**AMBIF Implementation Guideline for each of the participating markets**."*

VI. Attachments

(To be attached here if any.)

Session 2: Validation of the implementation guideline for selected markets (JP, MY, PH, TH, HK, SG)

by ADB Secretariat team

- Explanation of AMBIF issuance procedures in each market

ADB

Session 2: Validation of Implementation Guidelines - and Feedback so far

17th ABMF Meeting – Sub-Forum 1

Prof Shigehito Inukai, Matthias Schmidt - ADB Consultants

Manila, 23 January 2015 (Day 2)

Agenda

1. Structure of AMBIF Implementation Guidelines
2. AMBIF in selected Markets
3. Feedback received so far
4. What we are also still looking for
5. Open for Discussion
6. Proposed Structure of Phase 3 Report

1. AMBIF Impl. Guidelines - Structure

Contents

I. AMBIF Elements in [*market*]
II. Bond Issuance relevant Features in [*market*]
III. Bond Issuance Process in [*market*]
IV. Resource Information
V. Abbreviations, Acronyms and Technical Terms

2. AMBIF in selected Markets

- China - compiling Impl GL
- Hong Kong – CMU, in conjunction with HKEx profile listing
- Indonesia - under discussion
- Japan – TOKYO PRO-BOND Market
- Korea - compiling Impl GL
- Malaysia – SC Malaysia disclosure, BMS profile listing
- Philippines – Qualified Buyers issuances on PDEx
- Singapore – profile listing on SGX
- Thailand – PP-AI issuance, registration with Thai BMA

- BCLMV – when they are ready

3. Feedback received so far

- ✓ Availability of documentation/disclosure items
  - Validate what is available when, e.g. at time of application
- ✓ Need to include validity terms of issuance approvals
- ✓ Consider to include some market parameters, e.g.:
  - Minimum trade size (may tie to professional investor criteria)
- ✓ Proposal to further distinguish AMBIF bonds/notes
  - Domestic issuance for domestic issuer, foreign issuer
  - Domestic issuance with a component for offer elsewhere
  - Offer of bond issued in other ASEAN+3 in own jurisdiction
  - Q from ADB Sec: if so, what terms should we use to distinguish?

    For example
    - 'Domestic' or 'Standard' issuance
    - 'Cross-border Investment' contrasting with 'Cross-border Issuance'
    - 'Products', 'Schemes'
- ✓ Other detail feedback

4. What we are also still looking for

(Selected Markets and Markets under Consideration)

Where not already provided or confirmed:

- Confirmation of technical terms used
  - Correct terms, actual terms used by market participants, etc.
- In the case of profile listing:
  - Listing fees
  - Information or confirmation of timeframes
- Outbound (portfolio) investment regulations (i.e. residents investing into other markets, incl. % and limitations)
- Regulations and processes for offers for sale of bonds/notes issued in other ASEAN+3 market in own jurisdiction (in particular if distinct from usual foreign issuer regulations)

5. Open for Discussion

- Structure
- Contents
- Specific features
- “Productisation”
- Inclusion of FX, other market limitations, barriers
- Any other subjects

➢ Please provide feedback liberally. Thank you!

6. Phase 3 Report - Proposed Structure

Cover, Imprint

Preface

I. Background, Purpose and Objectives

II. Definition of AMBIF and summary of findings

III. Recommendations for the next step

IV. Description of each market (in alpha sequence, like BMG)

i. AMBIF Elements in [*market*]
ii. Bond Issuance relevant Features in [*market*]
iii. Bond Issuance Process in [*market*]
iv. (Resource Information)
v. Abbreviations, Acronyms and Technical Terms

Satoru (Tomo) Yamadera
Principal Financial Sector Specialist
ADB
Office +63 2 632 5259
syamadera@adb.org

Prof. Shigehito Inukai
ADB Consultant
Waseda University
1-21-1 Nishiwaseda, Shinjuku-ku
Tokyo 169-0051

Office +81 3 5286 1994
Mobile +81 80 3360 7551
shige.inukai@me.com

Matthias Schmidt
ADB Consultant

Office +61 3 95571314
Mobile +61 423 708910
macschmidt@me.com

ASEAN+3 Bond Market Forum (ABMF) - Phase 3

[Proposed Output of Sub-Forum 1]

AMBIF Implementation Guideline for JAPAN

- Discussion Paper -

DRAFT

(Version 16, as of 13 January 2015)

TSE [04 Jan 2015]

Version 9and10 issued on 8th/9th of January 2015 for review and feedback:

ADB Secretariat Team Version 11.1 adjusted for language and style, structure, formatting in line with other GLs [12 Jan 2015]

Version 12 issued on 11th of January 2015 for review and feedback:

ADB Secretariat Team revised for alignment with other markets, level of detail, further structuring [12 Jan 2015]

ADB Secretariat Team revised for Table 2 related wordings and Listing on TSE/TPBM related procedure [12 Jan 2015]

JASDEC revised I. 4 Currency related wordings [13 Jan 2015]

Version 14 issued on 13th of January 2015 for review and feedback.

Version 14_15_ms_si adjust for circulation list and to re-generate TOC only,

Current version is 16.

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I. AMBIF Elements in Japan

This chapter describes the key features of the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), also known as AMBIF Elements, and puts into perspective the equivalent features of the domestic professional bond market in Japan.

A. Summary of AMBIF Elements in Japan

Domestically issued bonds/notes through the TOKYO PRO-BOND Market (TPBM) qualify as AMBIF bonds/notes since TPBM satisfies the eligibility requirements of the AMBIF Elements (AMBIF core components) as stated below.

The table below identifies the features or practices of the domestic bond/note market in Japan that directly correspond or are equivalent to the key elements of AMBIF.

Table 1 – AMBIF Elements and as Evident in Japan

AMBIF Core Elements	***Brief Description***	***Equivalent in Japan (TPBM)***
Domestic Settlement	*Bonds/notes are settled at a National CSD in ASEAN+3*	*Securities are settled at JASDEC*
Harmonized Documents for Submission (Single Submission Form)	*Common approach of submitting information for regulatory process(es) where approval or consent is required. Appropriate disclosure information along with ADRB recommendation needs to be included.*	*Single Submission Form - approved by TSE;* *TSE is the listing authority of TPBM*
Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)	*Information on bond/note and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.*	*Listed on TSE/TPBM* *In order to access wide range of AMBIF investors in Japan, TSE/TPBM listing is required*
Currency	*Bonds/notes are denominated in currencies normally issued in domestic bond markets of ASEAN+3*	*JPY* *Foreign currency issuance also possible, e.g. USD*
Scope of Issuer	*Resident of ASEAN+3*	*Resident of ASEAN+3* *Domestic and Foreign Issuers*
Scope of Investors	*Professional investors defined in*	*Professional Investors defined*

	accordance with applicable laws and regulations or market practice in each market in ASEAN+3	*in the law and regulations*

Source: ADB Consultants, TSE

B. Description of AMBIF Elements and Equivalent Features in Japan

1. Domestic Settlement

AMBIF

AMBIF is aimed at supporting the domestic bond markets in ASEAN+3. To be recognized as domestic bonds/notes, they need to be settled at the designated central securities depository (CSD). Hence, domestic settlement needs to be a key feature of AMBIF bonds/notes.

In Japan

Domestic bonds/notes aimed at AMBIF investors are settled at Japan Securities Depository Center (JASDEC).

2. Harmonized Documents for Submission (The Single Submission Form)

AMBIF

Based on the review of actual application forms for issuance approval, offering circulars, information memoranda or program information formats in ASEAN+3, it was recognized that essential core information was very similar or comparable.

Hence, a Single Submission Form (SSF) that can be applied into all of the relevant regulatory processes for bonds/notes issuance in respective markets was proposed. The information contained in the SSF can be submitted to all relevant regulatory authorities and market institutions for the relevant approvals or consent in anticipation of an AMBIF bond/note issuance.

In Japan

Tokyo Stock Exchange (TSE) is the listing authority of TPBM and provides all TPBM-related rules and regulations. Including the governing disclosure documents requirements. Disclosure requirements under the Financial Instruments and Exchange Act (FIEA), such as Securities

Registration Statement (SRS) for public offering, do not apply to the securities listed on the TPBM. Instead, disclosure requirements are stipulated in the rules and regulations of TSE, such as the Specified Securities Information (SSI) and the Issuer Filing Information.

A SSF is submitted to TSE and can be applied for the listing process on TPBM. The use of English in documentation for TPBM is accepted in the TSE rules.

3. Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)

AMBIF

Information on issuer and bonds/notes needs to be disclosed continuously in ASEAN+3. Registration or listing authority function to ensure continuous disclosure is required. This ensures quality of disclosure and would help create a well-organized market in AMBIF issuances with transparency and quality of information that would differentiate AMBIF issuances from ordinary private placements for which information is often neither available nor guaranteed. Owing to this important feature, an AMBIF secondary market is expected to be developed as the number of issuance will increase.

Profile listing is a listing without trading. The objective of the listing is to make bonds/notes visible and more information available to investors via a recognised listing place, particularly those investors with more restrictive mandates, such as mutual and pension funds. A profile or reference listing at a designated listing place would ensure the flow of continuous disclosure information and possibly even reference pricing in some of the places.

In Japan

TSE/TPBM is the single market in Japan for listed programs or listed bonds/notes aimed at "professional investors", as a "specified financial instruments exchange market" pursuant to Article 2, Paragraph 32, of the Financial Instruments and Exchange Act (FIEA).

Issuers need to list a note issuance program and/or bonds/notes on TSE/TPBM in order to issue bonds/notes through the TPBM system. To apply for a new listing, the SSF and other prescribed information (including written assurance for listing) are to be submitted to TSE. There is no need to submit any documents to regulators such as a local finance bureau or the Financial Services Agency. In principle, information on listed bonds/notes and information on their issuers shall be disclosed pursuant to the TSE's "Listing Regulations and Enforcement Rules" for TPBM. At the time of a new listing (time of issuance) of a corporate bond or other instrument, applicants (issuers) need to

provide Specified Securities Information (SSI).

Efforts have been made to reduce the cost for preparing additional documentation at TPBM. Overseas issuers can use English documents submitted to the authorities or exchanges in the countries where their bonds/notes are listed or the company is registered.

Bonds/notes listed on the TPBM or issued based on the Program Information submitted to the TSE are included within JSDA's Reference Statistical Prices (Yields) for OTC transactions.

4. Currency

AMBIF

In the context of AMBIF, the denomination of currency is expected to be the currency normally issued in domestic bond markets of ASEAN+3, i.e. the local currency of that particular market. But this does not exclude the possibility of issuing notes in other currencies, if market practice regularly supports these other currencies, and the relevant domestic currency/cash clearing capabilities exist. At this stage, notes denominated in USD, JPY, and Offshore CNY (CNH) as other currencies can be issued in ASEAN+3.

In Japan

TSE/TPBM does not have any limitation/restriction in the choice of currencies. In addition to settlement for bonds/notes issued in Japanese Yen (JPY), JASDEC is able to transfer (free of payment basis) foreign currency denominated bonds/notes issued by governments or companies such as those denominated in USD.

5. Scope of Issuer

AMBIF

As AMBIF is aimed to support development of domestic bond markets in the region and promote intra-regional recycling of funds, an issuer needs to be a resident of ASEAN+3.

In Japan

The regulations/practices on TPBM do not distinguish between resident and non-resident issuer. The scope of issuers on TPBM is as follows:

- ✓ Foreign Corporations
- ✓ Foreign Financial Institutions
- ✓ Sovereign / Government Sponsored Issuers
- ✓ Japanese Corporations
- ✓ Japanese Public entities (Local Governments, etc.)

All issuers may utilize note issuance programs as a form of bond/note issuance.

6. Scope of Investors

AMBIF

Professional investors are defined in accordance with regulations and/or market practice in each market in ASEAN+3. Some jurisdictions have a clear definition of professional investors while the other jurisdictions may need to establish the concept through agreements. [Note: statement intended to be able to cover practices and potential solutions in all ASEAN+3 markets; term 'agreements' or ultimately suitable term to be further defined, once markets have provided pending feedback on their professional investor concepts.]

Professional investors are institutions defined by law and licensed or otherwise registered with regulators by law in their economy of domicile and, hence, are subject to governance and inspection based on securities market and/or prudential regulations. In addition, most of them are also subject to oversight as well as professional conduct and best practice rules by an SRO, such as an exchange or a market association.

In Japan

Japan features one of the most comprehensive definitions of professional investors in ASEAN+3, which include institutional and high net worth investors with specific qualifying criteria, and also includes foreign institutional investors (FII).

In Japan, the definition of "Professional Investor" is stipulated in Article 2, Paragraph 31 of the Financial Instruments and Exchange Act (FIEA) and in the Cabinet Office Ordinance related to the definition stipulated in the Article 2 of the FIEA. The term "Professional Investor" as used in the FIEA means the following: (i) Qualified Institutional Investors; (ii) the State (the government of Japan); (iii) the Bank of Japan; and (iv) Investor Protection Funds prescribed by Article 79-21 and other juridical persons specified by Article 23 of the Cabinet Office Ordinance related to the definition stipulated in the Article 2 of the FIEA.

Professional Investors include pension funds, life insurance companies and other accredited institutional investors, listed companies, joint-stock corporations with at least ¥500mn in capital, government agencies, the Bank of Japan, and other approved corporations and local governments, together with approved individuals with net financial assets of at least ¥300mn and at least one year of trading experience (here, "approved" means that the entity must first seek and obtain approval from a securities company).

In effect, only (1) Professional Investors and (2) non-resident foreign investors are able to participate in TPBM.

Table 2 – Classification of Investors in Japan

Professional Investor	(1) Cannot request nonprofessional treatment • Qualified institutional investor (QII) • Japanese government • Bank of Japan	always treated as a professional investor
	(2) Can request nonprofessional treatment • Designated companies/organizations ✓ Local government ✓ Public companies ✓ Joint-stock companies whose capital is reasonably believed to be JPY 500 million or more ✓ Foreign companies ✓ Others	option to be non-professional (*) ↓
General Investor	(3) Can request professional treatment • Designated individuals ✓ Individual (i) with trading experience of one year or more, and (ii) whose net asset, and invested assets, are reasonably believed to be each worth JPY 300 million or more ✓ Others	↑ option to be professional (*)
	(4) Cannot request professional treatment • Individuals other than above (3)	always treated as a general investor

Source: FSA, ADB Consultants for SF1

*: So-called Opt-in/Opt-out treatment:

As shown in Table 2 above, a change of status from that of a professional investor to a general investor or vice versa is carried out within the relationship with each securities company by the investor making a request to such a securities company. It may be considered to make an appropriate reflection of the suitability principle on each investor, based on an investor's intention from time to time.

Professional investors resident in Japan can invest in overseas bonds/notes without any legislative restrictions.

II. AMBIF Bonds/Notes Issuance relevant Features in Japan

In addition to the market features corresponding to the AMBIF Elements stated above, some additional domestic market features for AMBIF bonds/notes issuance in Japan will need to be considered, and are described in this chapter.

A. Governing Law / Jurisdiction

Governing law and the jurisdiction for specific service provisions in relation to a bond/note issuance may have some relevance in the context of AMBIF, since potential issuers may consider issuing under the laws or jurisdiction of a country/market other than the place of [issuance/the issuer's domicile]. The choice of governing law or contractual preferences of stakeholders may affect the accessibility to a specific investor universe that may otherwise not be accessible if a bond/note was issued under the laws of the place of [issuance/the issuer's domicile].Also, since an AMBIF bond is structured as a domestic bond, it is observed that, in most cases, settlement will need to be governed by the laws and regulations of the place of settlement.

Governing law and jurisdiction, with respect to the Terms and Conditions of the Notes, may be agreed among the contract parties, subject to relevant provisions in applicable laws and regulations. In case of bonds/notes settled in Japan, at present, JASDEC requires that the Terms and Conditions of the Notes shall be governed by Japanese law.

B. Language of Documentation and Disclosure Items

It is envisaged that most of the ASEAN+3 markets participating in AMBIF will be able to accept the use of a common document in English, however, some markets may require the submission of approval related information in their prescribed format and in the local language. In such cases, concessions from these regulatory authorities for a submission of required information in English – in addition to local language and formats – may be sought.

Documentation in English language is accepted by TPBM.

C. Credit Rating

Note issuance programs or corporate bonds/notes listed on TSE/TPBM must obtain a rating from a

credit rating agency recognized internationally and/or by Japanese investors. The rating itself needs to be disclosed but the level of the rating is not an eligibility criterion for TSE/TPBM.

With regards to the bonds/notes issued by foreign government or local government (both domestic and foreign) or guaranteed by national or local government (domestic or foreign) or by certain financial institutions recognized by the TSE, credit rating is not required.

Currently, credit rating agencies recognized by TSE/TPBM include:

- Standard & Poor's;
- Moody's;
- Fitch;
- Rating and Investment Information, Inc.;
- Japan Credit Rating Agency; and
- RAM Rating Services Berhad.

D. Lead Managing Underwriter List

In Japan, an issuer needs to choose a lead managing underwriter for a note issuance program or bonds/notes to be listed on TSE/TPBM from among the Lead Managing Underwriter List prepared by TSE. The list will be updated according to the applications from securities companies.

The Lead Managing Underwriter List is simply a list of securities companies that could potentially serve as a lead managing underwriter when listing a bond/note on TPBM or when disclosing Program Information.
The current list can be found at http://www.tse.or.jp/english/rules/probond/hope/list.html .

A securities company wishing to register on the list is to file an application with the TSE. The TSE will then examine the application while considering such factors as that party's appropriate domestic and overseas experience as a lead managing underwriter. Conversely, if the TSE deems the continued inclusion on the list of a party to be inappropriate (as would be the case, for instance, if that party decides to withdraw from the bond underwriting business), the TSE, at its discretion, may remove that party from the list.

A securities company is not required to pay a fee for the inclusion in the Lead Managing Underwriter List.

One exception exists for the need to select an underwriter from the Lead Managing Underwriter List in case a financial institution deemed suitable by the TSE were to purchase the whole amount of

the bond issue. Here, the financial institution would confirm the quality of the bonds/notes themselves.

E. Appointment of Entrustment of Bond Administration

The appointment of a bond trustee or bond administrator for bonds/notes to be listed on TSE/TPBM is optional. The majority of bonds/notes listed on the TSE/TPBM instead features a fiscal agent as an agent of the issuer.

F. Selling / Transfer Restrictions

Selling and transfer restrictions in the Japanese market are comprehensive and specific. Bonds/notes issued through the TSE/TPBM shall not be sold or transferred to any person other than Professional Investors or non-resident foreign investors (the "Professional Investors, Etc.") mentioned in Chapter I above.

The FIEA requires that a contract on restriction on transfer should be entered between the issuer and the person (Professional Investor) to purchase the bonds/notes and between the solicitor (securities company) and the purchaser. The FIEA also provides the requirement of notification to the purchaser to the effect that the bonds/notes are not registered with the FSA and may sold only for the Professional Investors, Etc.

Inclusion of selling and transfer restrictions in the Term and Conditions of the Notes may be one way to fulfill a part of the requirements of the FIEA mentioned above. The sample wording is shown in the text box below for reference.

Text Box 1: Sample Wording of the Selling Restriction (in the Terms and Conditions of the Notes)

Restriction on Transfer of Notes

(1) Restriction on Transfer

Subject to amendment and modification in accordance with Condition [18], the Notes shall not be sold, transferred or otherwise disposed of to any person other than the Professional Investors, Etc. (Tokutei Toushika tou) (the "Professional Investors, Etc."), as defined in Article 2, Paragraph 3, Item 2 (b) (2) of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "FIEA"), except for the transfer of the Notes to the following:

(a) the Issuer or the Officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50% of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "Voting Rights Held by All the Shareholders, Etc." (Sou

Kabunushi Tou no Giketsuken)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA) of the Issuer under his/her own name or another person's name (the "Specified Officer" (Tokutei Yakuin)), or a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc., are held by the Specified Officer (the "Controlled Juridical Person, Etc." (Hi-Shihai Houjin Tou)) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. are jointly held by the Specified Officer and the Controlled Juridical Person, Etc. (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or

(b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.

(2) Matters Notified to the Noteholders and Other Offerees

When (i) a solicitation of an offer to acquire the Notes or (ii) an offer to sell or a solicitation of an offer to purchase the Notes (collectively, "Solicitation of the Notes Trade") is made, the following matters shall be notified from the person who makes such Solicitation of the Notes Trade to the person to whom such Solicitation of the Notes Trade is made:

(a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Notes Trade;

(b) the Notes fall, or will fall, under the Securities for Professional Investors (Tokutei Toushika Muke Yukashoken) (as defined in Article 4, Paragraph 3 of the FIEA);

(c) any acquisition or purchase of the Notes by such person pursuant to any Solicitation of the Notes Trade is conditional upon such person entering into an agreement providing for the restriction on transfer of the Notes as set forth in Condition [2(1)], (i) with each of the Issuer and the person making such Solicitation of the Notes Trade (in the case of a solicitation of an offer to acquire the Notes to be newly issued), or (ii) with the person making such Solicitation of the Notes Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Notes already issued);

(d) Article 4, Paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Notes as provided in Article 4, Paragraph 2 of the FIEA;

(e) the Specified Securities Information, Etc. (Tokutei Shouken Tou Jouhou) (as defined in Article 27-33 of the FIEA) with respect to the Notes and the Issuer Information, Etc. (Hakkosha Tou Jouhou) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made available for the Professional Investors, Etc. by way of such information being posted on the web-site maintained by the TOKYO PRO-BOND Market (http://www.tse.or.jp/rules/probond/index.html or any successor website) in accordance with Articles 210 and 217 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities of the Tokyo Stock Exchange; and

(f) the Issuer Information, Etc. will be provided to the Noteholders or made public pursuant to Article 27-32 of the FIEA.

Source: Excerpt from FIEA, as edited by ADB Consultant for SF1

In addition, a restriction on transfer contract and notification with a Professional Investor for all TPBM related bond/note transactions in a comprehensive way may be allowed in current market practice.

For further details, please refer to Q55 and Q56 and the answers thereto in the Q&A section on the TOKYO PRO-BOND Market website.

G. Financial Reporting Standard

TSE/TPBM recognizes J-GAAP, US-GAAP and IFRS as accounting principles or financial reporting standards of an issuer. The TSE rules prescribe that any alternative accounting standard may be recognized if the TSE deems it equivalent to J-GAAP, US-GAAP, or IFRS.

III. Bond Issuance Process in Japan

A. Overview of AMBIF Bonds/Notes Issuance related Regulatory Processes in Japan

To issue AMBIF bonds/notes in Japan, no regulatory processes will need to be observed, except for submitting a listing application (the SSF and other forms) to TSE/TPBM.

In order to make the issuance processes by issuer type more comparable across the ASEAN+3 markets, Table 2 features common issuer type distinctions that are evident in regional markets. Not all markets will distinguish all such issuer types. Sovereign issuers may be subject to different regulatory processes.

Table 3 – Summary of Locally settled AMBIF bonds/notes Issuance related Regulatory Procedure:

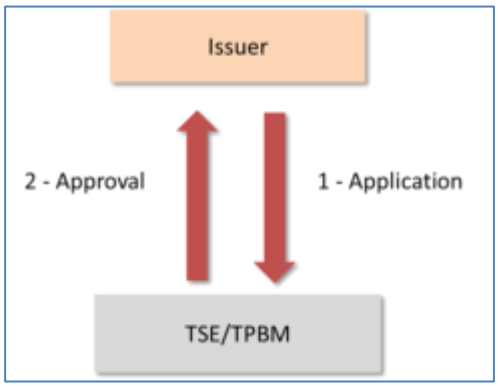
Type of Corporate Issuer		In Japan (TSE/TPBM)
Resident and non-resident issuing JPY and FCY(*)		Submitting the listing application (SSF and other forms) to TSE/TPBM as the listing authority.
1.	Issuance procedure for resident	
1-1	Issuance procedure for resident non-FI	
1-1	Issuance procedure for resident FI	
2.	Issuance procedure for non-resident	
2-1	Issuance procedure for non-resident non-FI	
2-2	Issuance procedure for non-resident FI	
*: Locally (in Japan) settled foreign currency denominated AMBIF bonds/notes Issuance related Regulatory Procedure is the same.		

Source: TSE, ADB Consultants for SF1

Regulatory Process Map – Overview:

In Japan, the regulatory process map is very simple and illustrated as below; the necessary process is only to the listing on TSE/TPBM.

Image 1 – Regulatory Process Map Overview (in Japan)



Source: ADB Consultants for SF1

B. Market Issuance Procedure in Local Currency (JPY)

There is no distinction between the issuance/listing process for local currency (JPY) or foreign currencies.

There are two methods for issuing bonds/notes on TSE/TPBM, namely (1) a Note Issuance Program listing & drawdown issuance from the Note Issuance Program and (2) an individual bond/note listing with stand-alone issuance. The method following option (1) will be mainly explained in this section.

Listing on TSE/TPBM

Typically, the issuer is represented by a lead arranger/underwriter or a law firm that will file or submit the necessary application for listing and required documentation to TSE/TPBM as the listing authority.

The following steps will need to be undertaken by the issuer of bonds/notes (or agent of the issuer) in the domestic bond market in Japan.

Step 1 – Submit Application for Listing to TSE/TPBM

Any issuer (or its agent) intending to list on TSE will need to submit a Listing Application, accompanied by the required documentation and disclosure items for the type of listing selected.

In the case of a planned listing for profiling targeted at Professional Investors, the issuer (or agent) needs to select TSE/TPBM when applying. As a result, the TSE specific documentation and disclosure requirements for TPBM – which differ significantly from the requirements for public offerings on the TSE main board – will need to be observed when submitting the application.

Listing eligibility criteria, i.e. how note issuance program or bonds/notes qualify for a listing on TSE/TPBM can be the followings:

- Note Issuance Program for corporate issuer must have a rating from a rating agency
- In case of a stand-alone issuance, corporate bonds/notes to be listed must have a rating from a rating agency

- The securities companies acting as principal underwriters for the issuance must be registered on TPBM's list of lead managing underwriters

The listing criteria for the general investors (retail) market differ significantly.

As for the key documentation and disclosure items, TSE offers standard forms for Program Information, Specified Securities Information (SSI) and Issuer Information, but TSE/TPBM typically accepts an information memorandum or offering circular prepared for the relevant bonds/notes, together with additional documents as may be necessary. (The "Single Submission Form" for AMBIF will be treated as a new TSE- approved form.)

In principle, TSE requires an issuer to disclose very basic information as follows:

- Securities Information (Terms and Conditions of the notes to be listed)
- Corporate Information (Outline of company and Financial Statements)
- Matters related to other securities (if any)
- Information on guarantor of the company (if any)

The SSF will cover all the above necessary information.

Step 2 – TSE checks Application / issues 'Listing Approval'

TSE will check the application for listing, following the submission of the relevant information in documentation and disclosure items. TSE will confirm that the bonds/notes satisfy the necessary conditions for listing eligibility in accordance with TSE rules. TSE will simply confirm that certain formal requirements have been met and, therefore, TSE's examinations will not require much time.

In principle, under the standard schedule, the administrative review for the acceptance of Program Information / Type-P of the SSF submitted to the TSE may be completed within the acceptance date. TSE may, at its discretion, request from the issuer supplementary information.

When individual bonds/notes are to be issued and listed based on the Program Information, if the listing application / Type-D of the SSF is submitted simultaneously with the determination of the terms and conditions of the notes as in the model case, the TSE may approve the listing normally within the same day, but no later than the following business day, after promptly confirming that the listing eligibility requirements are satisfied.

When an issuer intends to issue and list bonds/notes under the Note Issuance Program

Information (Type-P of the SSF) after its submission, the issuer is required to submit a Supplemental SSI (Type-D of the SSF) to TSE. A Supplemental SSI contains disclosure information describing the final terms and conditions of the bonds/notes to be issued and referencing the Program Information for other disclosure items.

Step 3 – Actual (effective) Note Issuance Program Listing / Notes Listing

Under the standard schedule, the submission date of the Program Information / SSF will be the disclosure date of the Program Information, which will be also the Note Issuance Program listing date.

The listing date of book-entry transfer bonds/notes is usually one business day after the settlement date. In the case of book-entry transfer bonds/notes, the terms and conditions of the notes are generally determined by 4 business days before the settlement date in order for the paying agent to complete the necessary procedure.

Other Procedures

An issuer that will use the services of Japan Securities Depository Center Inc. (JASDEC) must submit an application for participation in the JASDEC system.

An issuer that does not have an Issuer Identification Code (5-digit code that constitutes part of the ISIN code) must obtain one from the Securities Identification Code Committee (SICC) in advance. The Issuer Identification Code is not a requirement for program listing, but is encouraged to expedite the application process.
In order to obtain an ISIN code, an issuing entity must provide to SICC the necessary information by the settlement date, after the determination of the terms and conditions of the notes.

Other Disclosure related Matters

For reference: Issuers are required to update the Issuer Information once a year. Companies that continually file Annual Securities Reports with FSA or Issuer Information do not need to state corporate information including financial statements in the respective forms. Overseas issuers may simply refer to the reporting documents (including the SSF) they provide to their home country financial authorities or foreign listing places. Referring existing disclosure information by noting URL of the relevant website may also be allowed. (For this purpose, the SSF can be utilized.)

C. Listing Fees

Listing Fees to be paid by the issuer of bonds/notes to be listed on the TSE are charged at the time of registration of the program information and the listing of the bonds/notes. As shown in Annex 2 of the Enforcement Rules, listing fees are divided into two categories; the fee for Program Listing ("Program Fee") and the fee for listing of bonds/notes/notes ("Bond etc. Listing Fee").

The Program Fee is 1 million yen. Any drawdown issuance of notes under the program will not incur any additional listing fee. The Bond etc. Listing Fee (in the case where Program Information is not used) is 1 million yen for any new listing.

No fees would normally be incurred at the annual renewal of the program, but an additional procedural fee of 1 million yen would be incurred if the issuer intends to raise the maximum outstanding amount under the program (program amount).

The fees are subject to applicable consumption taxes.

D. Minimum trading unit

For a yen-denominated bond, the minimum trading unit would be ¥100 million face value. For a bond denominated in a foreign currency, it would be the face value of that series.

E. Over-the-Counter Trading of Bonds/Notes

In Japan, it is assumed that the main market for the bonds/notes issued on TPBM will be the OTC market and investors typically choose to trade on the OTC market.

The trading regulations of the TSE do not apply to bonds/notes traded OTC, or off the TSE-markets. At the same time, JSDA's self-regulatory rules apply to secondary market transactions across market segments.

Appendix 1: Sample of the Specified Securities Information (SSI)

[To be included in final version, or on demand, as deemed appropriate. Presently not included to limit size of document and make review by ABMF Members easier.]

Appendix 2: Abbreviations, Acronyms and Technical Terms

ABMF	*ASEAN+3 Bond Market Forum*
ADB	*Asian Development Bank*
ADRB	*AMBIF Documentation Recommendation Board*
AMBIF	*ASEAN+3 Multi-Currency Bond Issuance Framework*
ASEAN	*Association of South-East Asian Nations*
ASEAN+3	*Association of South-East Asian Nations plus People's Republic of China, Japan and Republic of Korea*
BMG	*Bond Market Guide, an ABMF publication for each of the ASEAN+3 economies*
Conflict of Law	*Concept in basic law that permits the use of law other than domestic law in contracts or agreements if both/all parties so agree*
CCY	*Currency*
CSD	*Central Securities Depository*
Enrolment	*Process of listing the bonds/notes on PDEx, a prerequisite under Philippine regulations*
FCY	*Foreign currency*
FG	*Foreign Government(s)*
FI	*Financial Institution*
FIEA	*Financial Instruments and Exchange Act*
Filing	*Proposed term for action of submitting documentation*
FX	*Foreign Exchange*
HNWI	*High Net Worth Investors*
IFC	*International Finance Corporation*
IFI	*International Financial Institutions*
IFRS	*International Financial Reporting Standards*
IM	*Information Memorandum, synonymous with Offering Circular, Information Memorandum Term typically used for key documentation for a private placement to professional investors.*
IMF	*International Monetary Fund*
JPY	*Japanese Yen*
JPX-R	*Japan Exchange Regulation*
JSDA	*Japan Securities Dealers Association*

LCY	*Local currency*
Listing	*Typically, action of submitting a bond issue or other securities to an exchange for the purpose of price finding, disclosure or profiling; in Thailand: presently often used instead of registration with Thai BMA*
MOF	*Ministry of Finance of Thailand*
OC	*Offering Circular, synonymous with Information Memorandum, Offering Circular Term typically used for key documentation for a private placement to professional investors*
OREI	*Office of Regional Economic Integration (of ADB)*
OTC	*Over-the-Counter*
PO	*Public Offer or Public Offering*
PP	*Private Placement*
QB	*Qualified Buyers*
QS	*Qualified Securities*
Registration	*Action of registering a bond issue, for reference pricing or disclosure purposes*
SF1	*Sub-Forum 1 of ASEAN+3 Bond Market Forum*
SPV	*Special Purpose Vehicle*
SRC	*Securities Regulation Code*
SRO	*Self-Regulatory Organization*
SRS	*Securities Registration Statement*
SSI	*Specified Securities Information*
TPBM	*TOKYO PRO-BOND Market*
TSE	*Tokyo Stock Exchange, Inc.*
WB	*World Bank*
USD	*Unites States Dollar*

ASEAN+3 Bond Market Forum (ABMF) - Phase 3

[Proposed Output of Sub-Forum 1]

AMBIF Implementation Guideline forMALAYSIA

- Discussion Paper -

(Includes discussion results from Aug 2014 market visit and subsequent correspondence)

DRAFT

(Version 3,as of 12 January 2015)

[Note: This is a concise version; a preface, purpose and objectives, glossary and appendices etc. will be contained in a general section at the beginning of the proposed Phase 3 Report.]

January 2015

Circulation List and Date(s)

- **ADB**
  - Satoru Yamadera, syamadera@adb.org

- **ADB Consultants for ABMF SF1**
  - Prof Shigehito Inukai, shige.inukai@me.com
  - Matthias Schmidt, macschmidt@me.com

- **ABMF SF1 Chair**
  - Koji Ito, ko-ito@jpx.co.jp

- **ABMF SF1 Co-Chair,** represented byYeow Boon Loong
  - yeowboon.loong@cimb.com

- **Bank Negara Malaysia,** Ms.Aden Nadia Jabbari as coordinator
  - adennadia@bnm.gov.my

- **Bond Pricing Agency Malaysia,** Mohd Shaharul Zain as coordinator
  - shah@bpam.com.my

- **Securities Commission Malaysia**
  - Imran Shah Hakkam Ali, ImranS@seccom.com.my
  - Irene Chua, Irene@seccom.com.my

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I. AMBIF Elements in Malaysia

This chapter describes the key features of the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), also known as AMBIF Elements, and puts into perspective the equivalent features of the domestic professional bond marketin the Malaysia.

A. Summary of AMBIF Elements

The Malaysian bond market is well-established and the largest local currency bond market in ASEAN.The table below identifies the features or practices of the domestic bond market in Malaysia that directly correspond or are equivalent to the key elements of AMBIF.

Table 1 – AMBIF Elements and as Evident in Malaysia

AMBIF Elements	Brief Description	Equivalent in Malaysia
Domestic Settlement	Bonds/notes are settled at a National CSD in ASEAN+3	Settlement of OTC bonds at Real-time Electronic Transfer of Funds and Securities System (RENTAS)
Harmonized Documents for Submission (Single Submission Form)	Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information along with ADRB recommendation needs to be included.	SC Malaysia accepts the single submission form but this would not precludethe possibility of additional information to be submitted for approval process. SSF is a template and issuers may use other documents for submission.
Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)	Information on bond/note and issuerneeds to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.	Continuous disclosure function via SC Malaysia market supervision, in conjunction with profile listing at BMS (for visibility)
Currency	Bonds/notes are denominated in currencies normally issuedin domestic bond markets of ASEAN+3	Malaysian Ringgit (MYR) and United States dollar (USD)
Scope of Issuers	Resident of ASEAN+3	Domestic and foreign issuers are treated the same under PDS Guidelines; BNM approves MYR issuance by foreign issuers
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3	Sophisticated Investors concept, as per CMSA

Source: ADB Consultants for SF1

B. Description of AMBIF Elements and Equivalent Features in Malaysia

1. Domestic Settlement

AMBIF

AMBIF is aimed at supporting the domestic bond markets in ASEAN+3. To be recognized as a domestic bond, an AMBIF bond/note needs to be settled at the designated central securities depository (CSD). Hence, domestic settlement needs to be a key feature of an AMBIF bond/note.

In Malaysia

In Malaysia bonds/notestraded OTC are issued and settled in the Real-time Electronic Transfer of Funds and Securities System, or RENTAS. According to Private Debt Securities (PDS) Guidelines, Section 9.01, all ringgit-denominated PDS must be issued and/or tendered on the Fully Automated System for Issuing/Tendering (FAST). And, Section 9.02 stipulates that all ringgit-denominated PDS must be issued on a scripless basis, deposited and settled in the Real Time Electronic Transfer of Funds and Securities (RENTAS) system, which is operated by MyClear(the central securities depository for OTC-traded bonds/notes).RENTAS is a multi-currency debt securities settlement system and performs depository services for scripless debt securities and MYR/USD Payment versus Payment (PvP) settlement via USD CHATS (Clearing Housed Automated Transfer System) for its members. RENTAS covers the settlement of both government and corporate bonds.

2. Harmonised Documents for Submission (Single Submission Form)

AMBIF

Based on the review of actual offering circulars, information memoranda or program information formats in ASEAN+3, it was recognized that most information was similar or comparable. Hence, a single submission form that can be applied into all of the relevant regulatory processes for bond/note issuance in respective markets was proposed. The information contained in the Single Submission Form (SSF) can be accepted by all relevant regulatory authorities and market institutions for the relevant approvals or consent in anticipation of an AMBIF bond/note issuance.

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In Malaysia

Securities Commission Malaysia (SC Malaysia)is expected to accept the Single Submission Form as SC does not prescribe a particular format for the submission of an application for approval of an Exempt Offer (please see Chapter II.D) in the Malaysian market. However, this would not preclude the possibility of additional information to be submitted to the SC, if so deemed necessary. In addition, an issuer may use other documents for submission. Issuers or principal advisers typically submit the Information Memorandum (IM) or Offering Circular (OC) of the proposed bond to SC, which contains all information required by SC for its decision.

English documents, application forms and correspondence are accepted for official submissions.

3. Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)

AMBIF

Information on issuer and bond/note needs to be disclosed continuously in ASEAN+3. A registration or listing authority function to ensure the continuous disclosure is required. This ensures quality of disclosure and would help create a well-organized market inAMBIF issuances with transparency and quality of information that would differentiate AMBIF issuances from ordinary private placements for which information is often neither available nor guaranteed. Owing to this important feature, an AMBIF secondary market is expected to be developed as the number of issuance will increase.

Profile listing or reference listing is a listing without trading. The objective of the listing is to make a bond/note visible and more information available to investors via a recognised listing place, particularly those investors with more restrictive mandates, such as mutual and pension funds. A profile or reference listing at a designated listing place would ensure the flow of continuous disclosure information and possibly even reference pricing in some of the places.

In Malaysia

Although it is not a common market practice at this stage, a listing of Exempt Offers is possible on Bursa Malaysia Securities (BMS, the securities exchange of Malaysia, a subsidiary of Bursa Malaysia Holdings Berhad). The Exempt Offers board on BMS caters for the listing of bonds aimed at Sophisticated Investors under the Capital Market and Services Act (CMSA). The listing and trading of such debt instruments is not linked, i.e. a listing without trading (profile listing) is possible.

At the same time, the listing authority function, i.e. in this case the power to compel the issuer or agent to provide continuous disclosure, and the supervision of the same, does not rest with BMS, but instead remains with SC Malaysia. As such, for the purpose of defining an AMBIF market, the listing authority function of the SC, in conjunction with the profile listing function of BMS (for visibility of AMBIF issuances to the market at large) is considered as equivalent to the AMBIF Element.

4. Currency

AMBIF

In the context of AMBIF, the denomination of currency is expected to be the currency normally issued in domestic bond markets of ASEAN+3, hence, the local currency of that particular market. But this does not exclude the possibility of issuing in other currencies, if market practice regularly supports the other currencies, and the relevant domestic currency/cash clearing capabilities exist. At this stage, USD, JPY, and Offshore CNY (CNH) are typicallybeing issued as other currencies across ASEAN+3 markets.

In Malaysia

In addition to settlement for bonds issued in Malaysian Ringgit (MYR), RENTAS is also able to settle bonds denominated in USD, through CHATS (Clearing Housed Automated Transfer System).A number of USD-denominated bonds have beenissued in the Malaysian market. [Confirm statement.]

5. Scope of Issuers

AMBIF

As AMBIF is aimed to support development of domestic bond/note markets in the region and promote intra-regional recycling of funds, an issuer needs to be a resident of ASEAN+3.

In Malaysia

SC Malaysia does not distinguish between resident and non-resident issuersof corporate debt securitiesin the PDS Guidelines, or between different types of corporate issuers. All issuers are considered equal and subject to the same requirements and obligations under the PDS Guidelines and other applicable regulations.

However, foreign issuers are subject to specific approval of bond issuance in MYR by Bank Negara Malaysia (BNM). Details are provided in Chapter III, Regulatory Processes in Malaysia.

The issuance of foreign-currency denominated bonds by resident issuers is subject to Foreign Exchange Administration (FEA) rules administered by Bank Negara Malaysia.

6. Scope of Investors

AMBIF

Professional investors are defined in accordance with regulations and/or market practice in each market in ASEAN+3. Some jurisdictions may have a clear definition of professional investors while the other jurisdictions may need to establish the concept through agreements.

Professional investors are institutions defined by law and licensed or otherwise registered with regulators by law in their economy of domicile and, hence, are subject to governance and inspection based on securities market and/or prudential regulations. In addition, most of them are also subject to oversight as well as professional conduct and best practice rules by an SRO, such as an exchange or a market association.

In Malaysia

The issuance of bonds/notes to Sophisticated Investors (being 'Exempt Offers' under Schedules 6, 7 and 9 of the Capital Markets and Services Act (CMSA) constitutes the professional bond market in Malaysia. The descriptions of the regulatory processes in Chapter III are for Exempt Offer issuances only.

As promulgated in the latest PDS Guidelines in August 2014, Sophisticated Investors means any person specified under Schedule 1 of the Guidelines on Sales Practices of Unlisted Capital Market Products (Oct 2013). These Guidelines define Sophisticated Investors as follows:

Sophisticated Investors is a collective term and includes the following type of investors:

- High Net-Worth Individual;
- High Net-Worth Entity;
- Accredited Investors.

Accredited Investors are further defined as (excerpt from Guidelines):

- Central Bank of Malaysia [...]
- A holder of a Capital Markets Services Licence
- An executive director or chief executive officer of a holder of a Capital Markets Services Licence
- A unit trust scheme or a prescribed investment scheme
- A closed end fund approved by the SC
- A licensed institution as defined in the Banking and Financial Institutions Act 1989 or an Islamic bank as defined in the Islamic Banking Act 1983
- A Labuan bank as defined under the Labuan Financial Services and Securities Act 2010
- An insurance company registered under the Insurance Act 1996
- An insurance licensee licensed under the Labuan Financial Services and Securities Act 2010
- A takaful licensee licensed under the Labuan Islamic Financial Services and Securities Act 2010
- A takaful operator registered under the Takaful Act 1984
- A private retirement scheme as defined in the CMSA

There is no distinction in the CMSA, in the PDS Guidelines (Aug 2014), or in the Guidelines on Sales Practices of Unlisted Capital Market Products (Oct 2013), between domestic and foreign investors.

[Note for clarification, further discussion: the definition of Sophisticated Investors and its component investor types does appear tolimit Sophisticated Investors largely to eligible Malaysian domestic entities and individuals.In addition, the significance of Accredited Investors vs. Sophisticated Investors may need to be better understood.]

[Proposed statement; reconcile with above.] There are many foreign institutional investors (FII) already investing in Malaysia and holding their assets with domestic custodian banks.

Professional investors resident in Malaysia may invest in overseas markets. But investmentsin foreign-currency denominated assets abroad by residents are subject to the prevailing Foreign Exchange Administration (FEA) rules, and subject to review and approval by Bank Negara Malaysia.

[Further details as may be required.]

II. Bond Issuance relevant Features in Malaysia

In addition to the market features corresponding to the AMBIF Elements, a number of general market features for bond/note issuance to Sophisticated Investors (Exempt Offers) in the Malaysian market will need to be considered, and are described in this chapter.

A. Governing Law / Jurisdiction

Governing law and the jurisdiction for specific service provisions in relation to a bond/note issuance may have some relevance in the context of AMBIF, since potential issuers may consider issuing under the laws or jurisdiction of a country/market other than the place of issuance. The choice of governing law or contractual preferences of stakeholders may affect the accessibility to a specific investor universe that may otherwise not be accessible if a bond/note was issued under the laws of the place of issuance. However, it is necessary to note that law related to bond/note issuance and settlement must be governed by laws and regulations of the place of issuance since AMBIF bond is a domestic bond.

Malaysian law permits the use of governing law or jurisdictions other than Malaysian law in contracts, provided that such provisions do not contravene any existing laws of Malaysia. The decision on the governing law and jurisdiction for Exempt Offers in Malaysia tends to be investor driven. Key question in the setting of the underlying law is the enforcement in case of a dispute arising. For example, in the case of a secured bond or note, regulations prescribe that the governing law must follow the jurisdiction in which the underlying assets are located. In this way, governing law and jurisdiction provisions in bond/note issuance documentation follow the standard practices in common loan documents.

In the case of issuance of MYR denominated bonds/notes in Malaysia, even in case contract parties choose a governing law other than Malaysian law for the contract, it is expected that Malaysian law would prevail as the law specific to issuance and settlement related matters.

In any case, the actual use of governing laws or jurisdictions other than those of Malaysia may be subject to clarification or legal advice from a qualified law firm, as may be necessary.

B. Languageof Documentation and Disclosure Items

It is envisaged that most of the ASEAN+3 markets participating in AMBIF will be able to accept the useof a common document in English, however, some markets may require the submission of approval related information in their prescribed format and in the local language. In such cases, concessions from these regulatory authorities for a submission of required information in English – in addition to local language and formats – may be sought.

In Malaysia, contracts, bond issuance documentation and disclosure items, as well as all applications, approvals and correspondence with regulatory authorities and market institutions can be in English.

C. Credit Rating

Bonds or notes issued in Malaysia, including Exempt Offers to Sophisticated Investors, require a credit rating from a credit rating agency approved by SC Malaysia. Although international ratings are accepted, domestic investors seem to favor domestic credit rating for Ringgit-denominated bonds/notes. The credit rating of a bond/note issue must be made available to SC Malaysia upon an application to issue, offer or invite to subscribe or purchase private debt securities.

At present, domestic credit ratings are available from Malaysian Rating Corporation Berhad (MARC) and RAM Holdings Berhad (RAM), formerly Rating Agency Malaysia Berhad. Only RAM is presently accredited by SC Malaysia. [Confirm.]

[Determine to what extent further concessions from 2017 should be included here.]

D. Selling / Transfer Restrictions

Selling and transfer restrictions for bonds/notes intended for professional investors only (Exempt Offers) are well defined in Malaysia, and are expressed and observed through a number of regulations and practices in the market.

Pre-issuance, the issuer or its agents are required to make explicit reference to Schedules 6, 7 and 9 of CMSA, in all offer documents and related correspondence to Sophisticated Investors, including the Terms & Conditions of a proposed bond/note issuance to Sophisticated Investors.A similar reference, then to Schedule 6 and 9 of the CMSA only, will have to be present in all documentation and disclosure items afterthe bond/note issuance.

While SC Malaysia does not prescribe an actual wording for these mandatory references, the Financial MarketAssociation of Malaysia (FMA)provides a standard format for its member institutions, as part of its commitment to issue and revise marketpractices on the wholesale financial market in Malaysia.

At the same time, themarketing or offers for sale and distribution ofbonds/notes aimed at Sophisticated Investors (Exempt Offers) may only be undertaken by Malaysian legal entities with a Capital Market Services License, regardless whether the bonds/notes are issued by domestic or foreign issuers and where the bonds/notes are originally issued. This license is awarded by SC Malaysia to eligible institutions and licensing requirements include the commitment of the institution to observe any selling restrictions applicable to such Exempt Offers.

If a bond/note would be listed for profiling under the Exempt Offers regimeon BMS, the issuance and transactions in the secondary market are limited to Sophisticated Investors or Capital Market Services License holders only.

E. Note Issuance Programs

AMBIF promotes the medium-term note (MTN) format because it not only gives funding flexibility to issuers but also represents the most common format of bond issuance in the international bond market. This means that potential issuers as well as investors and intermediaries are likely to be familiar with the note issuance programs and related practices. Hence, it would make AMBIF comparable to the relevant practices of the international bond market. At the same time, it is expected that potential issuers may benefitby re-using or adopting existing documentation or information on disclosure items.

Note issuance programs are well established and widely accepted in the Malaysian market.

In the PDS Guidelines published on 28 August 2014, Chapter 2, note issuance programs are referred to as 'debt programmes', with the same meaning as described above; MTN programmes are defined as having the meaning assigned to it under the Participation and Operation Rules for Payments and Securities Services issued by MyClearon behalf of Bank Negara Malaysia.

F. Bond Trustee / Trust Deed

SC Malaysia prescribes the use of a trust deed– and appointment of a bond trustee– for a bond/note issuance, in accordance with underlying provisions in the CMSA, Sections 258ff. Certain exceptions to this requirement exist, such as when the bond/note issuance is offered exclusively to foreign investors, or other entities specifically mentioned in Schedule 8 of the CMSA.

The bond trustee is to be appointed by the principal adviser.

The form and content of the trust deed are prescribed by SC Malaysia, pursuant to Chapter 5 (BOND TRUSTEE AND TRUST DEED REQUIREMENTS) of the PDS Guidelines.

Bond trustees must be licensed trust companies or public companies specifically appointed by the SC. The bond trustee is expected to be involved in the compilation of the bond issuance documentation prior to submission of the application for approval to SC.

G. Principal Adviser

Principal Adviser is the term used in the Malaysian market, in the PDS Guidelines and other regulations (in particular the Principal Adviser Guidelines issued by SC Malaysia), for underwriters or arrangers of a bond/note issue. Only institutions specified by the SC in the Principal Adviser Guidelines can act as a principal adviser.

III. Bond Issuance Process in Malaysia

This chapter describes the regulatory processes and necessary steps to be observed for the issuance of debt instruments (official term: debentures) to Sophisticated Investors (Exempt Offers)in Malaysia.

A. Overview of Regulatory Processes

1. Regulatory Processes by Corporate Issuer Type

All bond issuances in the Malaysian market require the approval from SC Malaysia, regardless of corporate issuer type. The regulatory process for the issuance of bonds/notes denominated in foreign currency (FCY) requires the same approval of SC, but has some additional prescriptions under the regulations. Only foreign issuers intending to offer MYR denominated bonds/notes to Sophisticated Investors (Exempt Offers) need additional approval from Bank Negara Malaysia (BNM).

The table below provides an overview of these regulatory processes by corporate issuer type. In order to make the issuance processes by issuer type more comparable across the ASEAN+3 markets, the table features common issuer type distinctions that are evident in regional markets. Not all markets will distinguish all such issuer types. Sovereign issuers may be subject to different regulatory processes.

Table 2 – Regulatory Processes by Corporate Issuer Type

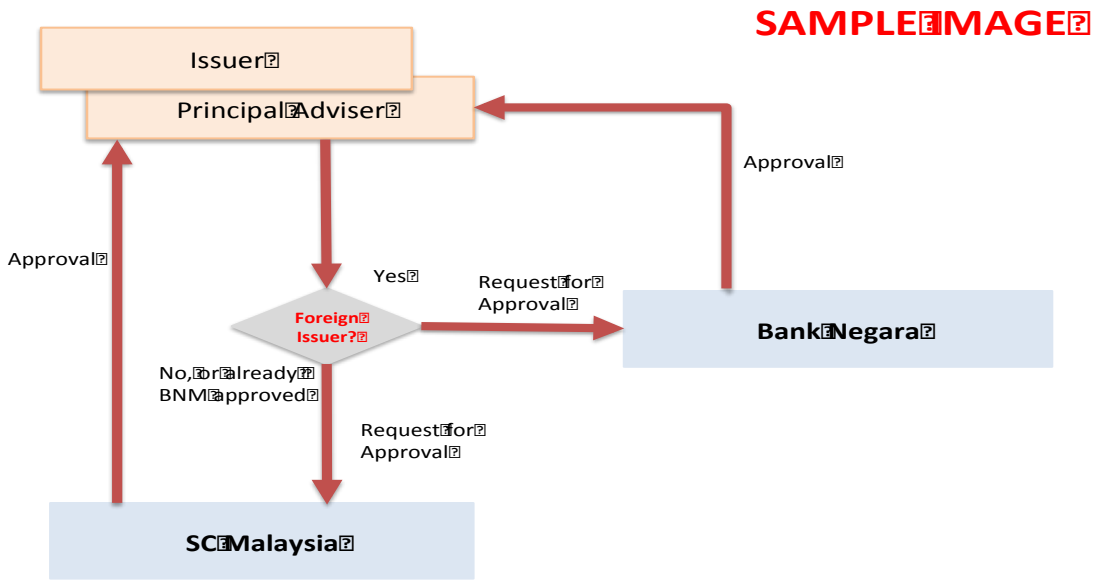
Type of Corporate Issuer	SC	BNM
Resident issuer issuing MYR	O	
Resident non-FI issuer issuing MYR		
Resident financial institution issuing MYR		
Resident issuer issuing FCY		
Non-resident issuer issuing MYR		O
Non-resident non-FI issuing MYR		
Non-resident financial institution issuing MYR		
Non-resident issuer issuing FCY		

Source: ADB Consultants for SF1
Note: non-FI = non-financial institution; FCY = foreign currency; MYR = Malaysian Ringgit

Regulatory Process Map – Overview

The regulatory process map shown below may help with the navigation of the applicable regulatory processes to be applied to a given proposed bond issuance.

Image 1 – Regulatory Process Map Overview



Source: ADB Consultants for SF1

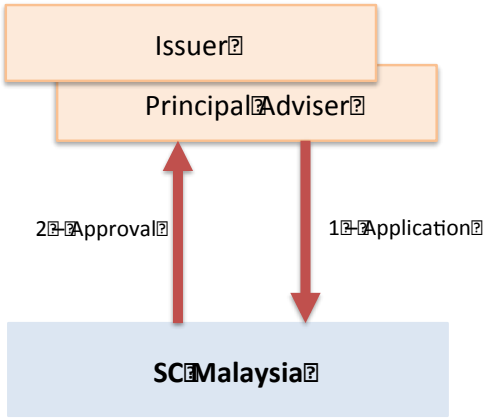
B. Issuance Processes in Local Currency (MYR)

This section describes the issuance processes for Exempt Offers, denominated in Malaysian Ringgit only. There are no distinctions by individual corporate issuer type, only between domestic and foreign issuers. Sovereign issuers are not covered in this section.

1. Issuance Process for Resident Issuer

Image 2 – Regulatory Process: Issuance of Exempt Offers byResident Issuer

SAMPLE IMAGE



Source: ADB Consultants for SF1

The following actual steps will need to be observed when a resident issuer wants to issue Exempt Offers.

Step 1 - Submission of Application for Approval to SC Malaysia

The principal adviserto anissuer ofan Exempt Offer in Malaysia will need to submit an application for approval to issue to SC Malaysia. Both hardcopy and electronic submissions are accepted. The process is regulated in the PDS Guidelines, Chapter 14 and content requirements for applications for the respective types of bond/note issuance being applied for are laid out in Appendices 2 to 7.

Appendix 3 of the PDS Guidelines states that an application would have to include the followingcomponents and information:

- Application letter, containing

(a) Background information on the issuer;

(b) Background information on the originator in the case of an ABS issue/programme, where applicable;

(c) Profile of directors of issuer, including–

(i) National Registration Identity Card numbers for Malaysian directors; and

(ii) Passport numbers for non-Malaysian directors;

(d) A description of the transaction and structure of the issue or debt programme. In addition, specify whether it is a one-time issue or a debt programme;

(e) Details of the utilisation of proceeds, including its schedule where applicable;

(f) Primary and secondary sources of repayment;

(g) Detailed breakdown of all upfront and recurring fees and expenses for the issue/debt programme;

(h) Waivers from complying with these Guidelines and other relevant guidelines of the SC obtained for the proposed issue/debt programme (if any);

(i) Conflict-of-interest situations and appropriate mitigating measures;

(j) Detailed information of the existing PDS issue and/or loans to be refinanced by the proposed issue/debt programme, where applicable;

(k) A copy of the letter from credit rating agencies pertinent to the credit rating for the issue or offer;

(l) Any other material information in relation to the issue/debt programme; and

(m) Name, telephone number, facsimile number and e-mail address of the officer-in-charge for the issue/debt programme.

- Principal terms and conditions of the proposal (as per Part 2 of Appendix 3).
- Copies of approval letters from all other relevant regulatory authorities.
- Compliance checklist on these Guidelines.

The following additional documents are to be submitted:

(a) Issuer's declaration (as per Part 3 of Appendix 3); and

(b) Latest audited financial statements of the issuer.

The requirements for the principal terms and conditions – typically referred to in the Malaysian market as P&C – of the proposal are outlined in Part 2 of Appendix 3. No specific format is prescribed for the P&C.

In contrast, a specific format for the issuer's declaration is provided in Part 3 of Appendix 3.

[Note: We can also consider doing an appendix with all the details, to keep the body text short(er).]

Step 2 – Approval from SC Malaysia

The PDS Guidelines state that SC Malaysia will approve (or reject as the case may be) within 14 days of receipt of complete application documents and information.

Provided that documents are in order and the necessary information has been provided and the review is satisfactory, SC Malaysia will issue an approval letter… [confirm process]

Please note: any revisions made to the principal terms and conditions of a proposed bond issuance which has already been approved by the SC, but not yet been issued, requires a fresh approval of the SC. In contrast, if a bond previously approved by the SC has already been issued, any change to the principal terms and conditions will not require additional approval by the SC.

There is a [is no] fee charged for the submission of an application for approvalto the SC[confirm].

2. Issuance Process for Resident Non-FI Issuer

The process of issuance of bonds or notes by resident non-FI issuers is the same and, hence, follows the description under 1 above.

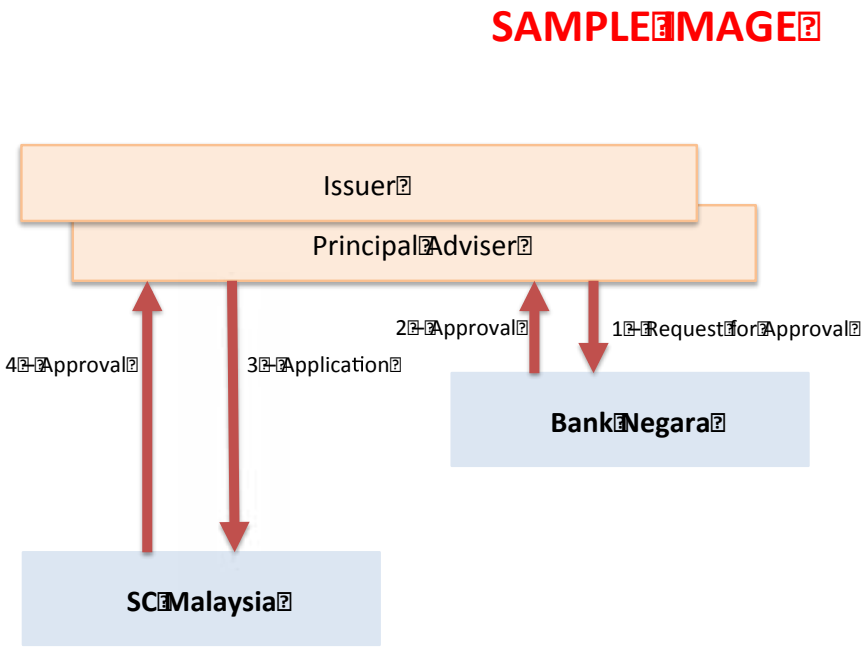
3. Issuance Process for Resident Financial Institution

The process of issuance of bonds or notes by resident financial institutions is the same as for non-FI issuers and, hence, follows the description under 1 above.

4. Issuance Process for Non-resident Issuer

The process of issuance of Exempt Offers by a foreign issuer also requires the priorapproval by Bank Negara Malaysia, even before an application for approval of bond issuance is made to SC Malaysia.

Image 3 – Regulatory Process: Issuance of Exempt Offers by Foreign Issuer(MYR)



Source: ADB Consultants for SF1

The following actual steps will need to be observed when a foreign issuer wants to issue Exempt Offers.

Step 1 – Submission of Application for Approval from Bank Negara

A foreign issuer must obtain approval fromBank Negara Malaysia(BNM) before issuing ringgit-denominated bonds in Malaysia. There is no quota or allocation of issuance amounts in MYR for foreign issuers.

The requirements for the application are set out in the "Joint Information Note on the Issuance and Subscription of Ringgit and Foreign Currency-Denominated Sukuk and Bonds in Malaysia" issued in July 2013.

The issuer or principal adviserto the foreign issuer of a ringgit-denominated bond, note or Sukuk to be issued in Malaysia will need to submit an application for approval to the Controller of Foreign Exchange at BNM.

The application will need to contain details on the intended utilisation of proceeds, including any intended foreign exchange and swap transactions, if so intended in the course of utilisation of proceeds from the bond by the issuer. In case of intended foreign exchange or swap transaction, the application to BNM will also be reviewed by the Foreign Exchange Administration Department [same as Controller of Foreign Exchange?]

The detailed information requirements are laid out in the Appendix of the Joint Information Note, as follows:

a) Profile of the issuer (e.g business activities, country of incorporation, shareholders, board of directors, financial report)
(b) Credit rating of issuer and name of credit rating agency (credit rating report)
(c) Type of sukuk or bonds
(d) Size of issuance
(e) Currency of issuance
(f) Tenure
(g) Benchmark/interest rate (e.g. fixed, floating) and frequency
(h) Utilisation of proceeds
- Additional information to be provided if proceeds of issuance are to be on-lent wholly or partly:
    i. Name of borrower
    ii. Relationship of issuer with borrower (if any)
    iii. Purpose of financing/loan utilisation
    iv. Terms of financing/loan
        -Amount
        -Tenure
        -Benchmark/interest rate
        -Repayment period
        -Prepayment/callable option
(i) Lead manager/lead arranger/adviser
(j) Other manager (if any)
(k) Guarantor/underwriter (if any)
(l) Listing details (if any)
(m) Method of issuance (e.g. open tender, book-building, private placement)
(n) Past sukuk or bonds issuances (if any)
(o) Proposed hedging counter-party (if any)
(p) Details of contact person:
  (i) Malaysia
  (ii) Abroad .

The relevant transaction or offering documents accompanying the application for approval must clearly state the applicable governing law.

There is no fee charged for this BNM approval process [confirm].

[Note: We can also consider doing an appendix with all the details, to keep the body text short(er).]

Step 2 – Approval from Bank Negara

BSP, International Operations Department and, possibly, the Foreign Exchange Administration Department, will review the application and applicable documents and may, at its discretion, ask for clarification or additional information.

Provided that documents are in order and the necessary information has been provided and the review is satisfactory, BNMwill issue the approval (letter) for the bond issuance [format, style to be confirmed].

The issuer may use the MYR proceeds from the bond issuance in Malaysia's real economy, or can convert the proceeds into foreign exchange or swap the proceeds into foreign currency, as previously advised to BNM. There is no limitation to the size of swap transactions, or any restriction on foreign exchange, as long as these transactions are executed with a licensed financial institution in Malaysia. However, any swap transactions tenure would need to match the term of the bond issue.

Step 3 - Submission of Application for Approval to SC Malaysia
Step 4 – Approval from SC Malaysia

Prerequisite: approval from Bank Negara for MYR issuance by foreign issuer (see Step 2).

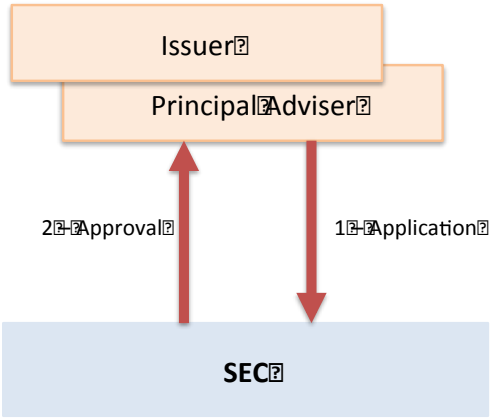
The process of submission of an application for approval from SC Malaysia, and the granting of an approval by the SC follow the description under 1 above, including details of the application content requirements.

C. Issuance Process for Foreign Currency denominated Bonds

In principle, the regulatory process forforeign currency-denominated private debt securities approval is similar to the one for MYR issuance by a domestic issuer. There is no requirement for approval from Bank Negara.

Image 2=3 – Regulatory Process: Issuance of Exempt Offers in Foreign Currency

SAMPLE IMAGE



Source: ADB Consultants for SF1

At the same time, the issuance of foreign currency-denominated debt securities has to follow a specific processprescribed by the SC in the PDS Guidelines; the process is official termed "foreign currency-denominated private debt securities through a roadshow".

[Further details to be added, as may be decided practical and comparable also to other markets.For discussion.Could also be presented in a separate section 'Issuance Process specific to Malaysia' or similar if MY colleagues find this best.]

IV. Resource Information

For easy access to further information about the topics discussed in this AMBIF Implementation Guideline for Malaysia, the policy bodies, regulatory authorities, and securities market related institutions, or the Malaysian bond market at large, interested parties are encouraged to utilise the following links (all websites in English): [Need to validate links before final distribution.]

ASEAN+3 Bond Market Guide - Malaysia
[Provide updated link.]

Bank Negara Malaysia
http://www.bnm.gov.my

Bank Negara Malaysia – Joint Information Note (with SC)
http://www.bnm.gov.my/microsites/fxadmin/notices/Jointinfonote.pdf)

Bursa Malaysia
http://www.bursamalaysia.com/market/securities/bonds/products/listed-under-exempt-regime-copy/overview/

RAM Holding Berhad (formerly: Rating Agency Malaysia Berhad)
http://www.ram.com.my

Securities Commission Malaysia - General
http://www.sc.com.my

Securities Commission Malaysia – PDS Guidelines
http://www.sc.com.my/wp-content/uploads/eng/html/resources/guidelines/bondmkt/guidelines_pds_140828.pdf)

Bond Pricing Agency Malaysia
http://www.bpam.com.my

V. Abbreviations, Acronyms and Technical Terms

ABMF	ASEAN+3 Bond Market Forum
ADB	Asian Development Bank
ADRB	AMBIF Documentation Recommendation Board
AMBIF	ASEAN+3 Multi-Currency Bond Issuance Framework
ASEAN	Association of South-East Asian Nations
ASEAN+3	Association of South-East Asian Nations plus People's Republic of China, Japan and Republic of Korea
BM	Bursa Malaysia (exchange and depository holding company)
BMG	Bond Market Guide, an ABMF publication for each of the ASEAN+3 economies
BMS	Bursa Malaysia Securities Sdn Bhd. (Malaysian securities exchange)
BNM	Bank Negara Malaysia
BPAM	Bond Pricing Agency Malaysia
Conflict of Law	Concept in basic law that permits the use of law other than domestic law in contracts or agreements if both/all parties so agree
CCY	Currency
CHATS	Clearing House Automated Transfer System (USD clearing system)
CRA	Credit Rating Agency
CSD	Central Securities Depository
CMSA	Capital Markets and Services Act (in its latest version)
FAST	Fully Automated System for Issuing / Tendering
FCY	Foreign currency
FEA	Foreign Exchange Administration (rules governing FX and swap transactions)
FG	Foreign Government(s)
FI	Financial institution
FII	Foreign Institutional Investors
FMA	Financial MarketAssociation of Malaysia
FX	Foreign Exchange
HNWI	High Net Worth Investors
IFC	International Finance Corporation
IFI	International Financial Institutions
IFRS	International Financial Reporting Standards

IM	Information Memorandum, synonymous with Offering Circular
IMF	International Monetary Fund
iMTN	Islamic MTN-type programme
Information Memorandum	Term typically used for key documentation for a private placement to professional investors
LCY	Local currency
Listing	Typically, action of submitting a bond issue or other securities to an exchange for the purpose of price finding, disclosure or profiling; in Thailand: presently often used instead of registration with Thai BMA
MARC	Malaysian Rating Corporation Berhad
MyClear	Malaysian Electronic Clearing Corporation Sdn. Bhd.
MYR	Malaysian Ringgit
OC	Offering Circular, synonymous with Information Memorandum
Offering Circular	Term typically used for key documentation for a private placement to professional investors
OTC	Over-the-Counter
P&C	Principal terms and conditions (of a bond issue)
PDS	Private Debt Securities (Guidelines by SC Malaysia)
PDS Guidelines	Key regulations issued by Securities Commission Malaysia
PO	Public Offer or Public Offering
PP	Private Placement
PVP	Payment versus Payment
RAM	RAM Holdings Berhad, formerly Rating Agency Malaysia Berhad
RM	Domestic abbreviation for Malaysian Ringgit
Registration	Action of registering a bond issue, for reference pricing or disclosure purposes
RENTAS	Real-time Electronic Transfer of Funds and Securities System
SC	Securities Commission Malaysia
SF1	Sub-Forum 1 of ASEAN+3 Bond Market Forum
SRO	Self-regulatory Organisation
SSDS	Scripless Securities Depository System
Sukuk	Islamic finance securities
USD	Unites States dollar

ASEAN+3 Bond Market Forum (ABMF) - Phase 3

[Proposed Output of Sub-Forum 1]

AMBIF Implementation Guideline for THE PHILIPPINES

- Discussion Paper -

(Includes discussion results from Nov 2014 market visit and subsequent correspondence)

DRAFT

(Version 3.5, as of 7 January 2015)

[Note: This is a concise version; a preface, purpose and objectives, glossary and appendices etc. will be contained in a general section at the beginning of the proposed Phase 3 Report.]

January 2015

Circulation List and Date(s)

- **ADB**
  - Satoru Yamadera, syamadera@adb.org

- **ADB Consultants for ABMF SF1**
  - Prof Shigehito Inukai, shige.inukai@me.com
  - Matthias Schmidt, macschmidt@me.com

- **ABMF SF1 Chair**
  - Koji Ito, ko-ito@jpx.co.jp

- **ABMF SF1 Co-Chair,** represented byYeow Boon Loong
  - yeowboon.loong@cimb.com

- **BangkoSentral ng Pilipinas,** Bing as coordinator
  - dvaldivieso@bsp.gov.ph

- **Bankers Association of the Philippines,** Pinky as coordinator
  - pinky.padronia@bap.org.ph

- **Bureau of Treasury,** Erwin Sta. Ana as coordinator
  - edstaana@gmail.com

- Philippine Dealing System Holdings Corp. (PDS), Nino as coordinator
  - Antonino A. Napkil, nino.nakpil@pds.com.ph
  - Eleanor B. Rivera, eleanor.rivera@pds.com.ph

- **Securities and Exchange Commission of the Philippines**
  - Commissioner Amatong, elbamatong@sec.gov.ph
  - Director Felizmenio, vgpfelizmenio@sec.gov.ph

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I.AMBIF Elements in the Philippines

This chapter describes the key features of the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), also known as AMBIF Elements, and puts into perspective the equivalent features of the domestic professional bond market in the Philippines.

A. Summary of AMBIF Elements

The bond market in the Philippines does feature many of the attributes of a proposed professional market, such as the well-prescribed Qualified Buyer (QB) and Qualified Securities exemptions from full disclosure and related regulatory processes, and registration and listing processes exist. QB together with PDEx listing is deemed to best fulfill with AMBIF Elements.

The table below identifies the features or practices of the domestic bond market in the Philippines that directly correspond or are equivalent to the key elements of AMBIF.

Table 1 –AMBIF Elements and as Evident in the Philippines

AMBIF Elements	Brief Description	Equivalent in the Philippines
Domestic Settlement	Securities are settled at a National CSD in ASEAN+3	Philippine Depository & Trust Corp. (PDTC)
Harmonized Documents for Submission (Single Submission Form)	Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information along with ADRB recommendation needs to be included.	Single Submission Form is accepted but this would not preclude possibility of additional information to be submitted for approval process. BSP may request additional information with specified format defined in MOFEXT Annex D.2
Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)	Information on bonds/notes and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.	Listing on PDExcomprises of registration, continuous disclosure obligation under Listing Rules and reference pricing, but links to trading; QB Board a possibility
Currency	Bonds/notes are denominated in currencies normally issuedin domestic bond markets of ASEAN+3	Philippine peso (PHP) and USD
Scope of Issuers	Resident of ASEAN+3	Philippine resident issuers do not have any restrictions, while non-residents have to comply with BSPregulatory process
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3	*Qualified Buyers* concept, as per Securities Regulation Code

Source: ADB Consultants for SF1

[Note: accuracy of the document, information gaps, or changes in interpretation can be discussed with Philippine regulatory authorities and market institutions in proposed workshop on 21 Jan in Manila.]

B. Description of AMBIF Elements and Equivalent Features in the Philippines

1. Domestic Settlement

AMBIF

AMBIF is aimed at supporting the domestic bond markets in ASEAN+3. To be recognized as a domestic bond, an AMBIF bond needs to be settled at the designated central securities depository (CSD). Hence, domestic settlement needs to be a key feature of an AMBIF bond.

In the Philippines

The Philippine Depository & Trust Corp. (PDTC) is the designated central depository for equities and corporate bonds. With the exceptions of a small number of corporate notes, PDTC settles and provides safekeeping for all fixed income instruments traded on the Philippine Dealing and Exchange Corp. (PDEx). Both entities are subsidiaries of the Philippine Dealing System Holdings Corp. (PDS).

2. Harmonised Documents for Submission (Single Submission Form)

AMBIF

Based on the review of actual offering circulars, information memoranda or program information formats in ASEAN+3, it was recognized that most information was similar or comparable. Hence, the single submission form that can be applied into all of the relevant regulatory processes for bond/note issuance in respective markets was proposed. The information contained in the Single Submission Form (SSF) can be accepted by all relevant regulatory authorities and market institutions for the relevant approvals or consent in anticipation of an AMBIF bond/note issuance.

In the Philippines

In the Philippines, the regulatory authorities and market institutions are expected to accept the Single Submission Form, though this would not preclude the possibility of additional information to be submitted to the authorities, if so deemed necessary.

The use of English is prescribed in the SEC regulations.

3. Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)

AMBIF

Information on issuer and bond/note needs to be disclosed continuously in ASEAN+3. A registration or listing authority function to ensure the continuous disclosure is required. This ensures quality of disclosure and would help create a well-organized market in AMBIF issuances with transparency and quality of information that would differentiate AMBIF issuances from ordinary private placements for which information is often neither available nor guaranteed. Owing to this important feature, an AMBIF secondary market is expected to emerge as the number of issuances will increase.

Profile listing or reference listing is a listing without trading. The objective of the listing is to make a bond/note visible and more information available to investors via a recognised listing place, particularly those investors with more restrictive mandates, such as mutual and pension funds. A profile or reference listing at a designated listing place would ensure the flow of continuous disclosure information and possibly even reference pricing in some of the places.

In the Philippines

In the Philippines, listing or 'enrolment'of a bond with the Philippine Dealing & Exchange Corp. (PDEx) covers the registration, listing as well as trading processes and practices for debt instruments. The distinction between listing and enrolment is that listing is initiated by the issuer, and enrolment is initiated by, e.g., a trading participant. According to "Rules Governing the Over-the-Counter (OTC) Market"(OTC rules) issued by the SEC in 2006, all OTC trading of debt instruments issued in the Philippines needs to occur on an SEC-authorised marketplace. PDEx is such an authorised marketplace. In fact, the listing and enrolment is a mandatory step to trade a bond or note in the Philippines.

[Note: we need to clarify whether non-resident issuers are also eligible to list on PDEx!]

Under the OTC rules, the SEC conferred listing authority functions on PDEx. The PDEx Listing Rules compel the continuous disclosure of material information from issuers of bond or note issues listed on PDEx. [Note: we need to check the case of enrolled issues, whether this confers an obligation on to the issuer}At the same time, PDEx publishes bond pricing information, based on actually traded prices that have to be captured by deal parties within 15 minutes of deal closure.

At the same time, PDEx also principally offers the feature of profile listing in the form of the so-called 'Qualified Board', in short 'QB Board'. The QB Board was designed to list (by the issuer) only bonds or notes issued to professional investors, in fact targeting private placements or 'corporate notes'to QB. However, a 2012 Bureau of Internal Revenue ruling removed the tax concessions on private placements which resulted in outstanding private placements to progressively be converted into public offers and, consequently, no further interest from the market in the QB Board.

[Note: the QB Board could potentially be utilised as a listing place for AMBIF bondsor for other LCY bonds, provided that a dedicated profile listing feature (without trading compulsion) could be established.]

These PDEx functions constitute the registration and listing feature intended under AMBIF.

4. Currency

AMBIF

In the context of AMBIF, the denomination of currency is expected to be the currency normally issued in domestic bond markets of ASEAN+3, hence, the local currency of that particular market. But this does not exclude the possibility of issuingin other currencies, if market practice regularly supports the other currencies, and the relevant domestic currency/cash clearing capabilities exist. At this stage, USD, JPY, and Offshore CNY (CNH) are typically being issued as other currencies across ASEAN+3 markets.

In the Philippines

In addition to settlement for bonds issued in Philippine peso (PHP), PDTC is also able to settle bonds denominated in USD, since the Philippines feature a domestic USD clearing system. In the past few years, quite a number of USD-denominated bonds have been issued in the Philippines.

5. Scope of Issuers

AMBIF

As AMBIF is aimed to support development of domestic bond/note markets in the region and promote intra-regional recycling of funds, an issuer needs to be a resident of ASEAN+3.

In the Philippines

Regulations for bond issuance in the Philippines prescribe distinctions for regulatory processes between resident issuers and non-resident issuers, as well as between financial institutions and non-FIs, resulting in submissions to, and/or approvals from, different regulatory authorities. Details are explained in Chapter III.

[Note: Further details to be included, as may be necessary.]

[Note: we need to clarify whether non-resident issuers are also eligible to list on PDEx. Since PDEx listing is integral to the bond/note issuance process in PH, this would impact the compatibility with other AMBIF markets.]

6. Scope of Investors

AMBIF

Professional investors are defined in accordance with regulations and/or market practice in each market in ASEAN+3. Some jurisdictions may have a clear definition of professional investors while the other jurisdictions may need to establish the concept through agreements.

Professional investors are institutions defined by law and licensed or otherwise registered with regulators by law in their economy of domicile and, hence, are subject to governance and inspection based on securities market and/or prudential regulations. In addition, most of them are also subject to oversight as well as professional conduct and best practice rules by an SRO, such as an exchange or a market association.

In the Philippines

In the Philippines, the Securities Regulation Code (SRC), Section 10.1, describes professional investors as Qualified Buyers (QB). Concessions on disclosure but also obligations under the QB concept are prescribed in this section. At this point in time, the issuance of bonds to Qualified Buyers ('QB bonds') constitutes the professional bond market in the Philippines. The descriptions of the regulatory processes in Chapter III are for QB bond issuance only.

In the SRC, Section 10 deals with so-called 'Exempt Transactions', i.e. circumstances under which concessions from full disclosure and full approval process with the SEC are available. Section 10.1. (l) lists an exemption of full disclosure and related approval process when issuing bonds to the following institutions, thereby decreeing them professional investors:

i. Bank
ii. Registered investment house
iii. Insurance company
iv. Pension fund, retirement scheme or BSP authorised trust
v. Investment company
vi. Other institutions as determined by the SEC

There is no distinction in the SRC, or in SEC regulations, between domestic and foreign professional investors. Only the BSP applies specific procedures to the investment by foreign investors, as part of its foreign exchange regulations –this applies to investment in all asset classes. There are many foreign institutional investors (FII) already investing in the Philippines and registered with BSP through their custodian banks. [Note: need to determine further level of detail.]

Professional investors resident in the Philippines may invest in overseas markets. There are no specific limits or prescriptions for ASEAN+3 markets. Mutual funds may invest upto 15% [confirm] of their net asset value (NAV) in foreign securities, according to prudential regulations [state specifics].

However, the BSP requires Philippine investors to report…[Note: need to correctly interpret or confirm relevant MOFEXT parts and applicable prescriptions.]

II. Bond Issuance relevant Features in the Philippines

In addition to the market features corresponding to the AMBIF Elements, a number of general Philippine market features for bond issuance to professional investors (QB issuances) will need to be considered, and are described in this chapter.

A. Governing Law / Jurisdiction

Governing law and the jurisdiction for specific service provisions in relation to a bond/note issuance may have some relevance in the context of AMBIF, since potential issuers may consider issuing under the laws or jurisdiction of a country/market other than the place of issuance. The choice of governing law or contractual preferences of stakeholders may affect the accessibility to a specific investor universe that may otherwise not be accessible if a bond/note was issued under the laws of the place of issuance. However, it is necessary to note that law related to bond/note issuance and settlement must be governed by laws and regulations of the place of issuance since AMBIF bond is a domestic bond. .

The civil code of the Philippines permits the use of governing law or jurisdictions other than the Philippines in contracts, provided that such provisions do not contravene any existing Philippine laws.

Should the parties involved in a bond/note issuance chose to use Philippine law, the jurisdiction of the issuance would fall to Philippine courts by default. If, in contrast, issuance parties agree on another governing law, the parties would also have to specifically determine the jurisdiction of a court in which provisions of the bond/note issuance (e.g. settlement agency) could be enforced and any disputes would be heard and decided.

In the case of issuance of PHP denominated bonds/notes in the Philippines, even in case contract parties choose a governing law other than Philippine law for the contract, it is expected that Philippine law would prevail as the law specific to issuance and settlement related matters.

In any case, the actual use of governing laws or jurisdictions other than those of the Philippines may be subject to clarification or legal advice from a qualified law firm, as may be necessary.

B. Language of Documentation and Disclosure Items

It is envisaged that most of the ASEAN+3 markets participating in AMBIF will be able to accept the use of a common document in English, however, some markets may require the submission of approval related information in their prescribed format and in the local language. In such cases, concessions from these regulatory authorities for a submission of required information in English –in addition to local language and formats –may be sought.

English is mandated in the regulations under the purview of the Securities and Exchange Commission of the Philippines.

C. Credit Rating

Bonds or notes to be listed or enrolled on PDEx require a credit rating in line with the requirements stipulated by SEC, or BSP. PDEx accepts international credit ratings.

SEC has recently issued accreditation regulations for credit rating agencies, and 2 domestic credit rating agencies are mentioned, in addition to acceptance of international credit rating agencies.

[Note: we need to confirm since there are no credit rating requirements in PDEx Listing Rules, or presentation material; reference is made to SEC and BSP. Basis for separate BSP rating is not clear; also need to obtain and review credit rating agency accreditation regulations by SEC.]

Unrated bonds may be listed on PDEx'QB Board ('Qualified Board') and practice for private placement in the Philippine market does not seem to require rating; however, it has been observed that potential AMBIF investors may prefer to have a credit rating.

D. Selling / Transfer Restrictions

Selling and transfer restrictions for the issuance of bonds to professional investors are well defined in the identified professional market segment in the Philippines, namely the Qualified Buyers and Qualified Securities.

Pursuant to the Securities Regulation Code (SRC), Sections 9 and 10, the Implementation Rules and Regulations published by the SEC prescribe a template and specific provisions on the use of that template and further mentions of selling and/or transfer restrictions when issuing bonds to Qualified Buyers.

In all offer documents and related correspondence to Qualified Buyers, including the term sheet of a proposed bond issue, an issuer [or agent, to be clarified] must make explicit reference to the SRC Section 10.1 L and give their commitment that said offer is limited to QB, thereby constituting an Exempt Transaction under the law. In addition, appropriate selling or transfer restrictions will need to be printed on the actual issued instrument (typically global or jumbo certificate(s)), in bold font, if certificates are to be issued. Philippine company law does not require the physical issuance of certificates, though.

If a bond is listed or enrolled on PDEx (see Chapter I.), the observance of applicable selling and transfer restrictions is part of the explicit warranties that issuers and participants give to PDEx when signing up. PDEx requires all its enrolments to be dematerialized, hence, no certificates means that no explicit selling restrictions will need to be printed.

There are no distinctions between domestic issuers and foreign issuers with regards to selling or transfer restrictions and their observance.

E. Note Issuance Program

AMBIF promotes the minimum-term note (MTN) format because it not only gives funding flexibility to issuers but also represents the most common format of bond issuance in the international bond market. This means that, potential issuers as well as investors and intermediaries are likely to be familiar with the note issuance programs and related practices. Hence, this would make AMBIF comparable to the relevant practices of the international bond market. At the same time, it is expected that potential issuers may benefit from re-using or adopting existing documentation or information on disclosure items.

At this stage, the issuance of PHP-denominated domestic bonds/notes to professional investors via a note issuance (MTN) program is not evident in the Philippine market; however, USD-denominated note issuance (MTN) programs have been evident in the Philippines for some time. At the same time, a shelf-registration concept exists, though this is not necessarily directly comparable to shelf-registration concepts typically practiced in other markets [confirmation required].

Note issuance (MTN) programs would not be eligible to be listed or enrolled on PDEx. BSP should not be expected to approve note issuance (MTN) programs sought by foreign issuers at this point in time.

F. Private Placement

The private placement issuance concept in the Philippines is described in the Securities Regulation Code (SRC), Section 9. Private placements are exempt transactions under the SRC, and require no approval or regulatory process as long as they are clearly identified as private placements at time of issuance or when trading in the secondary market.

Market participants in the Philippines typically refer to private placements as 'corporate notes'.

The actual private placements issuance does not fall under the purview of the SEC, although the regulations on private placement are maintained in the Securities Regulation Code. Key challenge in this context is that the relevant SRC does not prescribe selling or transfer restrictions for private placements and, hence, a ring fencing of issuance to, and buying and selling by professional investors appears not to be given. Having said that, market observations suggest that corporate notes are only ever traded between institutions that are Qualified Buyers.

G. Facility Agent

Under the PDEX Listing Rules (7.3.8), a debt security to be listed or enrolled on PDEx must have a facility agent, or trustee. The facility agent description follows in part the duties normally associated with a bond trustee or bondholder representative. However, the facility agent is not appointed on behalf of bondholders since its obligations are in part to PDEx, and does not have fiduciary responsibilities. Key functions of the facility agent include (taken from PDEx Listing Rules):

a.Monitor the compliance by the Issuer of all covenants of the issue;

b. Act on behalf of the holders of Securities in the event of any default of the Issuer on any of the covenants;

c. Regularly report to the holders of the Securities and to PDEx any of the following:

i. Any change, impairment or removal of deposited collateral;
ii. Acceleration of maturity of the issue;
iii. Any call for redemption;
iv. Non-compliance with sinking fund requirements, if any;
v. Non-compliance with any covenant or condition of the Issuer;
vi. Any event that will affect the obligations of the Issuer under the issue; and
vii.Any other action of the Issuer or other event that comes to the knowledge of the Facility Agent that may impair or affect the value of the Security or Instrument.

[Note: since the appointment of a facility agent appears to be a pre-requisite for PDEx listing or enrolment, and listing or enrolment is key to the issuance process of bonds/notes in the Philippines, this market feature becomes integral to the AMBIF issuance process. Hence, it has to be better understood, in particular the significance of who appoints and who enforces.]

III. Bond Issuance Process in the Philippines

A. Overview of Regulatory Processes

1. Regulatory Processes by Corporate Issuer Type

To issue bonds to professional investors in the Philippines, a number of regulatory processes will need to be observed. Depending on the type of issuer, notices have to be filed with, or approvals sought from, the Securities and Exchange Commission of the Philippines (SEC) and the BangkoSentral ng Pilipinas (BSP). In addition, the listing or enrolment of issued bonds with the Philippine Dealing and Exchange Corp. (PDEx) will be required to allow trading –for an explanation in this regard, please see Chapter I.

The table below provides an overview of these regulatory processes by corporate issuer type. In order to make the issuance processes by issuer type more comparable across the ASEAN+3 markets, the table features common issuer type distinction that are evident in regional markets. Not all markets will distinguish all such issuer types. Sovereign issuers may be subject to different regulatory processes.

Table 2 –Regulatory Processes by Corporate Issuer Type

Type of Corporate Issuer	SEC	BSP	PDEx
Resident issuer issuing PHP	O		O
Resident non-FI issuer issuing PHP	O		O
Resident FI issuing PHP 1) 2)	O	O	O
Resident issuer issuing FCY bonds/notes	O	O	O
Non-resident issuer	O	O	O
Non-resident non-FI issuer issuing PHP	O	O	O
Non-resident FI (as branch) issuing PHP	O	O	O
Non-resident issuer issuing FCY bonds/notes	O	O	O

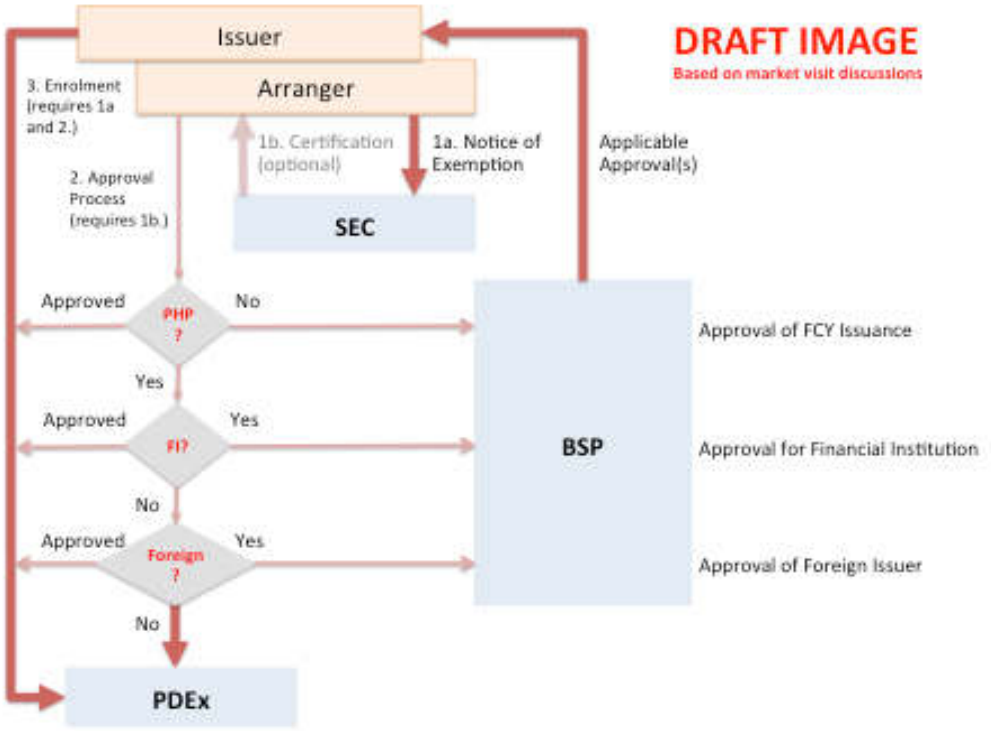
Source: ADB Consultants for SF1
Note: FI = financial institution; non-FI = non-financial institution; FCY = foreign currency
1)Financial institutions require BSP approval as part of the banking supervision.
2) Resident FI in the Philippines include branches of foreign FI that fall under the supervision of BSP.

[Note: confirmation is necessary whether PDEx Listing Rule(7.2) does not include the listing or enrolment by non-resident corporate issuers. Foreign governments and multi-lateral organisations are mentioned as eligible.]

Regulatory Process Map–Overview

The regulatory process map shown below may help with the navigation of the applicable regulatory processes in the Philippines to be applied to a given proposed bond issuance.

Image 1 –Regulatory Process Map Overview



Source: ADB Consultants for SF1

Typically, the issuer is represented by an arranger who will file or submit the necessary application for approval or relevant documentation to the respective regulatory authority and market institution on the issuer's behalf.

B. Issuance Processes in Local Currency (PHP)

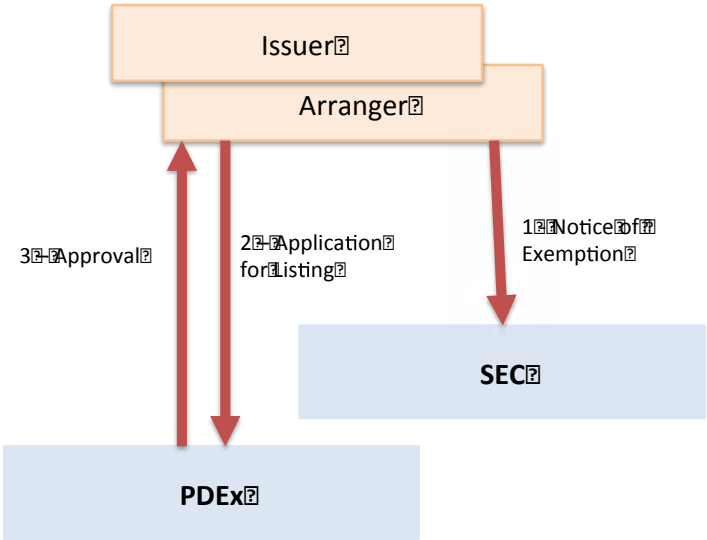
This section describes the issuance processes for bonds aimed at Qualified Buyers (QB bond) in the Philippines, in Philippine peso. In contrast to the requirements for a public offering, the regulatory processes for QB issuances arefairly streamlined.

Distinctions are made according the prescribed issuance processes for individual corporate issuer types in the Philippines. Sovereign issuers are not covered in this section.

1. Issuance Process for Resident Issuer

A resident issuer is defined as a corporate legal entity under the laws of the Philippines. At the same time, this includes the branches of foreign financial institutions under the banking services supervision of BSP [confirm statement].

Image 2–Regulatory Process: Issuance of QB Bonds by Resident Issuer



Source: ADB Consultants for SF1

The following steps will need to be observed when a resident issuer wants to issue bonds to professional investors(QB issuances) in the Philippines.

Step 1 - Submission of a Notice of Exemption to SEC

The Issuer or arranger [correct term?] of a bond aimed at professional investors (Qualified Buyers) in the Philippines will need to submit a Notice of Exemption to the SEC.

The Securities Regulation Code, Section 10.3, prescribes, in order for an issuer to secure an exemption from the official registration of debt instruments with the SEC (public offer/full disclosure), to submit a notice on which exemption under Section 10. is relied upon to qualify as an Exempt Transaction. This process is called Submission of a Notice of Exemption.

The SRC does refer to a format and the timeline to be stipulated by the SEC; both are contained in the Implementation Rules and Regulations, the latest version is[provide correct version and publishing date; state new version coming out soon/when?!}[Note: it would be important to obtain the actual IRR, since SRC does not contain details, and no info in public domain;the latest version due out also contains further details on QB.]

There is no fee charged for the submission of a Notice of Exemption to the SEC.

A cooling-off period of [n] days will need to be observed before the issuer or agent can start on the next step. [Confirm statement and details.]

It is important to note that the SEC will not issue a confirmation of the Notice of Exemption or an approval letter. Instead the issuer and/or arranger may proceed with the bond issuance/offer for sale to Qualified Investors following a cooling-off period/according to…[state conditions, criteria, timeline].

Step 2 - Application for Listing (or Enrolment)onPDEx

Prerequisite: submission of Notice of Exemption to SEC (see Step 1). [Timeline, conditions?]

For a bond to be eligible to be traded in the Philippines, the issuer or arranger of a bond aimed at professional investors (Qualified Buyers) will need to list the bond on PDEx–this is a process mandated by law. In contrast, enrolment is done by a trading participant to make a bond or note eligible for trading on PDEx. Both listing and enrolment result in downstream clearing and settlement processes and practices in the Philippines.

The practice of listing or enrollment is stipulated in the OTC rules by the SEC and regulated in the PDEx Listing Rules; please also refer to Chapter I.

PDEx prescribes that an issuer [or agent, confirm] needs to send to PDEx the application for listing as well as the duly executed listing agreement, together with documents and disclosure items stipulated in the applicable PDEx listing checklist [confirm correct title, and contents]

PDEx may, at any time, request for additional information or disclosure items from the issuer.

A listing fee of [amount] is payable with the listing application.

Issuers are requested to submit their applications for listing at least 3 weeks before the targeted listing date.

Step 3 –Approval from PDEx

PDEx will review the application for listing, the listing agreement and supplementary information and commits to make a decision within [n] business days from the receipt of complete documents.

If all documents and disclosure items are in order, and the applicable (listing) fees have been paid, PDEx will issue an approval letter to the issuer. PDEx may state specific conditions attached to the approval, if so deemed necessary.

Step 4–'Listing Exercise'[Acc. to Listing Rule 7.6.6; to be further detailed]

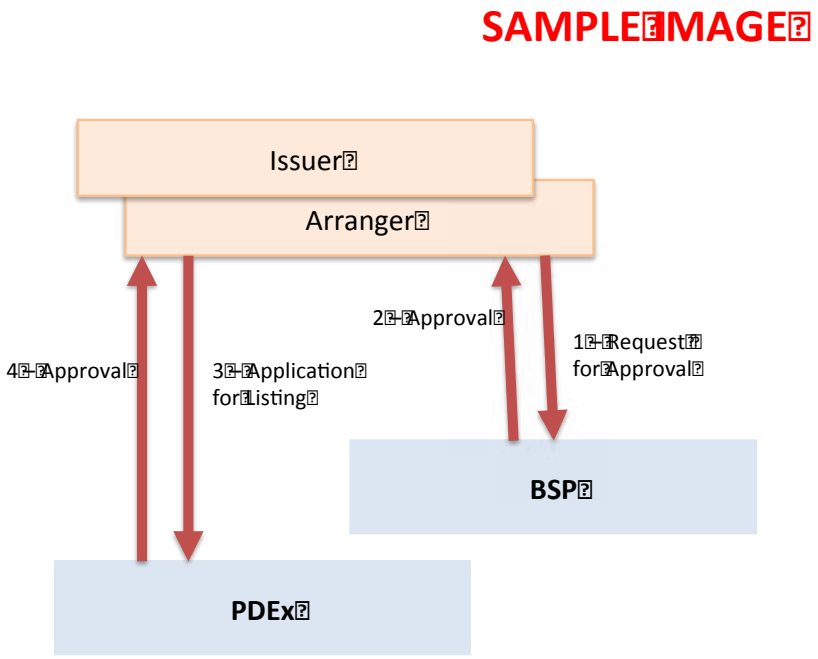
2. Issuance Process for Resident Non-FI Issuer

The process of issuance of bonds or notes by resident issuers and specifically resident non-FI issuers is the same and, hence, follows the description under 1 above.

3. Issuance Process for Resident Financial Institution

The process of issuance of bonds to professional investors (Qualified Buyers; QB bond) differs significantly, if the issuer is a financial institution resident in the Philippines.

Image 3–Regulatory Process: Issuance of QB Bonds by Resident Financial Institution



Source: ADB Consultants for SF1

Step 1 –Filing for Approval with BSP [assumed, confirm correct term]

While the SEC is the principal regulatory authority of the securities market, the Securities Regulation Code, Section 9.1. (e) exempts[confirm] debt securities issued by banks from the need to file a registration statement to the SEC.

In case the issuer is a domestic financial institution, an approval for issuance needs to be obtained from BangkoSentral ng Pilipinas (BSP), regardless whether it is a domestic firm or the branch of a foreign institution. This is part of the regular supervisory activity of financial institutions by BSP.

At present, BSP would not approve the issuance of an MTN programme denominated in PHP by a domestic financial institution.

There is no fee charged for this BSP approval process [confirm].

Step 2 –Approval from BSP [assumed]

BSP, Financial Supervision Department (FSRCP-SS) will review the application and applicable documents and may, at its discretion, ask for clarification or additional information.

Provided that documents are in order and the necessary information has been provided and the review is satisfactory, the BSP Financial Supervision Department (FSRCP-SS) will issue the approval (letter) for the bond issuance [format, style to be confirmed].

Step 3 onwards –nApplication for Listing (or Enrolment) on PDEx, etc.

Prerequisite: [To be determined, since PDEx material does not indicate requirement.]

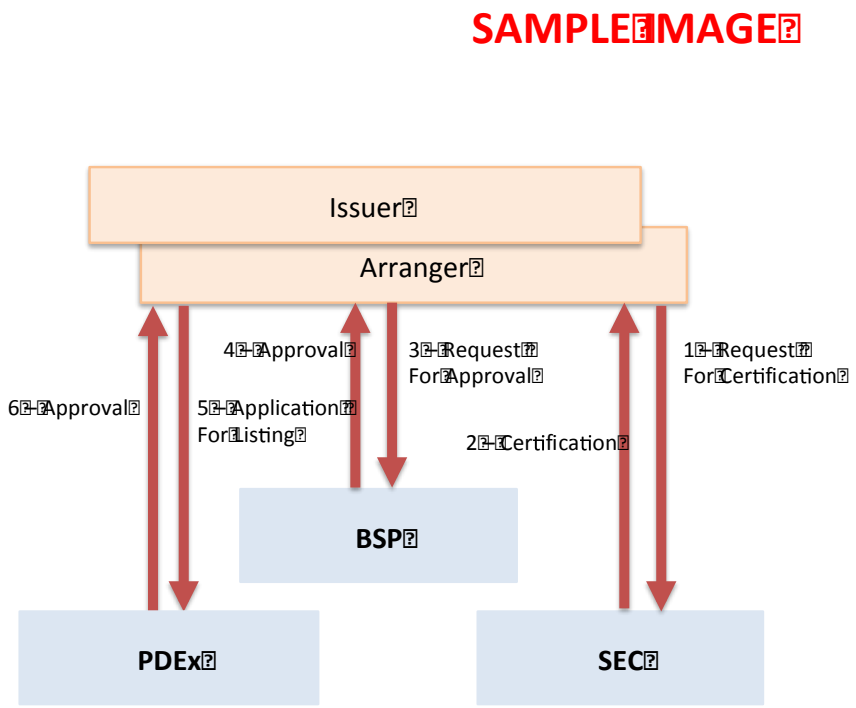
The steps for the listing (or enrolment) of a bond/note on PDEx follow the process as described under Steps 2, 3 and 4 in Section 1 above.

[Best to double-check whether details differ in case of FI issuer.]

4. Issuance Process for Non-resident Issuer

The process of issuance of bonds to professional investors (Qualified Buyers; QB bond) involves multiple regulatory authorities, if the issuer is a non-resident corporate issuer.

Image 4–Regulatory Process: Issuance of QB Bonds by Non-Resident Issuer (Non-FI)



Source: ADB Consultants for SF1

The following steps will need to be observed when a non-resident issuer wants to issue bonds to professional investors (Qualified Buyers; QB bond) in the Philippines.

Step 1 - Submission of a Notice of Exemption to SEC, combined with Request for Certification of QB Bond Eligibility

The Issuer or arranger [correct term?] of a bond aimed at professional investors (Qualified Buyers) in the Philippines will need to submit a Notice of Exemption to the SEC.

The process of Submission of a Notice of Exemption to SEC follows the issuance process described in Section 1 above.

However, since BSP requires proof of eligibility to issue bonds in the Philippines from the non-resident issuer, the issuer or arranger will need to obtain Certification of the QB Eligibility from SEC as an input document into the BSP regulatory process.

The process to obtain Certification of the QB Eligibility from the SEC is described in Section D below. The certification carries a significant fee.

Step 2–Filing for Approval with BSP [sequence assumed; confirm correct term]

Prerequisite: In order for the issuer or arranger to file for approval with BSP, they must obtain a Certification of QB Bond Eligibility from SEC (see above and Section D).

Note: while the Certification of QB Bond Eligibility from SEC is principally at the discretion of the issuer (not mandated in the regulations), BSP has stated that it is required input into its own approval process. To be further discussed with BSP and SEC.]

A non-resident (or foreign) issuer must obtain approval from BangkoSentral ng Pilipinas (BSP) before issuing bonds in the Philippines. There is no quota or allocation of issuance amounts in PHP for non-resident issuers.

A bond issuance by a foreign issuer is considered a foreign loan under the law and the legal provisions pursuant to this classification can be found in the Manual of Regulations on Foreign Exchange Transactions of the BSP, available for download at www.bsp.gov.ph/dowloads/regulations/morfxt/morfxt.pdf (please copy link into your browser first). Annex D.2 of the Manual (mentioned on p24 and resulting in a separate download of an Excel document) contains the actual form and data requirements for submission to BSP.

The issuer or arranger would have to apply to the International Operations Department of BSP, using the prescribed form specified in Annex D.2 of the Manual (p24), together with relevant documents as may be required. [Further details as necessary]

Documentation requirements include:

- Term Sheet
- Process flow
- Flow chart of raising of funds process, including parties involved
- How to fund repayments

The filing for approval from BSP is expected to be done online, using the Foreign Loan Approval and Registration System (FLAReS).

At present, BSP would not approve the issuance of an MTN programme by a foreign issuer.

There is no fee charged for this BSP approval process [confirm].

Step 3 –Approval from BSP [sequence assumed]

BSP, International Operations Department will review the application and applicable documents and may, at its discretion, ask for clarification or additional information.

Provided that documents are in order and the necessary information has been provided and the review is satisfactory, the BSP International Operations Department will issue the approval (letter) for the bond issuance [format, style to be confirmed].

Step 4 –Registration of a Bond/Note (loan) with BSP [sequence assumed; in case of non-resident investors]

[Note: a 'loan' (here bond/note) to non-residents (here bond investors) will need to be registered with BSP, regardless of currency denomination; separate application form(s) and processes apply. One aim of the Manila meeting is to arrive at practical and correct distinctionsof bonds/notes requiring registration. Once concluded, process can be described here.]

Step 5 (Next Step)onwards – Application for Listing (or Enrolment) on PDEx, etc.

Prerequisite: [To be determined, since PDEx material does not indicate requirements.]

The steps for the listing (or enrolment) of a bond/note on PDEx follow the process as described under Steps 2, 3 and 4 in Section 1 above.

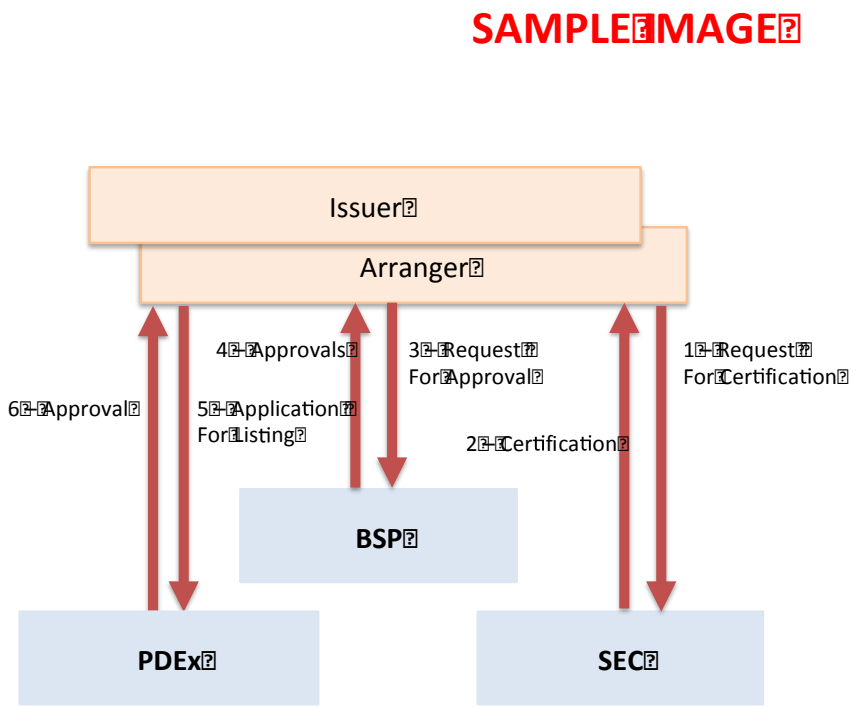
5. Issuance Process for Non-resident non-FI Issuer

The process of issuance of bonds or notes by non-resident issuers that are not financial institutions is the same as the issuance process described in Section 4 above.

6. Issuance Process for Non-Resident Financial Institution

The process of issuance of bonds to professional investors (Qualified Buyers; QB bond) for non-resident financial institutions is much the same as for non-resident corporate and non-FI issuers. However, part of the process of approval for a non-resident financial institution will be the added requirements of the BSP's Financial Supervision Department, as part of the BSP's remit of governance of the activities of banks and other financial institutions in the Philippines

Image 5–Regulatory Process: Issuance of QB Bonds by Non-Resident Financial Institution



Source: ADB Consultants for SF1

The following steps will need to be observed when a non-resident issuer, who is a financial institution, wants to issue bonds to professional investors (Qualified Buyers; QB bond) in the Philippines.

Step 1 - Submission of a Notice of Exemption to SEC

Step 1 - Submission of a Notice of Exemption to SEC, combined with Request for Certification of QB Bond Eligibility

The Issuer or arranger [correct term?] of a bond aimed at professional investors (Qualified Buyers) in the Philippines will need to submit a Notice of Exemption to the SEC.

The process of Submission of a Notice of Exemption to SEC follows the issuance process described in Section 1 above.

However, since BSP requires proof of eligibility to issue bonds in the Philippines from the non-resident issuer, the issuer or arranger will need to obtain Certification of the QB Eligibility from SEC as an input document into the BSP regulatory process.

The process to obtain Certification of the QB Eligibility from the SEC is described in Section D below. The certification carries a significant fee.

Step 2 –Filing for Approval with BSP [sequence assumed, confirm correct term]

Please see issuance process under Section 4 above.

As an additional input into the regulatory process for non-resident FIs, BSP's Financial Supervision may have specific requirements of the issuer. [Details to be confirmed.]

Step 3 –Approval from BSP [sequence assumed]

Please see issuance process under Section 4 above.

Step 4 –Registration of a Bond/Note (loan) with BSP [sequence assumed; in case of non-resident investors]

Please see issuance process under Section 4 above.

Step 5 (Next Step)onwards – Application for Listing (or Enrolment) on PDEx, etc.

Prerequisite: [To be determined, since PDEx material does not indicate requirements.]

The steps for the listing (or enrolment) of a bond/note on PDEx follow the process as described under Steps 2, 3 and 4 in Section 1 above.

C. Issuance Process for Foreign Currency denominated Bonds

The issuance of bonds in currencies other than PHP is possible in the Philippines; a number of USD-denominated bonds have previously been issued. Foreign-currency denominated bonds require a prior approval by the BangkoSentral ng Pilipinas (BSP).

Philippine law considers a bond issuance in foreign currency as equivalent to a foreign loan and applies the BSP Manual of Regulations on Foreign Exchange Transactions (MOFEXT), available for download at www.bsp.gov.ph/dowloads/regulations/morfxt/morfxt.pdf (please copy link into your browser first), to such bond issues.

1. Issuance Process for Resident Issuer issuing Foreign Currency Bonds/Notes

The following steps will need to be observed when a non-resident issuer, wants to issue bonds to professional investors (Qualified Buyers; QB bond) in foreign currency in the Philippines.

Step 1 - Submission of a Notice of Exemption to SEC, combined with Request for Certification of QB Bond Eligibility

The process of Submission of a Notice of Exemption to SEC follows the issuance process described in Section B.1 above. The certification process is described in Section D.

Step 2 –Filing for Approval with BSP [sequence assumed, confirm correct term]

Please see issuance process under Section 4 above. The governing BSP department is the International Operations Departmenrt.

Step 3 –Approval from BSP [sequence assumed]

Please see issuance process under Section 4 above.

Step 4 –Registration of a Bond/Note (loan) with BSP [sequence assumed; in case of non-resident investors]

Please see issuance process under Section 4 above.

Step 5 (Next Step)onwards – Application for Listing (or Enrolment) on PDEx, etc.

The steps for the listing (or enrolment) of a bond/note on PDEx follow the process as described under Steps 2, 3 and 4 in Section B.1 above. Please note that PDEx, and its settlement and depository agent PDTC are able to clear and settle foreign currency bonds denominated in USD only at this point.

2. Issuance Process for Non-Resident Issuer issuing Foreign Currency Bonds/Notes

The issuance process for non-resident issuers issuing bonds or notes in foreign currency is principally the same as for resident issuers, since all relevant regulatory authorities and PDEx as the market institution are already involved. Please refer to 1 above.

D. Issuance Process Specific to the Philippines

1. Possible Additional Process - Certificationof QB Bond Eligibility by SEC

Although in principle a direct continuation of the Submission of Notice of Exemption process step described in Section B above, this possible process should be seen as a distinctly separate step in the overall regulatory process for bond issuance, since i) it is an optional regulatory process and, ii) it carries a significant fee.

The function of the certification process is to confirm to issuer and arranger and, possibly, potential buyers, intermediaries or the market at large, the eligibility of the bond as an exempt transaction under the Securities Regulation Code, Section 10, and the reduced obligations on issuer and arranger in terms of initial and continuous disclosure. In such case, the issuer and/or arranger do no longer carry the burden of proof to stakeholders that the QB bond indeed qualifies as such.

The process of certification by the SEC carries a fee, stipulated in the SRC, Section 10.3, presently calculated as"…one-tenth (1/10) of one percent (1%) of the maximum aggregate price or issued value of the securities". This calculation method could amount to a substantial expense for the issuer. However, the recent 'Financial Sector Neutrality Act'may cause the fee to be converted to a flat amount, as is common in most other ASEAN+3 markets.

The decision to obtain a certification of the QB bond status lies with the issuer and/or arranger, and is not mandatory for an enrolment for listing and trading on PDEx. However, said SEC certification is required by BSP in any such case where the issuer plans foreign currency denominated bonds, is a financial institution or a non-resident entity, or in case of any combination of the above. Should the issuer and/or bonds fall within any of these criteria, BSP approval(s) need to be obtained prior to PDEx enrolment. The individual regulatory processes for QB bond issuance have been described in Section B above.

[Note: there appears to be a discrepancy between SEC mandated actions and BSP expected input into its regulatory process(es) - this is a topic for discussion with BSP and SEC during the Manila meeting].

Step 1 –Request for Certification of Eligibility of QB Bond by SEC

A non-resident (or foreign) issuer, regardless of issuer type, would need to obtain this certification of the eligibility of a bond issue as a QB bond, as input into the approval process by BangkoSentral ng Pilipinas (BSP) before issuing bonds in the Philippines.

For that purpose, the issuer or arranger [correct term?] will need to submit a Notice of Exemption to the SEC, together with the request for said certification [confirm process].

There is a significant fee charged for the request of certification by the SEC (10bps on face value of bond).

Step 2 –SEC provides Certification of Eligibility of QB Bond

SEC reviews the Request for Certification and the Notice of Exemption and relevant documents and may, at its discretion, ask for clarification or additional information.

Provided that Request, Notice and documents are in order and the necessary information has been provided and the review is satisfactory, SEC will issue the Certification of Exemption (letter) for the bond issuance to issuer or arranger [format, style to be confirmed].

IV. Resource Information

For easy access to further information about the topics discussed in this AMBIF Implementation Guideline for the Philippines, the policy bodies, regulatory authorities, and securities market related institutions, or the Philippine bond market at large, interested parties are encouraged to utilise the following links (all websites in English): [Need to validate links before final distribution.]

ASEAN+3 Bond Market Guide - Philippines
[Provide updated link.]

BangkoSentral ng Pilipinas– General
http://www.bsp.gov.ph

BangkoSentral ng Pilipinas - Manual of Regulations on Foreign Exchange Transactions
www.bsp.gov.ph/dowloads/regulations/morfxt/morfxt.pdf

Bureau of Treasury
http://www.treasury.gov.ph

Philippine Dealing System Holdings Corp.
http://www.pds.com.ph

Securities and Exchange Commission of the Philippines
http://www.sec.gov.ph

The Bankers Association of the Philippines
[website?]

V. Abbreviations, Acronyms and Technical Terms

ABMF	ASEAN+3 Bond Market Forum
ADB	Asian Development Bank
ADRB	AMBIF Documentation Recommendation Board
AMBIF	ASEAN+3 Multi-Currency Bond Issuance Framework
ASEAN	Association of South-East Asian Nations
ASEAN+3	Association of South-East Asian Nations plus People's Republic of China, Japan and Republic of Korea
BMG	Bond Market Guide, an ABMF publication for each of the ASEAN+3 economies
BSP	BangkoSentral ng Pilipinas
BTr	Bureau of Treasury
Conflict of Law	Concept in basic law that permits the use of law other than domestic law in contracts or agreements if both/all parties so agree
CCY	Currency
CCS	Cross-currency swap
CSD	Central Securities Depository
Enrolment	Process of listing the bonds on PDEx, a prerequisite under Philippine regulations
FCY	Foreign currency
FI	Financial institution
FII	Foreign Institutional Investors
Filing	Proposed term for action of submitting documentation
FX	Foreign Exchange
HNWI	High Net Worth Investors
IFC	International Finance Corporation
IFI	International Financial Institutions
IFRS	International Financial Reporting Standards
IM	Information Memorandum, synonymous with Offering Circular
Information Memorandum	Term typically used for key documentation for a private placement to professional investors
LCY	Local currency
Listing	Typically, action of submitting a bond issue or other securities to an exchange for the purpose of price finding, disclosure or profiling

MTN	Medium-Term Note
OC	Offering Circular, synonymous with Information Memorandum
Offering Circular	Term typically used for key documentation for a private placement to professional investors
OTC	Over-the-Counter
OTC Rules	Rules Governing the Over-the-Counter (OTC) Market
PDEx	Philippine Dealing & Exchange Corp.; Exchange-like OTC marketplace
PDS	Philippine Dealing System Holdings Corp.
PHP	Philippine peso
PO	Public Offer or Public Offering
PP	Private Placement
QB	Qualified Buyers
QS	Qualified Securities
Registration	Action of registering a bond issue, for reference pricing or disclosure purposes
SEC	Securities and Exchange Commission of the Philippines
SF1	Sub-Forum 1 of ASEAN+3 Bond Market Forum
SRC	Securities Regulation Code
SSF	Single Submission Form
WB	World Bank
USD	Unites States dollar

ASEAN+3 Bond Market Forum (ABMF) - Phase 3

[Proposed Output of Sub-Forum 1]

AMBIF Implementation Guideline for THAILAND

- (2nd) Discussion Paper -

(Revised structure/shortened format; includes Nov 2014 market visit discussion results, and subsequent email enquiry details; also includes SEC feedback sent 9 Jan 2015.)

DRAFT

(Version 9.5, as of 15 January 2015)

[Note: This is a concise version; a preface, purpose and objectives, glossary and appendices etc. will be contained in a general section at the beginning of the proposed Phase 3 Report.]

January 2015

Circulation List

- **ADB,** Satoru Yamadera
  - syamadera@adb.org

- **ADB Consultants for ABMF SF1**
  - Prof Shigehito Inukai, shige.inukai@me.com
  - Matthias Schmidt, macschmidt@me.com

- **ABMF SF1 Chair,** Koji Ito
  - ko-ito@jpx.co.jp

- **ABMF SF1 Co-Chair,** represented by Yeow Boon Loong
  - yeowboon.loong@cimb.com

- **Bank of Thailand,** Khun Vanaporn as coordinator
  - VanaporL@bot.or.th
  - NuttL@bot.or.th
  - KleddaoS@bot.or.th
  - PajongjJ@bot.or.th

- **MOF,** Khun Paritat as coordinator
  - paritat@fpo.go.th
  - paritat.chan@gmail.com
  - philaslak@gmail.com
  - sukmeena@gmail.com
  - rattanyu.d@gmail.com

- **PDMO,** Khun Laksika as coordinator
  - laksika@pdmo.go.th

- **Thai BMA,** Khun Ariya as coordinator
  - ariya@thaibma.or.th
  - tada@thaibma.or.th

- **Thai SEC,** Khun Ajaree as coordinator
  - ajaree@sec.or.th
  - jomkwan@sec.or.th
  - chortip@sec.or.th
  - kruaonn@sec.or.th

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I. AMBIF Elements in Thailand

This chapter describes the key features of the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), also known as AMBIF Elements, and puts into perspective the equivalent features of the domestic professional bond market in Thailand.

A. Summary of AMBIF Elements

The Thai professional domestic bond market, being the Private Placement to Accredited Investors (PP-AI regime), is deemed to fulfill all the prerequisites for AMBIF as defined in the ABMF Phase 2 Report for SF1. PP-AI brings together private placement and professional investor concepts with an underlying clear regulatory and approval process.

The table below identifies the features or practices of the Thai domestic bond market that directly correspond or are equivalent to the key elements of AMBIF.

Table 1 – AMBIF Elements and as Evident in Thailand

AMBIF Elements	Brief Description	Equivalent in Thailand
Domestic Settlement	Securities are settled at a National CSD in ASEAN+3	Thai Securities Depository (TSD)
Harmonized Documents for Submission (Single Submission Form)	Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information along with ADRB recommendation needs to be included.	Minimum requirements specified in SEC Act (Sections 69 and 70); (Financial Reporting Standard in Thailand may be treated separately in relation to listing in other jurisdiction)
Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)	Information on bonds/notes and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.	Registration at Thai BMA with transaction capture and reference pricing (mandatory)
Currency	Bonds/notes are denominated in currencies normally issued in domestic bond markets of ASEAN+3	Thai Baht (THB); foreign currency issuance possible, e.g. USD, with BOT approval
Scope of Issuers	Resident of ASEAN+3	All issuers need to obtain approval from SEC; foreign issuers need to follow Baht Bond process prescribed by PDMO
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3	*Accredited Investors* concept, as per SEC regulations; includes FII

Source: ADB Consultants for SF1

B. Description of AMBIF Elements and Equivalent Features in Thailand

1. Domestic Settlement

AMBIF

AMBIF is aimed at supporting the domestic bond markets in ASEAN+3. To be recognized as a domestic bond, an AMBIF bond needs to be settled at the designated central securities depository (CSD). Hence, domestic settlement is an important key feature of an AMBIF bond.

In Thailand

The Thai Securities Depository (TSD) settles all Thai debt securities, regardless whether traded on the SET or OTC. This includes domestic bonds specifically aimed at professional investors (PP-AI issuances).

However, some smaller private placement securities may not be lodged with TSD; these may not be of interest in the context of AMBIF.

2. Harmonised Documents for Submission (Single Submission Form)

AMBIF

Based on the review of actual offering circulars, information memoranda or program information formats in ASEAN+3, it was recognized that most information was similar or comparable. Hence, a single submission form, a single format in English that can be applied into all of the relevant regulatory processes for bond/note issuance in the respective markets was proposed. The information contained in the Single Submission Form can be accepted by all relevant regulatory authorities and market institutions for their respective approvals or consent in anticipation of an AMBIF bond/note issuance.

In Thailand

The Thai SEC will recognize the Single Submission Form format as long as the requirements of Thai regulations continue to be observed. The SEC does not prescribe a particular form or format for PP-AI documentation and disclosure items, but specifies the minimum content of such disclosure in Sections 69 and 70 of the Securities and Exchange Act B.E.2535. For details on these minimum requirements, please see Chapter III, Bond Issuance Process in Thailand.

The validity of an English document as the single official submission for filings with SEC and official correspondence with Thai regulatory authorities, is still under consideration, but the content of the Single Submission Form is recognised by the Thai SEC.

3. Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)

AMBIF

Information on issuer and the bond/note needs to be disclosed continuously in ASEAN+3. A registration or listing authority function to ensure the continuous disclosure is required. This ensures quality of disclosure and would help create a well-organized market in AMBIF issuances with transparency and quality of information that would differentiate AMBIF issuances from ordinary private placements for which information is often neither available nor guaranteed. Owing to this important feature, an AMBIF secondary market is expected to emerge as the number of issuances will increase.

Profile listing or reference listing is a listing without trading. The objective of the listing is to make a bond/note visible and more information available to investors via a recognised listing place, particularly those investors with more restrictive mandates, such as mutual and pension funds. A profile or reference listing at a designated listing place would ensure the flow of continuous disclosure information and possibly even reference pricing in some of the places.

In Thailand

In the Thai market, registration is defined as the process of providing bond/note information to the Thai Bond Market Association (Thai BMA) by issuers or their agents, and traded prices by OTC counterparties in the secondary market. All debt securities issued in Thailand[1] have to be registered with the Thai BMA. Thai law mandates BMA members to capture their OTC bond transactions within 15 minutes of deal closure, and Thai BMA calculates and publishes reference prices on the basis of trade prices submitted, and also collects material disclosure information. In addition, Thai BMA also provides significant transaction, volume and general statistics on the bond/note market to interested parties.

The registration with ThaiBMA fulfills the intention of the Registration or Profile Listing feature under AMBIF. A profile listing is principally possible on Bond Exchange (BEX) segment of the Stock Exchange of Thailand (SET), but this feature is not utilised by the market.

4. Currency

AMBIF

In the context of AMBIF, the denomination of currency is expected to be the currency normally issued in domestic bond markets of ASEAN+3, hence, the local currency of that particular market. But this does not exclude the possibility of issuing in other currencies, if market practice regularly supports these other currencies, and the relevant domestic currency/cash clearing capabilities exist. At this stage, USD, JPY, and Offshore CNY (CNH) are typically being issued as other currencies in ASEAN+3.

In Thailand

Debt securities in Thailand are predominantly issued in THB, without any specific approval on currency required, but can also be issued in foreign currency if issuer and investors so agree; this requires the approval of BOT and, in the case of a foreign issuer, the approval of PDMO as well. In the past few years, only a few USD-denominated bonds/notes have been issued in Thailand.

5. Scope of Issuers

AMBIF

As AMBIF is aimed to support the development of domestic bond/note markets in the region and promote intra-regional recycling of funds, an issuer needs to be a resident of ASEAN+3.

In Thailand

In addition to Thai residents, , non-resident legal entities can issue THB bonds/notes under the *Baht Bond* concept (for details, please see Chapter III). Non-resident issuers are defined in the SEC Act in the description of 'foreign issuers', as "a unit or organization of foreign government, international organization and juristic person under the law of a foreign jurisdiction" and, more specifically, under a Ministry of Finance Notification for the Public Debt Management Office as:

- International Financial Institutions (IFIs, such as ADB, WB, IFC and IMF)
- Foreign Governments (FGs)
- Financial Institutions of FGs (FIFGs)
- Juridical Entities that have been established under foreign laws
- Special Purpose Vehicles (SPV) [2]

[1] With the exception of FCY issues and bonds that are offered for sale exclusively to foreign investors.
[2] Special Purpose Vehicle (SPV) is established for the purpose of a securitization in which the originator is a foreign government agency or organization and/or foreign juridical person.

(Note: An SPV issued bond/note may not be regarded as an AMBIF bond/note at this point.)

6. Scope of Investors

AMBIF

Professional investors are defined in accordance with regulations and/or market practice in each market in ASEAN+3. Some jurisdictions may have a clear definition of professional investors while the other jurisdictions may need to establish the concept through agreements.

Professional investors are institutions defined by law and licensed or otherwise registered with regulators by law in their economy of domicile and, hence, are subject to governance and inspection based on securities market and/or prudential regulations. In addition, most of them are also subject to oversight as well as professional conduct and best practice rules by an SRO, such as an exchange or a market association.

In Thailand

In July 2012, the Securities and Exchange Commission of Thailand (SEC) published regulations for a comprehensive professional investor scheme in the context of private placements of debt securities, referred to as *Accredited Investors*, or *AI* in short.

Prior to that, in March 2009, the SEC had already defined in its "Notification of the Securities and Exchange Commission No. KorChor. 5/2552, Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Debt Securities" a specific definition of a number professional investor types across 'institutional investor' and 'high net worth investor' categories, but this number and the level of detail were expanded on under the Accredited Investors concept.

The 2012 "Notification of the Securities and Exchange Commission No. KorChor. 9/2555 "Re: Determination of Definitions of institutional investors and high net worth investors" provides a clear and comprehensive definition of the types of Accredited Investors, across both 'Institutional Investors' and 'High Net Worth Individuals', as follows:

(a) "Institutional investors" refer to:
- (1) Bank of Thailand;
- (2) commercial banks;
- (3) banks established under specific law;
- (4) finance companies;
- (5) credit foncier;
- (6) securities companies;
- (7) non-life insurance companies;
- (8) life insurance companies;
- (9) mutual funds;
- (10) private fund managed by securities company for investment of investor under (1) to (9) or (11) to (26) or high net worth investor;
- (11) provident funds;
- (12) government pension fund;
- (13) Social Security Fund;
- (14) National Saving Fund;
- (15) Financial Institutions Development Fund;
- (16) derivatives business operator under the law on derivatives Act;
- (17) future business operator under the law on concerning agricultural futures trading;
- (18) international financial institutions;
- (19) Deposit Protection Agency;
- (20) Stock Exchange of Thailand;
- (21) Juristic person in the category of statutory corporation;
- (22) Juristic person whose shares are held by person under (1) to (21), in aggregate, exceeding seventy five percent of all shares with voting rights;

(23) foreign investors with the same characteristics as investors under (1) to (22);
(24) fund manager whose name is registered as qualified fund manager under the Notification of the Office of the Securities and Exchange Commission concerning rules, conditions and procedures for appointing and performing of duty of fund manager;
(25) fund manager whose name is registered as qualified fund manager under the Notification of the Office of the Securities and Exchange Commission concerning rules, conditions and procedures for appointing and performing of duty of fund manager;
(26) derivatives fund manager whose name is registered as qualified derivatives fund manager under the Notification of the Office of the Securities and Exchange Commission concerning rules, conditions and procedures for appointing and performing of duty of fund manager;
(27) any other investors as specified by the SEC office.

(b) "High net worth investors" refer to:
(1) juristic persons having any of the following characteristics:
(a) having shareholder equity in accordance with the latest financial statements audited by auditor not less than one hundred million Baht;
(b) having direct investment not less than twenty million Baht in securities or derivatives in accordance with the latest financial statements audited by auditor;
(2) individual when combining with spouse having any of the following characteristics:
(a) having net asset value not less than fifty million Baht, providing that value of property which is a permanent residence of such individual shall not be included;
(b) having annual income not less than four million Baht;
(c) having direct investment in securities or derivatives not less than ten million Baht.

It should also be mentioned that the AI concept includes foreign institutional investors (FII) as long as they fall into any of the regular investor types specified under AI. There are many foreign institutional investors already investing in Thailand.

Professional investors in Thailand may invest in overseas markets. There are no specific limits or prescriptions for ASEAN+3 markets. Mutual funds may invest up to 15% [confirm] of their net asset value (NAV) in foreign securities, according to prudential regulations [state specifics].

II. Bond/Note Issuance relevant Features in Thailand

In addition to the market features corresponding to the AMBIF Elements, a number of general Thai market features for bond/note issuance to professional investors (PP-AI issuances) will need to be considered, and are described in this chapter.

A. Governing Law / Jurisdiction

Governing law and the jurisdiction for specific service provisions in relation to a bond/note issuance may have some relevance in the context of AMBIF, since potential issuers may consider issuing under the laws or jurisdiction of a country/market other than the place of issuance. The choice of governing law or contractual preferences of stakeholders may affect the accessibility to a specific investor universe that may otherwise not be accessible if a bond/note was issued under the laws of the place of issuance. However, it is necessary to note that provisions related to bond/note issuance and settlement must be governed by laws and regulations of the place of issuance since an AMBIF bond is a domestic bond.

Thai law accepts contracting parties' right to agree on the governing law or jurisdiction for contractual arrangements. The legal basis is contained in the Conflict of Laws Act B.E. 2481 (1938). At the same time, the governing laws or jurisdictions available for a bond/note issuance in Thailand is subject to approval by the Finance Minister of Thailand. It should also be noted that, for example, there is no specific requirement of the description of the event of default (EOD). The EOD in fact will depend on the terms and conditions (T&C) defined for the bond/note offering. [Provide detail, as may be available; enquiry pending with TH MOF/FPO.]

Should the parties involved in a bond/note issuance chose to use Thai law, the jurisdiction of the issuance would fall to Thai courts by default. If, in contrast, issuance parties agree on another governing law, the parties would also have to specifically determine the jurisdiction of a court in which provisions of the bond/note issuance (e.g. settlement agency) could be enforced and any disputes would be heard and decided.

In the case of issuance of THB denominated bonds/notes in Thailand, even in case contract parties choose governing law other than Thai law for the contract parties, it would still be natural to elect Thai law as the law specific to issuance and settlement related matters.

In any case, the actual use of governing laws or jurisdictions other than those of Thailand may be subject to clarification or legal advice from a qualified law firm, as may be necessary.

B. Language of Documentation and Disclosure Items

It is envisaged that most of the ASEAN+3 markets participating in AMBIF will be able to accept the use of a common document in English, however, some markets may require the submission of approval related information in their prescribed format and in the local language. In such cases, concessions from these regulatory authorities for a submission of required information in English – in addition to local language and formats – may be sought.

Under Thai law, it is expected that language other than Thai would principally be accepted for the purpose of contractual documents and official submissions; this is based on the concept of an '*International Connecting Factor*'. However, it is not clear at this stage whether official submissions or the filing of applications and disclosure items, and an offering of a product, can be done only in English. It is desirable that clarification on the use of language would be provided as soon as possible. [Note: Enquiry on legal basis, or strength of argument, is pending with Thai law firm; dialogue with Thai SEC in progress.]

At present, only Thai issuers that make a multi-jurisdiction offering can file the Offering Circular in English.

Ultimately, if an International Connecting Factor can be drawn upon, the actual establishment of an International Connecting Factor should be supported by the issuer's underwriter or fiscal agent, or a qualified law firm, and may also be advised by the SEC, if so requested.

C. Credit Rating

Credit ratings for PP-AI issuances are not mandatory. However, in case of a foreign issuer offering Baht Bonds to Accredited Investors, PDMO still requires a credit rating in every case. [To add: specific provisions for rating exemption.]

However, it has been observed that market participants may still prefer to have credit ratings in place since many market participants designated as professional investors may not be able to replicate in-house the credit assessment process undertaken by the credit rating agencies.

If a rating for an issuer and/or for a PP-AI issuance is required between parties involved, only the rating of a credit rating agency approved by the SEC will be acceptable in the Thai market.

According to Notification of the Office of the Securities and Exchange Commission No. SorChor. 7/2555 (2012) Re: Credit Rating Agencies Approved to Issue Credit Rating for Instruments Subject to Rules Concerning Issuance and Offer for Sale and Investment of Funds, the following credit rating agencies shall be credit rating agencies approved by the SEC Office:

(1) credit rating agencies established under Thai law and obtained an approval from the SEC Office
(2) credit rating agencies established under a foreign law which have the following names:
  (a) Standard & Poor's;
  (b) Moody's;
  (c) Fitch Ratings;
  (d) Rating and Investment Information, Inc.

At this moment in time, no other regional credit rating agencies are approved by SEC.

D. Selling / Transfer Restrictions

Selling and transfer restrictions for the issuance of bonds/notes to professional investors are well defined for PP-AI issuance in the Thai market.

Pursuant to the 2012 "Notification of the Securities and Exchange Commission No. KorChor. 9/2555 "Re: Determination of Definitions of institutional investors and high net worth investors" (PP-AI regulations), any issuance to professional investors using the concessions for PP-AI issuance on disclosure and regulatory process must indicate that a bond/note issuance is a Private Placement to Accredited Investors (including foreign institutional investors) in all offer documents, including the term sheet of a proposed bond issue, and related correspondence. [Confirm statement.]

E. Note Issuance Program

AMBIF promotes the medium-term note (MTN) format because it not only gives funding flexibility to issuers but also represents the most common format of bond issuance in the international bond market. This means that potential issuers as well as investors and intermediaries are likely to be familiar with the note issuance programs and related practices. Hence, this would make AMBIF comparable to the relevant practices of the international bond market. At the same time, it is expected that potential issuers may benefit from re-using or adopting existing documentation or information on disclosure items.

At this stage, the issuance of domestic bonds/notes to professional investors via an MTN program is not evident in the Thai market. However, Thailand has an MTN-like program in which the issuer who has updated publicly available information (e.g. a Thai listed company, or foreign company who has submitted updated information to the SEC) can refer to such information in the Offering Circular,

instead of submitting the whole document. In addition, the cooling-off period for the issuance under PP-AI is only 1 business day.

However, PDMO cannot grant a blanket approval to a foreign issuer for the maximum issuance amount in any given period under this MTN-like note issuance program, due to the limited quota available in any given period. Therefore, an approval will be given on a case-by-case basis.

F. Bondholder Representative

SEC regulations require the appointment of a bondholder representative, only if a bond/note is offered through a public offer, and not for PP-AI issuances. However, PDMO requires the appointment of a bondholder representative for bonds/notes issued by a foreign issuer under the Baht Bond program in every case.

According to the law, the issuer 'shall appoint the bond or debenture holder representative in Thailand during the tenure of the bond for the benefits to the holders'. The bondholder representative calls for bondholder meetings or undertakes all such activities as may be required on behalf of the bondholders, including in the case of a default.

Bondholder representatives typically are banks or financial institutions, and have specific fiduciary and fiscal responsibilities under the law.

[Clarifying question to Thai SEC: If an AMBIF bond/note issued in another country is sold in the Thai PP-AI market, is it also necessary to appoint a Bondholder Representative?]

III. Bond/Note Issuance Process in Thailand

A. Overview of Regulatory Processes

1. Regulatory Processes by Corporate Issuer Type

Present Thai regulations principally distinguish between domestic and foreign issuers but there is generally no distinction between normal corporate issuers and financial institutions, unless a financial institution intends to issue a bond/note to satisfy capital requirements. Additional approvals need to be taken for issuers planning to issue bonds/notes in foreign currencies.

The table below provides an overview of these regulatory processes by corporate issuer type. In order to make the issuance processes by issuer type more comparable across the ASEAN+3 markets, the table features common issuer type distinction that are evident in regional markets. Not all markets will distinguish all such issuer types. Sovereign issuers may be subject to different regulatory processes.

Table 2 – Regulatory Processes by Corporate Issuer Type

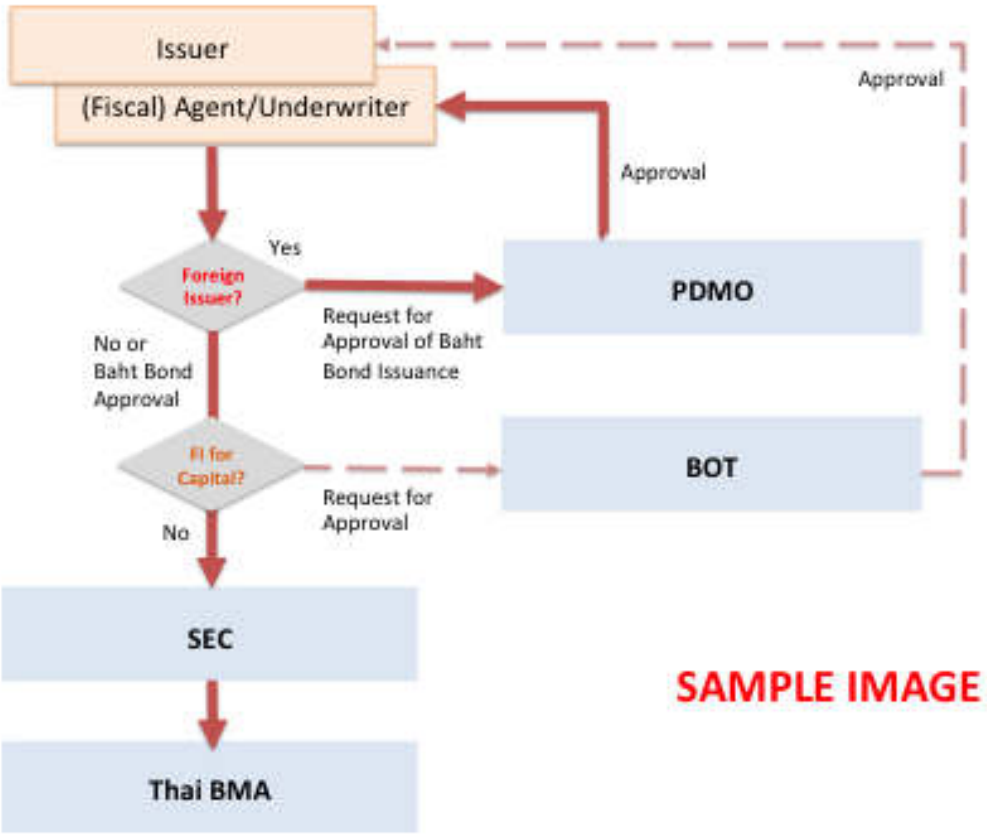
Type of Corporate Issuer	SEC	BOT	PDMO	ThaiBMA
Resident issuer	O			O
Resident non-FI issuer	O			O
Resident FI issuer 1) 2)	O	O		O
Resident issuer issuing FCY bonds/notes	O	O		
Non-resident (foreign) issuer	O		O	O
Non-resident (foreign) non-FI issuer	O		O	O
Non-resident (foreign) FI issuer	O		O	O
Non-resident (foreign) issuer issuing FCY bonds/notes	O	O		

Source: ADB Consultants for SF1, on basis of input from BOT, PDMO, SEC, Thai BMA
Note: FI = financial institution; non-FI = non-financial institution; FCY = foreign currency
1) Financial institutions only require approval from BOT if bond is issued for capital requirements.
2) Resident FI in Thailand include branches of foreign FI that fall under the supervision of BOT.

Regulatory Process Map – Overview

The regulatory process map shown below may help with the navigation of the applicable regulatory processes in Thailand to be applied for a given proposed bond/note issuance.

Image 1 – Regulatory Process Map Overview



Source: ADB Consultants for SF1

There is no requirement on the use of an underwriter for bond offering under the PP-AI Regime. However, in case that an issuer wants to appoint an underwriter, such underwriter must be licensed by the SEC.

If so appointed, an underwriter or (fiscal) agent will typically file or submit the necessary application for approval or relevant documentation to the respective regulatory authority on the issuer's behalf.

B. Issuance Processes in Local Currency (THB)

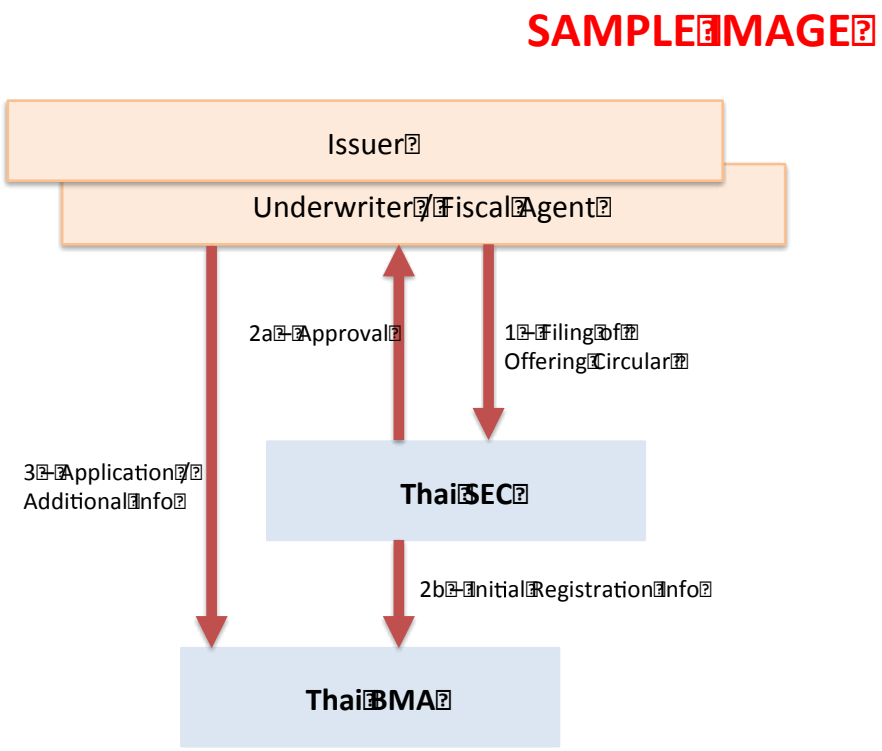
This section describes the issuance processes for private placement bonds/notes aimed at Accredited Investors (PP-AI issuances) in Thailand, in Thai Baht, the dominant issuance currency in the Thai market.

Distinctions are made according to specific issuance processes for particular corporate issuer types, as may be practical. Bonds/notes issued by governments, state agencies, or state owned enterprises do not require filing with the SEC.

1. Issuance Process for Resident Issuer

A resident issuer is defined as a corporate legal entity under Thai law; this includes the branches of foreign financial institutions under the banking services supervision of BOT or other corporate issuers falling under Thai regulatory governance.

Image 2 – Regulatory Process: Issuance of PP-AI by Resident Issuer



Source: ADB Consultants for SF1

The following steps will need to be observed when a resident corporate issuer wants to issue PP-AI in Thailand.

Step 1 – Filing of (Draft) Offering Circular with SEC

All applications for the issuance of bonds/notes, including the proposed issuance to professional investors (PP-AI), will have to be filed with the SEC.

For PP-AI issuance, the issuer, underwriter or fiscal agent only need to file a draft "Short Registration Statement", known as 'Form-69S', with the 'S' signifying the short form-only required for PP-AI issuances.

Requirements for the filing of a Draft Offering Circular are laid out in the SEC Act B.E.2551 (2008); Sections 69 and 70 stipulate the minimum disclosure requirements for issuers, without prescribing a particular format of submission. This would allow issuers or their agents to utilise typical documentation for issuance of bonds/notes to professional investors, such as an information memorandum (IM) or an offering circular (OC), as long as all required information is contained therein. The term 'short prospectus' is used in the Thai market for such typical documentation, to distinguish documentation specific to PP-AI issuances from public offers, and is equivalent to IM or OC in style and content.

The Offering Circular itself, known as 'Form 69-DEBT-II&HNW ', was introduced in the 'Notification of the Capital Market Supervisory Board No. TorChor. 10/2556 Re: Submission of a Offering circular for Offer for Sale of Debt Securities dated 11 March 2013'.

An Offering Circular (for PP-AI) must contain the following details:

(1) Objective of the offer for sale of the securities to the public or any person;
(2) Name of the issuing company which issues securities;
(3) Capital of the company;
(4) Amount and type of the securities offered for sale;
(5) Expected selling price per unit of securities;
(6) Nature of the business;
(7) Financial condition, business operation, and material information of the business;
(8) Management and major shareholders of the issuing company;
(9) Auditor regularly contacted financial institutions, and legal advisor of the issuing company;
(10) Procedures for the subscription, underwriting and allocation of securities;
(11) Other information as specified in the notification of the Capital Market Supervisory Board.

In addition to the requirements under Section 69 above, the Offering Circular for the sale of bonds/notes shall also contain the following information:

(1) Rights and restrictions related to the transfer of bills or debentures;
(2) Return on debentures and bills;
(3) Property or other collateral used as security of repayment (if any);
(4) Debenture holder representative (if any);
(5) Encumbrances on property of the company which issues securities in the case of unsecured securities;
(6) Outstanding debt from previous issues of bills or debentures;
(7) Procedure, time, and place of repayment;
(8) Procedures for conversion of rights (if any);
(9) Other information as specified in the notification of Capital Market Supervisory Board.

To avoid the re-sale of PP-AI debt securities to other types of investors, the SEC requires the issuer to register the transfer restrictions to ensure that the sale & resale of these debt securities will be within AI only.

Typically, the filing of the Offering Circular is done online through IPOS, the Initial Product Offering System, via the SEC website. [Link? Is this already available in English?]

At present, SEC would not approve note issuance through an MTN program; however, Thailand has an MTN-like program for bond/note issuance denominated in THB (please refer to Chapter II. E. for more information).

There is no fee charged for the filing of a (Draft Offering Circular with the SEC. [Confirm statement.]

Step 2 – Approval of Offering Circular **by SEC**

SEC reviews the (Draft) Offering Circular, and may provide feedback as necessary. SEC may instruct the promoters of a public limited company, a company or owner of securities to attach any documents other than those specified in the Offering Circular.

The issuer, underwriter or fiscal agent may revise or, possibly, re-submit the Offering Circular, as may be necessary.

A cooling off period of – 1 – day will have to be observed.

The Offering Circular becomes effective, upon expiry of the cooling off period, if no further amendments to the Offering Circular are submitted.The SEC will issue a formal letter to inform the issuer that the Offering Circular becomes effective. After the effective date, the issuer may proceed with offers of sale to investors.

Once the SEC approves the Offering Circular, a corresponding data set for the bond/note issue will be transmitted automatically to the Thai BMA's Bond Registration Information System (BRIS).

Step 3 – Registration with Thai BMA

The registration of a bond/note issue with the Thai BMA is mandated by law, and is a prerequisite of a bond/note being able to be traded OTC in Thailand. All bond/note dealers and traders in Thailand are required to be members of the Thai BMA.

While the SEC transmits an initial set of bond/note registration information to Thai BMA electronically, the issuer, underwriter or fiscal agent are still required to submit a separate application form and additional information to Thai BMA. The additional information is required to enable Thai BMA's technical set-up of bond issue and issuer data in their system and on their website.

This process is expected to be fully integrated with the SEC approval process in the course of 2015.

The registration process is normally completed with 24 hours.

Upon ThaiBMA registering bond/note information, the information is available on the ThaiBMA website for general viewing.

2. Issuance Process for Resident Non-FI Issuer

In Thailand, the issuance process for resident issuers that are non-financial institutions is the same as described under 1 above.

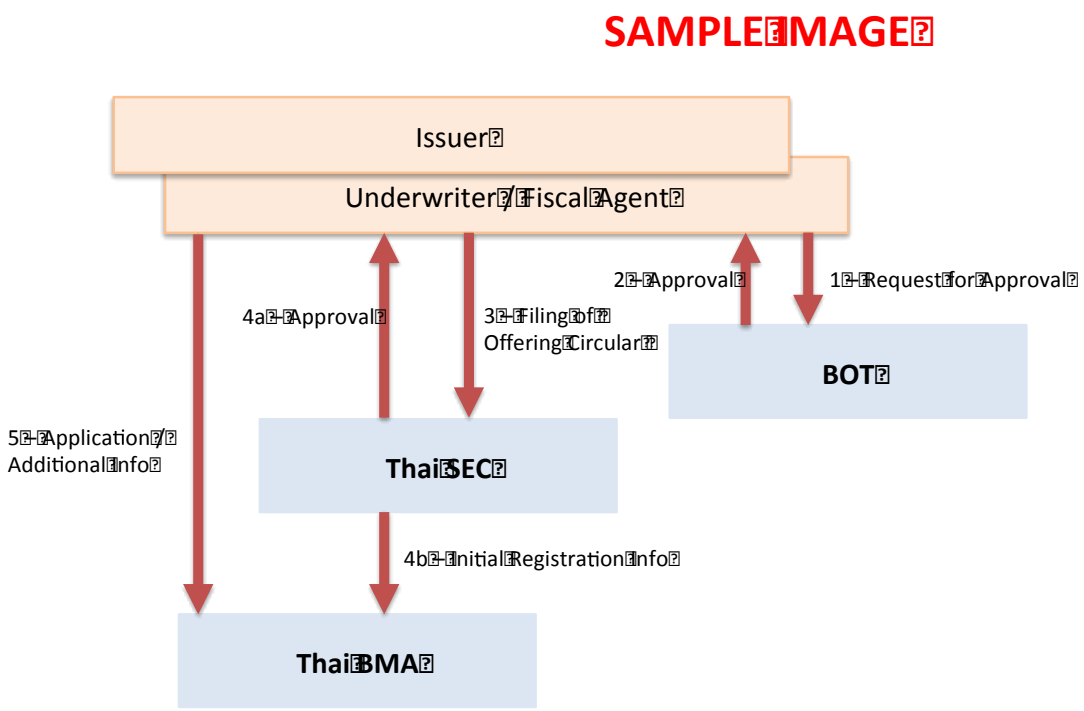
3. Issuance Process for Resident Financial Institution

Principally, the issuance process for resident financial institutions is the same as shown under 1 above.

However, in such cases where a bond issuance by a resident financial institution is intended to support capital requirements, prior approval by BOT is required before filing an Offering Circularwith the SEC. The additional process is described in this section.

It should be mentioned that resident financial institutions include, for all intents and purposes, the domestic branches of foreign financial institutions that fall under the purview of banking supervision of BOT.

Image3 – Regulatory Process: Issuance of PP-AI by Resident FI Issuer (Capital Raising Only)



Source: ADB Consultants for SF1

The following steps will need to be observed when a resident financial institution wants to issue PP-AI in Thailand and use the proceeds to support capital requirements.

Step 1 – Request for Approval from BOT [Confirm correct term.]

The issuer, underwriter or fiscal agent will need to file a request for approval [use correct form name] with BOT [Financial Supervision Department].

[Provide detail, as practical.]

Step 2 – Approval from BOT

BOT, Financial Supervision Department [use correct department] will review the application and supplementary documents and may, at its discretion, ask for clarification or additional information.

Provided that the application and documents are in order, the necessary information has been provided and the review is satisfactory, the BOT Financial Supervision Department [use correct department] will issue a letter of approval [correct term?] for the bond/note issuance.

At present, BOT would not approve note issuance through an MTN program denominated in THB by a domestic financial institution or branch of a foreign financial institution under its purview. However, Thailand has an MTN-like program for bond/note issuance denominated in THB (please refer to Chapter II. E. for more information).

There is no fee charged for this BOT approval process [confirm].

Step 3 onwards – Filing of (Draft) Offering Circular **with SEC, etc.**

Once the BOT approval is obtained, the resident financial institution would have to follow the issuance approval process prescribed by the SEC - please refer to the regulatory process described under 1 above.

4. Issuance Process for Non-resident (Foreign) Issuer

In the event that the issuer is a non-resident (foreign) entity, THB bond/note issuance may only be undertaken utilising the so-called Baht Bond process, which is administered by the Public Debt Management Office (PDMO) of the Ministry of Finance (MOF) and subject to periodic application and approval.

Non-resident issuer are described in Thai regulations as 'foreign issuers', and are defined in the SEC Act as "a unit or organization of foreign government, international organization and juristic person under the law of a foreign jurisdiction" and, more specifically, under a Ministry of Finance Notification for the Public Debt Management Office as:

- International Financial Institutions (IFIs, such as ADB, WB, IFC and IMF)
- Foreign Governments (FGs)
- Financial Institutions of FGs (FIFGs)
- Juridical Entities that have been established under foreign laws
- Special Purpose Vehicles (SPV).

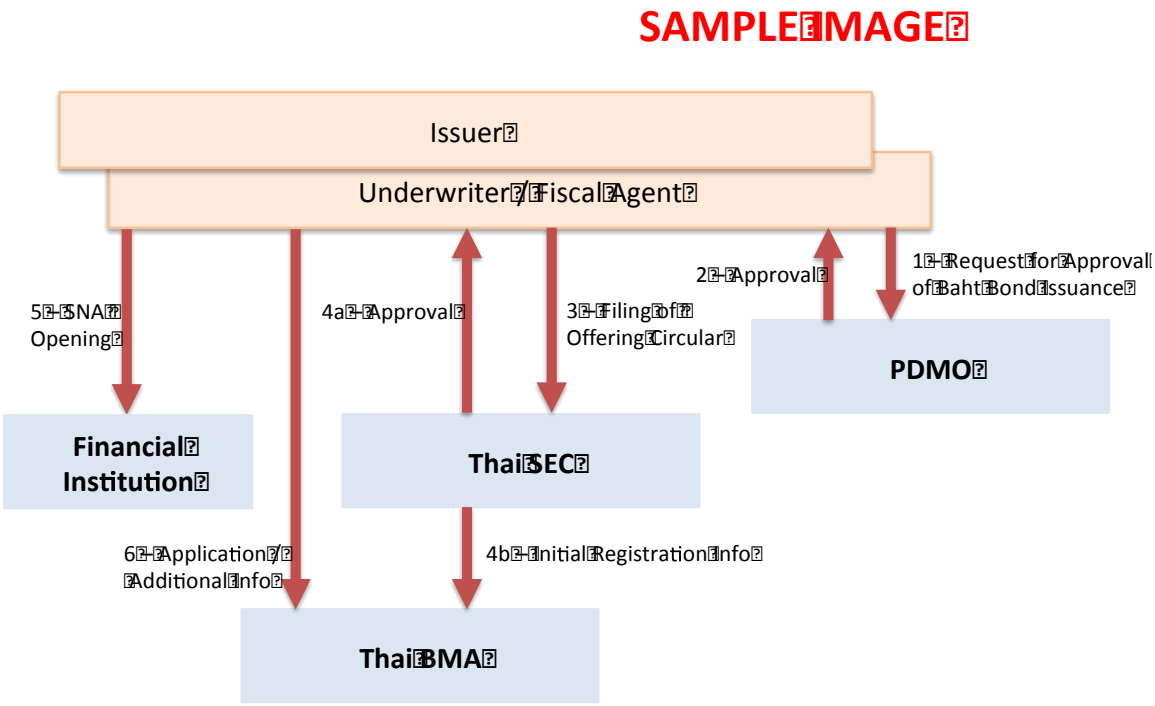
The objective of the Baht Bond process is to control the maximum amount of Thai Baht denominated bond/note issuance by non-residents, which often swap the proceeds to foreign currency. PDMO issues approvals three times in a calendar year, currently in March, July and November. The approval is preceded by consultation with BOT and SEC.

Following PDMO approval, the issuer may issue the authorised amount within a nine-month timeframe, starting from the month following the approval date. As an example, an application submitted in November could be approved in December, and would permit issuance during the period from January to September of the following year. If a foreign issuer is granted an approval but does not issue any bonds/notes in the authorised period, PDMO may penalise such issuer.

For further information, the PDMO regulatory process for Baht Bond is also described in an official PDMO public domain document, available as a downloadable PDF file on the website of the Ministry of Finance, under:
http://www.pdmo.go.th/upload/ebook_img/2011_Baht_Denominated_Bond_In_Thailand.pdf
[Clarifying note to team: need to ensure latest link at time of making this doc public; also requires further proposed adjustments to PDMO PDF, since some info is ambiguous and in contrast to other published material.]

Successful PDMO approval is followed by the regulatory process of PP-AI approval from SEC.

Image 4 – Regulatory Process: Issuance of PP-AI by Non-resident (Foreign) Issuer



Source: ADB Consultants for SF1

Under current SEC regulations, a non-resident (foreign) issuer needs to appoint a 'contact person' in Thailand. The purpose of the contact person is simply to be able to field questions or requests directed at the issuer or disseminate information provided by the issuer to bondholders in Thailand.

The law reads 'Issuer shall appoint a representative in Thailand to act as a person during the tenure of the bond/note in order to receive letters, orders, notices, and documents, or to contact the relevant authorities'. Contact persons do not have fiduciary or fiscal responsibilities under the law.

The duties of a contact person have traditionally been carried out by law firms, but could also be performed by other professional firms as well as banks or financial institutions.

The following steps will need to be observed by a non-resident (foreign) issuer when applying for a THB bond issuance (PP-AI) under the Baht Bond process.

Step 1 – Letter of Application of Baht Bond Issuance to PDMO

The issuer, underwriter or fiscal agent submits an application letter, together with relevant documents, to the Minister of Finance (to the attention of PDMO); the so-called 'Letter of Application' should contain information on:

1. Objective of fund raising;
2. Type of bond;
3. Maturity;
4. Issue size;
5. Offering Method (here 'Private Placement');
6. Timing of issuance;
7. Use of proceeds;

8. Cross-currency swap intermediaries (if so applicable);
9. Credit rating requirement(s);
10. Collateral guarantee (if applicable).

The applicant issuer must provide sufficient evidence to show that it has the legal capacity to issue securities under its governing laws.

Since the issuer would also need to file registration statement with the SEC, the applicable minimum disclosure requirements set out in Sections 69 and 70 of the SEC Act will need to be observed.

Step 2 – Approval from PDMO

PDMO, in conjunction with representations from BOT and SEC, will review the letter of application and supplementary documents. PDMO may request additional documents from the foreign issuer during its consideration process.

PDMO is committed to return an approval (or rejection if so warranted) within one month from the submission deadline. At the same time, if an issuer or their agent submits an application much earlier than one of the filing deadlines, this would result in additional waiting time since the 1-month approval timeline is only calculated from any of the given submission deadlines.

Provided that the application and documents are in order, the necessary information has been provided and the review is satisfactory, the BOT Financial Supervision Department [use correct department] will issue a letter of approval [correct term?] for the bond issuance.

At present, PDMO should not be expected to approve note issuance through an MTN program. However, Thailand has an MTN-like program for bond/note issuance denominated in THB; the present challenge is that PDMO would not be able to approve the maximum issuance amount under such note issuance program within any given (9-months) period (please refer to Chapter II. E. for more information).

There is no fee for the Baht Bond approval process by PDMO [confirm].

Steps 3 and 4 – Filing of (Draft) Offering Circular **with SEC, and Approval.**

Once the PDMO approval is obtained, the non-resident issuer would have to follow the PP-AI issuance approval process prescribed by the SEC - please refer to the regulatory process described under 1 above.

Step 5 – Opening of Special Non-resident Baht Account with Financial Institution

Prerequisite: approval from PDMO and SEC (see Steps 2, 3 and 4).

Following the approvals of PDMO and SEC, the non-resident issuer, or their underwriter or fiscal agent, is required to open a designated 'Special Non-resident Baht Account (SNA)' with a financial institution in Thailand who will act as custodian of the issuance proceeds.

The account opening will need to be advised to PDMO upon completion [confirm].

The opening of an SNA with a financial institution is subject to applicable rules and regulations for opening and maintenance of bank accounts and commercial considerations may apply.

Issue proceeds will have to be deposited into this bank account and may only be withdrawn for specific purposes, including defined investment or swap transactions. Reporting on the SNA to BOT is to be provided by the domestic financial institution under separate regulations.

Steps 6 – Registration with Thai BMA

As per the PP-AI issuance approval process described under 1 above, the non-resident issuer, or their agent, will need to submit an application form for registration to Thai BMA.

[Clarification request to Thai colleagues: at this point in time, the sequence of process steps is an interpretation of available information; prior to publication to the public domain, the actual or most likely sequence of steps should be determined/agreed upon.]

5. Issuance Process for Non-resident (Foreign) Non-FI Issuer

In Thailand, the issuance process for non-resident issuers that are non-financial institutions is the same as described under 4 above.

6. Issuance Process for Non-resident (Foreign) Financial Institution

In Thailand, the issuance process for non-resident issuers that are financial institutions is the same as described under 4 above.

C. Issuance Process for Foreign Currency denominated Bonds/Notes

The issuance of bonds/notes in currencies other than THB, such as USD, is possible but not common in the Thai market. In market terminology, bonds/notes issued in foreign currency are generally referred to as 'FX bonds'. Only a few FX bonds have been observed in the Thai market in recent years.

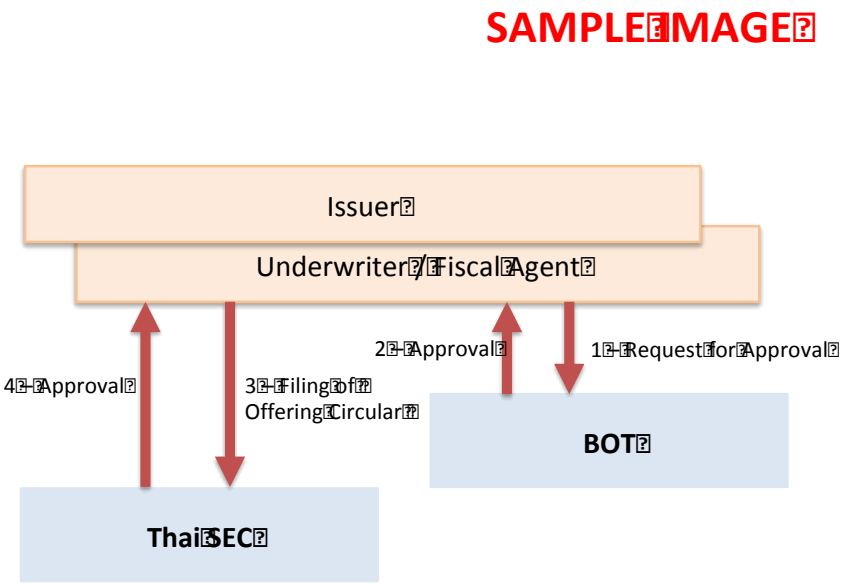
This section describes the issuance process for PP-AI issuances in foreign currencies as a matter of reference only. In contrast to the prescribed process for bonds issued in THB, no registration with Thai BMA is required for FX bonds.

It should again be mentioned that bonds/notes issued by governments, state agencies, or state owned enterprises do not require filing with the SEC, while BOT approval may need to be obtained.

1. Issuance Process for Non-resident (Foreign) Issuer issuing Foreign Currency Bonds/Notes

Foreign-currency denominated bonds/notes require the prior approval of BOT, in addition to the approval process for PP-AI issuances prescribed by SEC. There are no distinctions by issuer type in the approval process for FX bonds.

Image 5 – Regulatory Process: Issuance of PP-AI in FCY by Non-Resident (Foreign) Issuer



Source: ADB Consultants for SF1
Note: FCY = foreign currency

The following steps will need to be observed when a non-resident (foreign) issuer wants to issue PP-AI in Thailand in foreign currency.

Step 1 – Request for Approval from BOT [Confirm correct term.]

The issuer, underwriter or fiscal agent will need to file a request for approval [use correct form name] with BOT [state correct department].

The application would need to contain detailed information on intended remittance of foreign currency proceeds or cross-currency swaps (CCS) relating to the proceeds.

[Provide further detail, as practical.]

Step 2 – Approval from BOT

BOT, [correct department] will review the application and supplementary documents and may, at its discretion, ask for clarification or additional information.

Provided that the application and documents are in order, the necessary information has been provided and the review is satisfactory, the BOT {correct department] will issue a letter of approval [correct term?] for the bond/note issuance.

At present, BOT would not approve the issuance of a note issuance (MTN) program denominated in FCY by any non-resident (foreign) issuer. [Note: confirm statement, in particular whether distinction to possible THB MTN-like programs is correct.]

There is no fee charged for this BOT approval process [confirm].

Step 3 onwards – Filing of (Draft) Offering Circular **with SEC, etc.**

Once the BOT approval is obtained, the resident financial institution would have to follow the issuance approval process prescribed by the SEC - please refer to the regulatory process described under B.1 above. However, bond/notes issued on foreign-currency do not require a registration with Thai BMA.

IV. Resource Information

For easy access to further information about the topics discussed in this AMBIF Implementation Guideline for Thailand, the policy bodies, regulatory authorities, and securities market related institutions, or the Thai bond/note market at large, interested parties are encouraged to utilise the following links (all websites available in English): [Need to validate links before final distribution.]

ASEAN+3 Bond Market Guide - Thailand
[Provide updated link.]

Bank of Thailand
http://www.bot.or.th/english/Pages/BOTDefault.aspx

Ministry of Finance of Thailand
http://www2.mof.go.th

Public Debt Management Office of the Ministry of Finance of Thailand
http://www.pdmo.go.th/upload/ebook_img/2011_Baht_Denominated_Bond_In_Thailand.pdf

Securities and Exchange Commission of Thailand
http://www.sec.or.th/EN/Pages/Home.aspx

The Stock Exchange of Thailand
http://www.set.or.th/en/index.html

(This website is also available in Chinese and Japanese language.)

Thai Bond Market Association
http://www.thaibma.or.th/main.html

(Visitors may be required to accept a disclaimer statement before entering the website.)

V.Abbreviations, Acronyms and Technical Terms

ABMF	ASEAN+3 Bond Market Forum
ADB	Asian Development Bank
ADRB	AMBIF Documentation Recommendation Board
AI	Accredited Investors
AMBIF	ASEAN+3 Multi-Currency Bond Issuance Framework
ASEAN	Association of South-East Asian Nations
ASEAN+3	Association of South-East Asian Nations plus People's Republic of China, Japan and Republic of Korea
Baht Bond	Term defined by MOF to describe a scheme under which foreign issuers may issue THB bonds or debt securities
BE	Bills of Exchange
BEX	Bond Exchange (Trading Board on SET)
BMG	Bond Market Guide, an ABMF publication for each of the ASEAN+3 economies
BOT	Bank of Thailand
BRIS	Bond Registration Information System (of Thai BMA)
Conflict of Law	Concept under Thai law that permits the use of law other than Thai law in contracts or agreements if both/all parties so agree
Connecting Factor	Concept under Thai law that acknowledges the existence of an international component, resulting in the ability of contract parties to decide on a language for contracts or agreements other than Thai
CCY	Currency
CP	Commercial Paper
CSD	Central Securities Depository
EOD	Event of default
FG	Foreign Government(s)
FI	Financial institution
FII	Foreign Institutional Investors
Filing	Proposed term for action of submitting documentation for a PP-AI to SEC
FPO	Fiscal Policy Office (of the Ministry of Finance of Thailand)
FX	Foreign Exchange
HNWI	High Net Worth Investors (here, subset of AI)
IFC	International Finance Corporation
IFI	International Financial Institutions

IFRS	International Financial Reporting Standards
II	Institutional Investors (here, subset of AI)
IM	Information Memorandum, synonymous with Offering Circular
Information Memorandum	Term typically used for key documentation for a private placement to professional investors
International Connecting Factor	Concept under Thai law that acknowledges the existence of an international component, resulting in the ability of contract parties to decide on a language for contracts or agreements other than Thai
IPOS	Initial Product Offering System
LCY	Local currency
Listing	Typically, action of submitting a bond issue or other securities to an exchange for the purpose of price finding, disclosure or profiling; in Thailand: presently often used instead of registration with Thai BMA
MOF	Ministry of Finance of Thailand
MTN	Medium-Term Note
OC	Offering Circular, synonymous with Information Memorandum
Offering Circular	Term typically used for key documentation for a private placement to professional investors
PDMO	Public Debt Management Office (of the Ministry of Finance of Thailand)
PO	Public Offer or Public Offering
PP	Private Placement
PP-AI	Private Placement for Accredited Investors
Prospectus	Term used for key documentation of public offers of securities
Registration	Action of registering a bond issue with the Thai BMA; required under present regulations
SEC	Securities and Exchange Commission of Thailand
SET	Stock Exchange of Thailand
SF1	Sub-Forum 1 of ASEAN+3 Bond Market Forum
Short Prospectus	Only for Thailand: term used for key documentation of private placements
SNA	Special Non-resident Baht Account
SPV	Special Purpose Vehicle
SSF	Single Submission Form
T&C	Terms and conditions
TFRS	Thai Financial Reporting Standards
Thai BMA	Thai Bond Market Association
THB	Thai Baht

WB	World Bank
USD	Unites States dollar

ASEAN+3 Bond Market Forum (ABMF) - Phase 3

[Proposed Output of Sub-Forum 1]

AMBIF Implementation Guideline forHONG KONG, CHINA

- Discussion Paper -

(Includes discussion results from Sep 2014 market visit)

DRAFT

(Version 3.1, as of 13 January 2015)

[Note: This is a concise version; a preface, purpose and objectives, and appendices etc. will be contained in a general section at the beginning of the proposed Phase 3 Report.]

January 2015

Circulation List and Date(s)

- **ADB**
  - Satoru Yamadera, syamadera@adb.org

- **ADB Consultants for ABMF SF1**
  - Prof ShigehitoInukai, shige.inukai@me.com
  - Matthias Schmidt, macschmidt@me.com

- **ABMF SF1 Chair**
  - Koji Ito, ko-ito@jpx.co.jp

- **ABMF SF1 Co-Chair,** represented byYeow Boon Loong
  - yeowboon.loong@cimb.com

- **Hong Kong Monetary Authority,** Ms. Flora Wong as coordinator
  - Flora Wong, flora_sy_wong@hkma.gov.hk
  - Shu-pui Li, spli@hkma.gov.hk

- **Hong Kong Exchanges and Clearing Limited**
  - Wayne Wong, waynewong@hkex.com.hk
  - Raymond Siu, raymondsiu@hkex.com.hk

Version 3 issued for review and feedback: [Date]

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I. AMBIF Elements in Hong Kong, China

This chapter describes the key features of the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), also known as AMBIF Elements, and puts into perspective the equivalent features of the domestic professional bond marketinHong Kong, China.

A. Summary of AMBIF Elements

The bond market in Hong Kong, Chinais largely international in nature. While the HKD-denominated bond market is relatively small, many bonds are issuedinternationallyin Hong Kong, China. The table below identifies the features or practices of the domestic bond market in Hong Kong, China, that directly correspond or are equivalent to the key elements of AMBIF.

Table 1 – AMBIF Elements and as Evident in Hong Kong, China

AMBIF Elements	Brief Description	Equivalent in Hong Kong, China
Domestic Settlement	Securities are settled at a National CSD in ASEAN+3	Settlement of domestic bonds (determined by ISIN prefix) in CMU at HKMA
Harmonized Documents for Submission (Single Submission Form)	Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information along with ADRB recommendation needs to be included.	As long as laws observed and compliance to listing rules, SSF expected to be accepted
Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)	Information on bonds/notes and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.	Profile listing on HKEx
Currency	Bonds/notes are denominated in currencies normally issuedin domestic bond markets of ASEAN+3	Hong Kong dollar (HKD), offshore Chinese Renminbi (CNH), United States dollar (USD)
Scope of Issuers	Resident of ASEAN+3	Domestic and foreign issuers, no formal distinction by issuer type
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3	Institutional Investor concept under SRO for HKMA; professional investor concept at HKEx

Source: ADB Consultants for SF1

B. Description of AMBIF Elements and Equivalent Features in Hong Kong

1. Domestic Settlement

AMBIF

AMBIF is aimed at supporting the domestic bond markets in ASEAN+3. To be recognized as a domestic bond, it needs to be settled at the designated central securities depository (CSD). Hence, domestic settlement is an important key feature of an AMBIF bond.

In Hong Kong, China

All domestic corporate bonds traded OTC in the Hong Kong market in (identified by prefix 'HK' in the International Securities Identification Number, ISIN) are admitted to and settled in CMU (Central Moneymarkets Unit), a unit of the Hong Kong Monetary Authority (HKMA), regardless whether these bonds are denominated in HKD or CNH (Offshore Renminbi). CMUconnects directly to the CHAPS local high value payment system, as well as to the USD clearing system[state names for ease of reference] in Hong Kong, China. [Confirm statement.]

2. Harmonised Documents for Submission (Single Submission Form)

AMBIF

Based on the review of actual offering circulars, information memoranda or program information formats in ASEAN+3, it was recognized that most information was similar or comparable. Hence, asingle submission form, a single format in English that can be applied into all of the relevant regulatory processes for bond/note issuance in respective markets was proposed. The information contained in the Single Submission Form (SSF)can be accepted by all relevant regulatory authorities and market institutions for their approvals or consent in anticipation of an AMBIF bond/note issuance.

In Hong Kong, China

No approval for bond issuance in Hong Kong, China, is required from the Securities and Futures Commission (SFC) and Hong Kong Monetary Authority (HKMA) Thus, contracting parties, i.e., issuer and investor, are free to set and agree on documentation and disclosure requirements among themselves.

To be listed on Hong Kong Exchange (HKEx) for profiling purposes, HKExis principally in favour of harmonised documents, as long as its application procedures and all listing requirements are fulfilled.

English is one of the official languages; hence, the Single Submission Form can be utilized.

3. Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)

AMBIF

Information on issuer and bond/note needs to be disclosed continuously in ASEAN+3. Registration or listing authority function to ensure the continuous disclosure is required. This ensures quality of disclosure and would help create a well-organized market in AMBIF issuances with transparency and quality of information that would differentiate AMBIF issuances from ordinary private placements for which information is often neither available nor guaranteed. Owing to this important feature, an AMBIF secondary market is expected to emerge as the number of issuances will increase.

Profile listing or reference listing is a listing without trading. The objective of the listing is to make a bond/note visible and more information available to investors via a recognised listing place, particularly those investors with more restrictive mandates, such as mutual and pension funds. A profile or reference listing at a designated listing place would ensure the flow of continuous disclosure information and possibly even reference pricing in some of the places.

In Hong Kong, China

Under its listing rules, Hong Kong Exchangesand Clearing Limited (HKEx) provides a listing facility for bonds aimed only at Professional Investors. This factuality is officially named: "Market on Debt Issuesto Professional Investors Only", and typically referred to as 'Professional Bonds'. Professional Bonds are still traded OTC but would be listed for profiling, typically, in order to a

reach specific investor universe or address the need for a listing in potential investors' mandated prudential regulations.

While the listing for profiling on HKEx is available for both domestic and international bonds/notes issued in Hong Kong, China, the inclusion for settlement in CMU is required to mark a bond/note as domestic. Hence, for all intents and purposes, the availability for settlement on CMU in conjunction with the listing for profiling on HKEx satisfies this AMBIF Element.

4. Currency

AMBIF

In the context of AMBIF, the denomination of currency is expected to be the currency normally issued in domestic bond markets of ASEAN+3, hence, the local currency of that particular market. But this does not exclude the possibility of issuing in other currencies, if market practice regularly supports these other currencies, and the relevant domestic currency/cash clearing capabilities exist. At this stage, USD, JPY, and Offshore CNY (CNH) can be issued as other currencies in ASEAN+3

In Hong Kong, China

In addition to HKD, CNH and USD-denominated bonds are regularly issued and settled atCMU.

5. Scope of Issuers

AMBIF

As AMBIF is aimed to support development of domestic bond/note markets in the region and promote intra-regional recycling of funds, an issuer needs to be a resident of ASEAN+3.

In Hong Kong, China

There is principally no distinction between domestic and foreign issuers or particular corporate issuer typesin Hong Kong, China's bond market.

6. Scope of Investors

AMBIF

Professional investors are defined in accordance with regulations and/or market practice in each market in ASEAN+3. Some jurisdictions may have a clear definition of professional investors while the other jurisdictions may need to establish the concept through agreements.

Professional investors are institutions defined by law and licensed or otherwise registered with regulators by law in their economy of domicile and, hence, are subject to governance and inspection based on securities market and/or prudential regulations. In addition, most of them are also subject to oversight as well as professional conduct and best practice rules by an SRO, such as an exchange or a market association.

In Hong Kong, China

The Securities and Futures Ordinance, or SFO, being Chapter 571 of the laws of Hong Kong, defines the concept of professional investors in Hong Kong, China; in its provisions, the SFO distinguishes between Institutional Investorsand Non-Institutional Investors, as shown in the definitions below. In market practice, the term 'professional investors' is used since the concept is not limited to institutions or legal entities only.

The Securities and Futures Ordinance (SFO) defines Institutional Investors as follows:

- *Regulated Securities Firms* – any person carrying on the business of the provision of investment services regulated under the law of Hong Kong or any place outside Hong Kong;

- *Regulated Banks* – any bank regulated under the law of Hong Kong or any place outside Hong Kong;

- *Regulated Insurers* – any insurer regulated under the law of Hong Kong or any place outside Hong Kong;

- *Investment Funds* – any collective investment scheme authorized by the SFC or similarly constituted under the law of any place outside Hong Kong and, if regulated under the law of such place, permitted to be operated under the law of such place, or any person by whom any such scheme is operated; and

- *Sovereign Bodies* – any government (other than a municipal authority) or any institution which performs the functions of a central bank, or any multilateral agency.

Non-institutional investors include persons who, as a result of their financial position, qualify as professional investors:

- *High Net Worth Individuals* – any individual (either alone or with any of his associates on a joint account) who has a portfolio of not less than HKD 8 million (or its equivalent in any foreign currency);

- *Corporate Professional Investors* – any corporation or partnership who has either a portfolio of not less than HKD 8 million (or its equivalent in any foreign currency) or total assets of not less than HKD 40 million (or its equivalent in any foreign currency); and

- *Trusts* – any trust corporation entrusted under the trust or trusts of which it acts as a trustee with total assets of not less than HKD 40 million (or its equivalent in any foreign currency).

HKMA/CMU applies the SFO definition for Institutional Investors, while HKEx uses the collective term 'Professional Investors' which includes both Institutional Investors and HNWI as defined in the SFO.

II. Bond Issuance relevant Features in Hong Kong, China

In addition to the market features corresponding to the AMBIF Elements, a number of general market features for bond issuance to Professional Investors in Hong Kong, China's domestic bond market will need to be considered, and are described in this chapter.

A. Governing Law / Jurisdiction

Governing law and the jurisdiction for specific service provisions in relation to a bond/note issuance may have some relevance in the context of AMBIF, since potential issuers may consider issuing under the laws or jurisdiction of a country/market other than the place of issuance. The choice of governing law or contractual preferences of stakeholders may affect the accessibility to a specific investor universe that may otherwise not be accessible if a bond/note was issued under the laws of the place of issuance. However, it is necessary to note that law related to bond/note issuance and settlement must be governed by the laws and regulations of the place of issuance since an AMBIF bond is a domestic bond. .

Hong Kong basic law and the stated views of the regulatory authorities and market institutions, permit the use of governing law or jurisdictions other than Hong Kong law for transactions inHong Kong, China's financial market. Parties involved in a bond/note issuance may select governing law or jurisdiction(s) according to their contractual preferences, provided that such provisions do not contravene the laws of Hong Kong.

B. Languageof Documentation and Disclosure Items

It is envisaged that most of the ASEAN+3 markets participating in AMBIF will be able to accept the useof a common document in English, however, some markets may require the submission of approval related information in their prescribed format and in the local language. In such cases, concessions from these regulatory authorities for a submission of required information in English – in addition to local language and formats – may be sought.

In Hong Kong, China, contracts, bond issuance documentation and disclosure items, as well as all applications to and approvals from market institutions and correspondence with regulatory authorities and market institutionsis expected to be in English.

C. Credit Rating

Credit rating is not mandatory for bonds/notes to be issued to professional investors in the Hong Kong market.Issuers may chose to use a credit rating if it would satisfy investor demand. About [n]% of bonds/notes aimed at professional investors in Hong Kong, China are rated. [Obtain number.]

Credit rating is also not a specific criterion for eligibility to list a bond or note aimed at Professional Investors on the Professional Bonds market on HKEx.

[More info, in case topic is considered significant.]

D. Selling / Transfer Restrictions

Selling and transfer restrictions for bonds intended for professional investors are well defined in Hong Kong, China in the law, supplementary regulations as well as listing rules for the Professional Bonds market on HKEx.

As part of its membership agreement and governance procedures, CMU requires its members to observe the provisions for bonds/notes aimed at Institutional Investors and related provisions under

the Securities and Futures Ordinance (SFO). In addition, intermediaries for trades in bonds listed as Professional Bonds, or in OTC traded bonds aimed at professional investors are subject to the SFC 'Code of Conduct' (full name: "Code of Conduct for Persons Licensed by or Registered with the SFC")in which the duties and obligations of these intermediaries are described, including limitations to selling and transfer of such bonds to investors who do not qualify as professional. Intermediaries are required to reference the SFC Code of Conductin their Know-Your-Customer (KYC) materials and procedures. Specific language for selling/transfer restrictions exists in Hong Kong, China's market and is expected to be used.

The SFC Code of Conduct also contains a definition of professional investors, as proposed and used by The Hong Kong Association of Banks. Membership in the association requires the recognition and acceptance of the SFC Code of Conduct and the definitions contained therein.

In a recent court ruling, it was determined that exemptions claimed for bond/note issuance to professional investors via private placements (the contrast to public offers) will only apply if the issuance documentation and offering materials carry explicit statements that said bonds/notes are only to be sold to professional investors. This court ruling is presently under appeal.

In this context, SFC has started public consultation on the need to further strengthen the manner in which market participants treat professional and non-professional investors, respectively. Concluded changes to the present SFO provisions are expected to take effect by March 2016.

E. Note Issuance Programs

AMBIF promotes the medium-term note (MTN) format because it not only gives funding flexibility to issuers but also represents the most common format of bond issuance in the international bond market. This means that potential issuers as well as investors and intermediaries are likely to be familiar with the note issuance programs and related practices. Hence, this would make AMBIF comparable to the relevant practices in the international bond market. At the same time, it is expected that potential issuers may benefit from re-using or adopting existing documentation or information on disclosure items.

Note issuance programs are well established and widely accepted in Hong Kong, China's market and are the most preferred issuance option for bond/note issuance to professional investors, both in the domestic and international segments. Issuers include domestic corporates and government linked organisations. Note issuance programs are subsumed under 'bonds' or 'notes' in the definition of securities in the Securities and Futures Ordinance, Schedule 1.

F. Bond Trustee / Trust Deed

Issuers or their agents in the issuance of a bond to Professional Investors may appoint a bond trustee. Having a bond trustee is optional for professional issuances and typically not taken up by bonds issued to Professional Investors and/or profile listed on HKEx.

[Additional details, as may be necessary.]

III. Bond Issuance Process in Hong Kong, China

A. Overview of Regulatory Processes

Bond issuances by corporate issuers aimed at professional investors in Hong Kong, China'sdomestic bond market do not require any approval from or notice to regulatory authorities. Hence, there is no significance attached to the type of corporate issuer.

At the same time, in order to make the issuance processes by issuer type more comparable across the ASEAN+3 markets, Table 2 features common issuer type distinctions that are evident in regional markets. Not all markets will distinguish all such issuer types. Sovereign issuers may be subject to different regulatory processes.

In the absence of regulatory processes mandated by authorities, the overview and descriptions of the bond issuance process in Hong Kong, China, focus on the inclusion of bonds or notes aimed at Institutional Investors into the Central Moneymarkets Unit (CMU) platform for OTC traded bonds/notes, in conjunction with the listing for profiling aimed at Professional Investorson the Professional Bonds market (official name: "Market on Debt Issuesto Professional Investors Only") at the Hong Kong Exchange (HKEx).

Table 2 – Regulatory Processes by Corporate Issuer Type

Type of Corporate Issuer	CMU	HKEx
Resident issuer	Eligibility follows CMU admission criteria [confirm]	Listing eligibility follows criteria in HKEx Listing Rules
Resident non-financial institution issuer		
Resident financial institution		
Resident issuer issuing foreign currency denominated bonds/notes		
Non-resident issuer		
Non-resident non-financial institution issuer		
Non-resident financial institution issuer		
Non-resident issuer issuing foreign currency denominated bonds/notes		

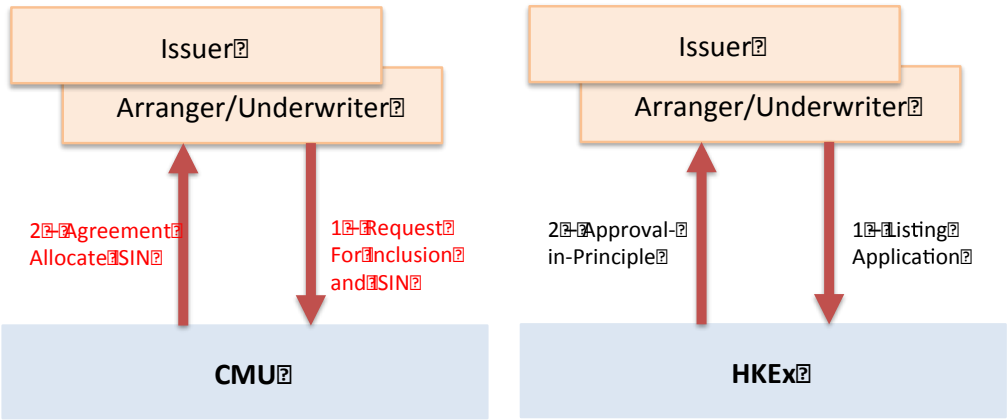
Source: ADB Consultants for SF1

Regulatory Process Map – Overview

In the absence of specific regulatory process requirements on the issuance of bonds to professional investors in Hong Kong, China's bond market, the process map is limited to the inclusion of bonds in CMU and the listing for profiling on HKEx.

Both issuance-related processes are further explained in Section B.

Image 1 – Regulatory Process Map Overview – Hong Kong, China



Source: ADB Consultants for SF1

Domestic bonds/notes, the focus of AMBIF, are distinguished by the 'HK' prefix in the ISIN when issued. In contrast, bonds/notes with ISIN prefix 'XS' are aimed at the international market. 80% of bonds/notes issued in Hong Kong, China's market remain unlisted.

B. Issuance Process in Local Currencies or Foreign Currency

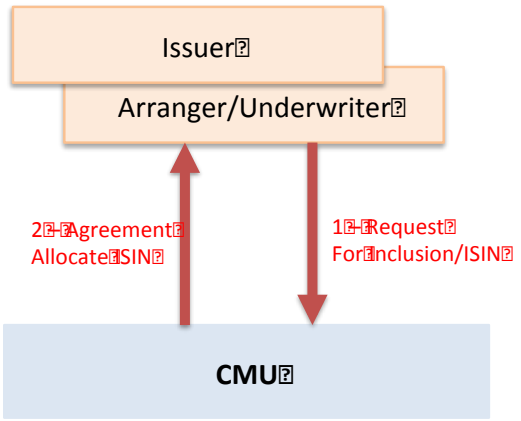
There is no distinction between the issuance/listing process for bonds/notes in HKD or offshore Chinese Renminbi in Hong Kong, China(CNH).

CMU can also clear and settle USD via CHAPS in Hong Kong, China.

1. Inclusion of OTC-traded Bonds/Notes in CMU

[Confirm whether 'inclusion' is best possible term/description.]
Bonds/notes aimed at Institutional Investors are typically issued into the CMU.CMU serves as the issuing, clearing and settlement platform for all OTC-traded bonds in the domestic market in Hong Kong, China.

Image 2 – Issuance Process – Inclusion of OTC-traded Bonds/Notes in CMU
[Confirm official description of steps (currently in red).]



Source: ADB Consultants for SF1

In order to include a bond/note aimed at Institutional Investors into CMU, in line with the provisions of the SFO, an issuer or arranger/underwriter will need to apply for an ISIN for a bond issuance from HKMA/CMU.

Step 1 – Apply for ISIN / Inclusion in CMU

The issuer (or their agent)is required to submit the request for an ISIN to CMU within [n] time of the issuance of the bond/note in the domestic market in Hong Kong, China. [Confirm steps, process, and details.]

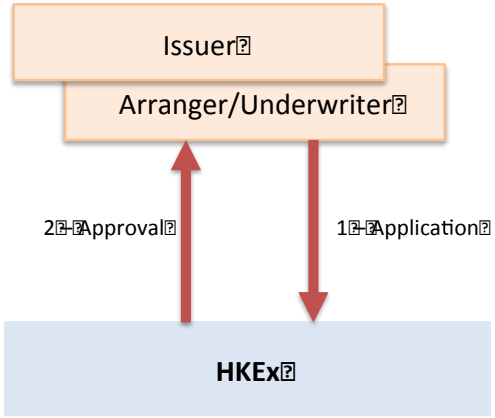
Step 2 – HKMA/CMU allocates ISIN

HKMA will [describeprocess, and details].

2. Listing for Profiling on HKEx

To be listed on "Market on Debt Issuesto Professional Investors Only", the following steps need to be undertaken by the issuer (or agent of the issuer).

Image 3 – Issuance Process: Listing for Profiling on HKEx



Source: ADB Consultants for SF1

Step 1 – Submit Application for Listing to HKEx or Application for Confirmation of Eligibility

Any issuer (or their agent)intending to list on HKEx will need to submit an Application for Listing, accompanied by the required documentation and disclosure items for the type of listing selected.

At the same time, issuers may choose to first obtain a confirmation on the eligibility of their bonds/notes to be listed for profiling prior to applying for a formal listing in a next step.

The listing criteria for issuers on the Professional Bonds markethave been determined as follows:

- Issuer needs to be incorporated
- Issuer (entity) needs to have a net asset value of at least HKD 100 million[1]
- Issuer needs to be able to provide a minimum of 2 years of audited accounts.

In addition, the following listing criteria for the debt securities have to be met:

- Bonds/notes must have been authorised through issuer's governing bodies
- Minimum denomination of bonds/notes must be HKD 500,000 or equivalent amount in foreign currency.

Chapter 37 of the HKEx Listing Rules allow issuers to tailor their documentation to professional investors who are sufficientlysophisticated to make their own judgment on whether the listing document provides them with the necessaryinformation. In consequence,

[1] This criterion does not apply for issuers already listed on HKEx or another exchange and supranational issuers.

Rule 37.29 prescribes for the listing application to contain documents and simplified disclosure items that professional investors wouldcustomarily expect.

Most issuers or their agent apply for the listing online via the HKEx portal[confirm statement, details].

Step 2 – HKEx checks Application for Listing / issues 'Letter of Eligibility' or Approval

HKEx will review the request for eligibility or application for listing, following a complete submission of the relevant information in documentation and disclosure items, as per Listing Rule 37.29. At the same time, HKEx may, at its discretion under the Listing Rules, request supplementary information from the issuer or arranger/underwriter, if so required for the review process.

In case of an issuer seeking a confirmation of eligibility to list a bond or note for profiling, HKEx will advise an issuer whether the issuer and its bond/note are eligible forlisting within five business days after receipt of the issuer's application, as per Listing Rule 37.36; HKEx will issue a 'Letter of Eligibility' for this.

Provided that an application for listing for profiling is in order and the necessary information has been provided, HKEx will issue an approval letter to the issuer or arranger/underwriter.

Inpractice, for applications that do not involve novel features, HKEx will, undernormal circumstances, issue the listing approval letter or eligibility letter within 1 business day for issuers that are already listed in Hong Kong, China, or within 2 business days for other issuers.

The listing for profiling of professional bonds/notes on the HKEx Professional Bonds market carries a one-off listing feeof between $7,000 and $90,000 [confirm currency, HKD or USD],depending on issue sizeand tenor. There is no recurring listing fee.

Step 3 – Actual (effective) Listing for Profiling

The issuance process for a profile listing is completed with the actual listing on the HKEx Professional Bonds market. The listing is effective within [n] days of the issuance of the listing approval letter. [Confirm steps and timeline; anyapplicable conditions?]

IV. Resource Information

For easy access to further information about the topics discussed in this AMBIF Implementation Guideline for Hong Kong, China, theregulatory authorities, and securities market related institutions, or Hong Kong, China'sbond market at large, interested parties are encouraged to utilise the following links (all websites are available in English, as well as in Simplified and Traditional Chinese): [Need to validate links before final distribution.]

ASEAN+3 Bond Market Guide (BMG) –Hong Kong, China
[Provide updated link.]

Bank of China (Hong Kong) – RMB Clearing Bank
http://www.bochk.com/web/common/multi_section.xml?section=rmb&level_2=rmb_clearing&fldr_id=31806

Hong Kong Exchanges and Clearing Limited – General
http://www.hkex.com.hk/eng/index.htm

Hong Kong Exchanges and Clearing Limited - CCASS
https://www.hkex.com.hk/eng/market/clr/secclr/ccass3/ccass3.htm

Hong Kong Exchanges and Clearing Limited – on Professional Bonds
https://www.hkex.com.hk/eng/newsconsul/newsltr/2012/Documents/2012-07-10-E.pdf

Hong Kong Monetary Authority – General
http://www.hkma.gov.hk/eng/index.shtml

Hong Kong Monetary Authority - Central Moneymarkets Unit (CMU)
https://www.cmu.org.hk/cmupbb_ws/eng/page/wmp0100/wmp010001.aspx

Securities and Futures Commission (SFC)
http://www.sfc.hk/web/EN/index.html

V. Abbreviations, Acronyms and Technical Terms

ABMF	ASEAN+3 Bond Market Forum
ADB	Asian Development Bank
ADRB	AMBIF Documentation Recommendation Board
AMBIF	ASEAN+3 Multi-Currency Bond Issuance Framework
ASEAN	Association of South-East Asian Nations
ASEAN+3	Association of South-East Asian Nations plus People's Republic of China, Japan and Republic of Korea
BMG	Bond Market Guide, an ABMF publication for each of the ASEAN+3 economies
Conflict of Law	Concept in basic law that permits the use of law other than domestic law in contracts or agreements if both/all parties so agree
CCASS	Central Clearing and Settlement System (for HKEx-traded securities)
CCY	Currency
CHAPS	Clearing House Automated Payment System
CMU	Central Moneymarkets Unit (of HKMA)
CNH	Code for offshore Chinese Renminbi in use in Hong Kong, China
CNY	Official ISO code for Chinese Renminbi
CRA	Credit Rating Agency
CSD	Central Securities Depository
FCY	Foreign currency
FG	Foreign Government(s)
FI	Financial institution
FII	Foreign Institutional Investors
FX	Foreign Exchange
HKD	Hong Kong dollar
HKEx	Hong Kong Exchanges and Clearing Limited
HKMA	Hong Kong Monetary Authority
HNWI	High Net Worth Investors
IFC	International Finance Corporation
IFI	International Financial Institutions
IFRS	International Financial Reporting Standards
II	Institutional Investors

IM	Information Memorandum, synonymous with Offering Circular
IMF	International Monetary Fund
Information Memorandum	Term typically used for key documentation for a private placement to professional investors
ISIN	International Securities Identification Number
LCY	Local currency
Listing	Typically, action of submitting a bond issue or other securities to an exchange for the purpose of price finding, disclosure or profiling
OC	Offering Circular, synonymous with Information Memorandum
Offering Circular	Term typically used for key documentation for a private placement to professional investors
OTC	Over-the-Counter
PO	Public Offer or Public Offering
PP	Private Placement
Professional Investors	Definition of professional investors according to investor type, by HKEx
Registration	Action of registering a bond issue, for reference pricing or disclosure purposes
RMB	Chinese Renminbi
SF1	Sub-Forum 1 of ASEAN+3 Bond Market Forum
SFC	Securities and Futures Commission
SRO	Self-regulatory Organisation
USD	Unites States dollar

ASEAN+3 Bond Market Forum (ABMF) - Phase 3

[Proposed Output of Sub-Forum 1]

AMBIF Implementation Guideline forSINGAPORE

- Discussion Paper -

(Includes discussion results from Aug 2014 market visit and subsequent correspondence)

DRAFT

(Version 3, as of 12 January 2015)

[Note: This is a concise version; a preface, purpose and objectives, and appendices etc. will be contained in a general section at the beginning of the proposed Phase 3 Report.]

January 2015

Circulation List and Date(s)

- **ADB**
  - Satoru Yamadera, syamadera@adb.org

- **ADB Consultants for ABMF SF1**
  - Prof ShigehitoInukai, shige.inukai@me.com
  - Matthias Schmidt, macschmidt@me.com

- **ABMF SF1 Chair**
  - Koji Ito, ko-ito@jpx.co.jp

- **ABMF SF1 Co-Chair,** represented byYeow Boon Loong
  - yeowboon.loong@cimb.com

- **Monetary Authority of Singapore,** Daowei Zhanas coordinator
  - Dwzhan@mas.gov.sg

- **Singapore Exchange Ltd.**
  - KweeLianTng, kweelian.tng@sgx.com

Version 3 issued for review and feedback: 12 January 2015

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  - 1. *Issuance Process for Domestic Issuer* ..... ***Error! Bookmark not defined.***
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I. AMBIF Elements in Singapore

This chapter describes the key features of the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), also known as AMBIF Elements, and puts into perspective the equivalent features of the domestic professional bond marketinSingapore.

A. Summary of AMBIF Elements

The bond market in Singapore is more international in nature. Whilethe SGD-denominated bond market is relatively small, many bonds are issued internationally in the Singaporean market. The table below identifies the features or practices of the domestic bond market in Singapore that directly correspond or are equivalent to the key elements of AMBIF.

Table 1 – AMBIF Elements and as Evident in Singapore

AMBIF Elements	Brief Description	Equivalent in Singapore
Domestic Settlement	Bonds/notes are settled at a National CSD in ASEAN+3	Settlement of corporate bonds by Central Depository Pte Ltd (CDP)
Harmonized Documents for Submission (Single Submission Form)	Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information along with ADRB recommendation needs to be included.	MAS does not require regulatory approval for the Singapore market; SGX is principally in favour of harmonised documents, as long as all listing requirements are fulfilled
Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)	Information on bonds/notes and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.	Profile listing onSGX
Currency	Bonds/notes are denominated in currencies normally issuedin domestic bond markets of ASEAN+3	Singapore dollar (SGD) and United States dollar (USD)
Scope of Issuers	Resident of ASEAN+3	Domestic and foreign issuers ok
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3	'Institutional Investors' concept under the law; detailed prescriptions

Source: ADB Consultants for SF1

B. Description of AMBIF Elements and Equivalent Features in Singapore

1. Domestic Settlement

AMBIF

AMBIF is aimed at supporting the domestic bond markets in ASEAN+3. To be recognized as a domestic bond, it needs to be settled at the designated central securities depository (CSD). Hence, domestic settlement is an important key feature of an AMBIF bond.

In Singapore

All corporate bonds issued in the domestic market in Singapore are settled at the CDP (Central Depository Pte. Ltd.), a subsidiary of Singapore Exchange Ltd, regardless whether these bonds are traded OTC or on exchange. CDP connects directly to the MAS Electronic Payment System (MEPS+)for the settlement of Singapore and USD cash payments. [Confirm statement.]

2. Harmonised Documents for Submission (Single Submission Form)

AMBIF

Based on the review of actual offering circulars, information memoranda or program information formats in ASEAN+3, it was recognized that most information was similar or comparable. Hence, asingle submission form, a single format in Englishthat can be applied into all of the relevant regulatory processes for bond/note issuance in respective markets was proposed. The information contained in the Single Submission Form (SSF)can be accepted by all relevant regulatory authorities and market institutions for their approvals or consent in anticipation of an AMBIF bond/note issuance.

In Singapore

No approval by the Monetary Authority of Singapore (MAS) is required for bond issuance to professional investors, thus, contracting parties, i.e., issuer and investor, are free to set and agree on documentation and disclosure requirements among themselves.

To be listed at Singapore Exchange (SGX) for profiling purposes, SGX is principally in favour of harmonised documents, as long as its application procedures and all listing requirements are fulfilled.

English is one of the official languages, hence, the Single Submission Form can be utilized.

3. Registration or Profile Listing in ASEAN+3 (Place of Continuous Disclosure)

Information on issuer and bond/note needs to be disclosed continuously in ASEAN+3. Registration or listing authority function to ensure the continuous disclosure is required. This ensures quality of disclosure and would help create a well-organized market in AMBIF issuances with transparency and quality of information that would differentiate AMBIF issuances from ordinary private placements for which information is often neither available nor guaranteed. Owing to this important feature, an AMBIF secondary market is expected to emerge as the number of issuances will increase.

Profile listing or reference listing is a listing without trading. The objective of the listing is to make a bond/note visible and more information available to investors via a recognised listing place, particularly those investors with more restrictive mandates, such as mutual and pension funds. A profile or referencelisting at a designated listing place would ensure the flow of continuous disclosure information and possibly even reference pricing in some of the places.

In Singapore

SGX offers a profile listing feature on its 'Wholesale Bonds' market for bonds or notes aimed only at Institutional Investors under the provisions of the Securities and Futures Act.These bonds are traded OTC and listed for profiling, typically, in order to reach a specific investor universe or address the need for a listing in potential investors' mandated prudential regulations.

At the same time, Wholesale Bonds listed debt securities can principally also be traded on the exchange, if so desired by the market participants. This would result in the capture and provision of traded prices to the market, through the 'Bond Market' function in SGX' Trading Engine and, subsequently,data vendors. Prices for OTC traded bonds/notesare only available to the market through trading platforms and data vendors. At present, there is no pricing agency in Singapore, and a registration of a bond/note is not applicable in Singapore.

SGX prescribes applicable documentation and disclosure items for listing on the Wholesale Bonds market in its listing rules. Being the listing authority, SGX ensures and enforces the continuous disclosure of material information by an issuer listed on the Wholesale Bonds market, in addition to the initial disclosure at time of listing. Even corporate issuers already listed on the main board of SGX may pursue a listing on the Wholesale Bonds market.

For all intents and purposes, the listing of a bond/note on the SGX Wholesale Bonds market fulfills the AMBIF Element of Registrationor Profile Listing.

4. Currency

AMBIF

In the context of AMBIF, the denomination of currency is expected to be the currency normally issued in domestic bond markets of ASEAN+3, hence, the local currency of that particular market. But this does not exclude the possibility of issuing in other currencies, if market practice regularly supports these other currencies, and the relevant domestic currency/cash clearing capabilities exist. At this stage, USD, JPY, and Offshore CNY (CNH) can be issued as other currencies in ASEAN+3

In Singapore

Domestic bonds in the Singapore market are typically issued in Singapore dollar (SGD), but can also be issued in a variety of other currencies. In addition to SGD, USD clearing and settlement capabilities exist in the Singapore market. With the significance of the Singapore market, and the SGX Wholesale Bonds market in particular, bonds issued in other (ASEAN+3) currencies would only be listed for profiling but effectively settled and safekept in their respective home markets.

At present, the SGX Wholesale Bonds market features listings for profiling in more than 20 currencies, including those from ASEAN+3 markets.

5. Scope of Issuers

AMBIF

As AMBIF is aimed to support development of domestic bond/note markets in the region and promote intra-regional recycling of funds, an issuer needs to be a resident of ASEAN+3.

In Singapore

In Singapore, there is principally no distinction necessary between domestic or foreign issuers for the purpose of issuing bonds or notes to professional investors. However, in case of a non-resident financial institution planning to issue SGD bonds, the issuer must swap the proceeds to foreign currency, rather than remit the Singapore dollar outside of Singapore. At the same time, a non-

resident financial institution is limited to borrow a maximum of 5 million Singapore dollars, including through the issuance of bonds or notes.

For the purpose of profile listing on the SGX Wholesale Bonds market, a distinction by domestic or foreign issuer is not significant; the guiding principles are that issuers must qualify according to the listing eligibility criteria set out in the SGX Listing Rules, in particular for the issuance of bonds/notes to professional investors.

6. Scope of Investors

AMBIF

Professional investors are defined in accordance with regulations and/or market practice in each market in ASEAN+3. Some jurisdictions may have a clear definition of professional investors while the other jurisdictions may need to establish the concept through agreements.

Professional investors are institutions defined by law and licensed or otherwise registered with regulators by law in their economy of domicile and, hence, are subject to governance and inspection based on securities market and/or prudential regulations. In addition, most of them are also subject to oversight as well as professional conduct and best practice rules by an SRO, such as an exchange or a market association.

In Singapore

Governing the 'Accredited Investors'and 'Institutional Investors' regimes is the Securities and Futures Act, or Chapter 289 of the laws of Singapore. While Sections 274 and 275 provide the designations for offers to professional investors, both Institutional Investors (274) and Accredited Investors (275), the actual definitions of these professional investor types are contained in Section 4A of the SFA.

Accredited Investors in the SFA is a collective term and defined as follows:

- (i) An Individual
  (A) whose net personal assets exceed in value $2 million (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount; or
  (B) whose income in the preceding 12 months is not less than $300,000 (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount;

- (ii) A corporation with net assets exceeding $10 million in value (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe, in place of the first amount, as determined by —
  (A) the most recent audited balance-sheet of the corporation; or
  (B) where the corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which date shall be within the preceding 12 months;

- (iii) the trustee of such trust as the Authority may prescribe, when acting in that capacity; or

- (iv) such other person as the Authority may prescribe.

In contrast, Institutional Investors contains a detailed list of which institutions are considered professional (see below).

In SFA Section 4A, Institutional Investors reads as follows:

- (i) a bank that is licensed under the Banking Act (Cap. 19);
- (ii) a merchant bank that is approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);
- (iii) a finance company that is licensed under the Finance Companies Act (Cap. 108);
- (iv) a company or co-operative society that is licensed under the Insurance Act (Cap. 142) to carry on insurance business in Singapore;
- (v) a company licensed under the Trust Companies Act 2005 (Act 11 of 2005);
- (vi) the Government;
- (vii) a statutory body established under any Act;
- (viii) a pension fund or collective investment scheme;
- (ix) the holder of a capital markets services licence for —
  (A)dealing in securities;
  (B)fund management;
  (C)providing custodial services for securities;
  (CA)real estate investment trust management;
  (D)securities financing; or
  (E)trading in futures contracts;
- (x)a person (other than an individual) who carries on the business of dealing in bonds with Institutional Investors or expert investors;
- (xi)the trustee of such trust as the Authority may prescribe, when acting in that capacity; or
- (xii)such other person as the Authority may prescribe .

The issuance of bonds/notes to Institutional Investors is seen as best fulfilling the purpose of the AMBIF scope of professional investors.

In principle, Institutional Investors based in Singapore may invest in overseas markets without limitation, unless these institutions' own mandates, investment guidelines or specific prudential regulations prescribe particular restrictions.[Determine level of additional detail, if required.]

II. Bond Issuance relevant Features in Singapore

In addition to the market features corresponding to the AMBIF Elements, a number of general market features for bond issuance to Institutional Investorsin the Singapore domestic bond market will need to be considered, and are described in this chapter.

A. Governing Law / Jurisdiction

Governing law and the jurisdiction for specific service provisions in relation to a bond/note issuance may have some relevance in the context of AMBIF, since potential issuers may consider issuing under the laws or jurisdiction of a country/market other than the place of issuance. The choice of governing law or contractual preferences of stakeholders may affect the accessibility to a specific investor universe that may otherwise not be accessible if a bond/note was issued under the laws of the place of issuance. However, it is necessary to note that law related to bond/note issuance and settlement must be governed by the laws and regulations of the place of issuance since an AMBIF bond is a domestic bond/note.

In Singapore, it is generally accepted that contracting parties can determinethe governing law or jurisdictions other than Singapore law, provided that such provisions do not contravene any existing laws of Singapore. Also in the case of a profile listing on the SGX Wholesale Bonds market, the governing law and jurisdiction for the bond/note issuance is left to the parties involved in the bond/note issuance. Only the listing agreement is required to be executed under Singapore law.

In the case of issuance of SGD denominated bonds/notes in Singapore, even in case contract parties choose a governing law other than Singaporean law for the contract, it is expected that Singaporean law would prevail as the law specific to issuance and settlement related matters.

In any case, the actual use of governing laws or jurisdictions other than those of Singapore may be subject to clarification or legal advice from a qualified law firm, as may be necessary.

B. Languageof Documentation and Disclosure Items

It is envisaged that most of the ASEAN+3 markets participating in AMBIF will be able to accept the useof a common document in English, however, some markets may require the submission of approval related information in their prescribed format and in the local language. In such cases, concessions from these regulatory authorities for a submission of required information in English – in addition to local language and formats – may be sought.

English is one of the four official languages of Singapore (in addition to Chinese, Malay and Tamil) and, hence, all contracts, bond issuance documentation and disclosure items, as well as all applications, approvals and correspondence with regulatory authorities and market institutions– if so required –can be in English.

C. Credit Rating

Bonds or notes issued to Institutional Investors in the Singapore domestic bond marketdo not require a credit rating.

At the same time, credit rating is one possible criterion – of three possible, alternative criteria – for eligibility to list a bond/note aimed at Institutional Investors on the Wholesale Bonds market at SGX. Most issuers do not chose to use the credit rating criterion when considering listing on SGX.

About 80% of all bonds/notes issued in the Singapore domestic bond market, typically denominated in SGD, are unrated. The remaining 20% of bond/note issues carry an international rating, typically because they are aimed at international investors as well. Hence, as a general rule, rated bonds/notes in the Singapore domestic market are aimed at international investors.

D. Selling / Transfer Restrictions

Selling and transfer restrictions for bonds or notes intended for professional investors only are well defined in Singapore, in both regulations and listing rules for the professional 'Wholesale Bonds' market on SGX.

The type of professional investors that issuers may issue bonds/notes to without regulatory approvals follow the provisions on Institutional Investors and AccreditedInvestors in the Securities and Futures Act (2012), Section 4A, and subsequent Sections 274 and 275. For ease of reference, this Guideline will use the term Institutional Investors when referring to professional investors in Singapore, since the defined investor types are most conducive to the AMBIF Element of 'Scope of Investors'.

Intermediaries for trades in bonds/notes listed on the Wholesale Bonds market will have to establish in their Know-Your-Customer (KYC) procedures whether or not an investor would qualify under theInstitutional Investors regime.

On SGX, Wholesale Bonds market listings offer no access to retail investors and listing rules include the adherence of all issuers and underwriters to these restrictions. In addition, SGX participant institutions give assurances in their participant agreement [confirm term(s)] that they will observe all applicable rules and regulations. As SRO and listing authority, SGX will ensure and enforce these selling and transfer restrictions.

As a matter of market practice, documentation on bonds/notes aimed at Institutional Investors would typically carry references to the applicablesections of the Securities and Futures Act and SGX listing rules or regulations. While nospecific wording is prescribed in the law or rules, the markettends to follow a standard format for professional bond issuance documentation.

[Need to determine to what extent the Bond Association under ABS prescribes any standard documents and selling restrictions, then describe accordingly.]

E. Note Issuance Programs

AMBIF promotes the medium-term note (MTN) format because it not only gives funding flexibility to issuers but also represents the most common format of bond issuance in the international bond market. This means that potential issuers as well as investors and intermediaries are likely to be familiar with the note issuance programs and related practices. Hence, this would make AMBIF comparable to the relevant practices in the international bond market. At the same time, it is expected that potential issuers may benefit from re-using or adopting existing documentation or information on disclosure items.

Note issuance programs are well established and widely accepted in the Singapore market. The legal basis for the use of note issuance programs can be found inSection 240A of the Securities and Futures Act, which officially describes a 'debenture issuance programme' and corresponding provisions.

F. Bond Trustee

The Securities and Futures Act provides for the use of a bond trustee. The appointment of a bond trustee for professional bond/note issuances is optional, but the majority of bonds/notes listed for profiling on the Wholesale Bonds market at SGX feature a bond trustee. This is driven by market practice and conventions with regards to targeted Institutional Investors who are subject to prudential regulations, such as insurance, mutual and pension funds.

Bond trustees must be licensed trust companies appointed by MAS. The bond trustee, if appointed, is expected to play an active role in the appointment and oversight of other service providers to the issuer.

[Determine if additional info needed and, if so, adequate level of detail.]

Bond Issuance Process in Singapore

A. Overview of Regulatory Processes

No regulatory processesare required for bond/note issuance to Institutional Investors in the Singapore market. There are no specific distinctions by corporate issuer types, as shown in Table 2 below.

In order to make the issuance processes by issuer type more comparable across the ASEAN+3 markets, Table 2 features common issuer type distinctions that are evident in regional markets. Not all markets will distinguish all such issuer types. Sovereign issuers may be subject to different regulatory processes.

At the same time, since the SGX Wholesale Bonds market is the target professional market conducive to AMBIF, it is necessary to include the application to SGX for profile listingon the Wholesale Bonds market in this chapter.

Table 2 – Regulatory Processes by Corporate Issuer Type

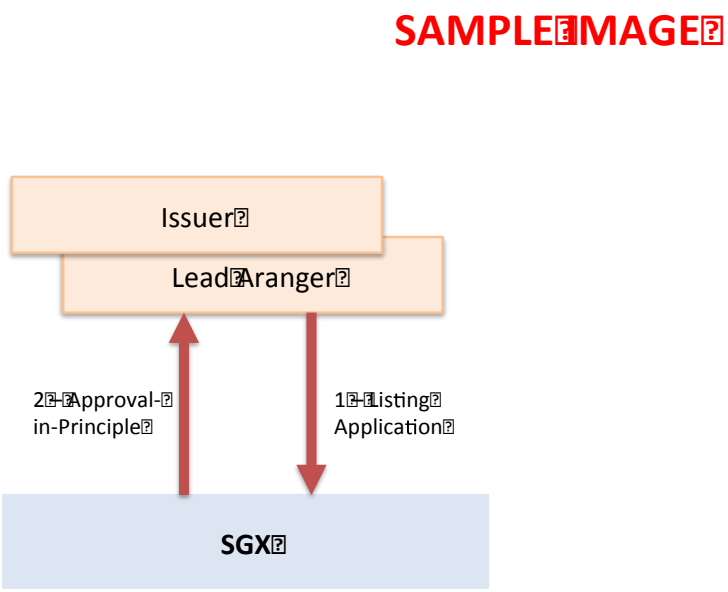
Type of Corporate Issuer	SGX
Resident issuer	Listing for profiling eligibility follows criteria in SGX Listing Rules
Resident non-financial institution issuer	
Resident financial institution	
Resident issuer issuing foreign currency denominated bonds/notes	
Non-resident issuer	
Non-resident non-financial institution issuer	
Non-resident financial institution issuer	
Non-resident issuer issuing foreign currency denominated bonds/notes	

Source: ADB Consultants for SF1

Regulatory Process Map – Overview

In the absence of specific regulatory process requirements imposed by MAS on the issuance of bonds/notes to Institutional Investors in the domestic Singapore bond market, the process map is limited to the well-established listing for profiling option on the SGX Wholesale Bonds market.

Image 1 – Regulatory Process Map Overview



Source: ADB Consultants for SF1

B. Issuance Process in Local Currency or Foreign Currency

There is no distinction between the issuance/listing process for local currency (Singapore dollar) or foreign currencies. At present, the SGX Wholesale Bonds market features listings for profiling in more than 20 currencies, including those from ASEAN+3 markets.

1. Listing for Profiling on SGX

Typically, the issuer is represented by a lead arranger who will file or submit the necessary application for listing and required documentation to SGX as the listing authority.

The following steps will need to be undertaken by the issuer of bonds or notes(or agent of the issuer) in the Singapore domestic bond market.

Step 1 – Submit Application for Listing to SGX

Any issuer (or their agent)intending to list on SGXwill need to submit a Listing Application, accompanied by the required documentation and disclosure items for the type of listing selected.

In the case of a planned listing for profiling targeted at Institutional Investors, the issuer (or agent) needs to select the Wholesale Bonds market option when applying. As a result, the Wholesale Bonds market specific documentation and disclosure requirements – which differ significantly from the requirements for public offers on the SGX main board – will need to be observed when submitting the application.

Listing criteria, i.e. how a bond/note qualifies for a listing on the Wholesale Bonds market, can be one of the following:

- A multi-national corporate (MNC) issuer
- At least 80% of the issuance is to be sold to
- The bond has a credit rating [of what quality?]

The listing criteria for the retail market differ significantly.

It should be noted that most issuers do not opt to use credit rating as an eligibility criteria for a listing on the Wholesale Bonds market. Instead, issuers tend to chose the offer to Institutional Investors criteria, or seek eligibility as a multinational issuer (please also see Credit Rating in Chapter II).

As for the key documentation and disclosure items, SGX typically accepts aInformation Memorandum or Offering Circular of a bond, together with additional documents, as may be necessary. The actual document(s) used are driven by the parties involved and may be decided by current market practice.

Issuers or their agent can apply for the listing online, via the SGX e-Submission system on the SGX website.

Step 2 – SGX checks Application for Listing / issues 'Approval-in-Principle'

SGX will check the application for listing, following the submission of the relevant information in documentation and disclosure items. SGX may, at its discretion request from the issuer or underwriter supplementary information, if so required.

As of January 2015, SGX commits to review the listing application and, if all components are in order, to issue an 'Approval-in-Principle' for listing within 1 business day. The approval can be communicated via an email alert feature.

The listing for profiling process attracts a fee of [x] if successful [confirm].

Step 3 – Actual (effective) Listing

The regulatory process for a profile listing is completed with the actual listing on the SGX Wholesale Bonds market.The listing is effective within [x] days of the issuance of the 'Approval-in-Principle'. [Confirm timeline; anyapplicable conditions?]

III. Resource Information

For easy access to further information about the topics discussed in this AMBIF Implementation Guideline for Singapore, the regulatory authority, and securities market related institutions, or the Singapore bond market at large, interested parties are encouraged to utilise the following links (all websites in English): [Need to validate links before final distribution.]

ASEAN+3 Bond Market Guide - Singapore
[Provide updated link.]

Monetary Authority of Singapore
http://www.mas.gov.sg

Singapore Exchange Ltd. (Website is also available in Chinese)
http://www.sgx.com/wps/portal/sgxweb/home/products/fixed_income

SGX Listing Overview
http://www.sgx.com/wps/portal/sgxweb/home/listings/overview/!ut/p/a1/04_Sj9CPykssy0xPLMnMz0vMAfGjzOKNHB1NPAycDSz9TcwtDTzNA309PQ3NDbwdzYEKIoEKDHAARwNC-sP1o1CVGBi6GRh4OoX5BFlYuBlaGJqgK_APMzA38Az1dwoODgszDHQ1hirA44aC3AiDTE9HRQC0wNwu/dl5/d5/L2dBISEvZ0FBIS9nQSEh/

IV. Abbreviations, Acronyms and Technical Terms

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Accredited Investors	Definition of professional investors types using specific eligibility criteria
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AMBIF	ASEAN+3 Multi-Currency Bond Issuance Framework
ASEAN	Association of South-East Asian Nations
ASEAN+3	Association of South-East Asian Nations plus People's Republic of China, Japan and Republic of Korea
BMG	Bond Market Guide, an ABMF publication for each of the ASEAN+3 economies
Conflict of Law	Concept in basic law that permits the use of law other than domestic law in contracts or agreements if both/all parties so agree
CCY	Currency
CDP	Central Depository Pte. Ltd.
CRA	Credit Rating Agency
CSD	Central Securities Depository
FCY	Foreign currency
FG	Foreign Government(s)
FI	Financial institution
FII	Foreign Institutional Investors
Filing	Proposed term for action of submitting documentation
FX	Foreign Exchange
GLC	Government-linked Company
HNWI	High Net Worth Investors
IFC	International Finance Corporation
IFI	International Financial Institutions
IFRS	International Financial Reporting Standards
Institutional Investors	Definition of professional investors by investor types
IM	Information Memorandum, synonymous with Offering Circular
IMF	International Monetary Fund
Information Memorandum	Term typically used for key documentation for a private placement to professional investors
KYC	Know-Your-Customer concept

LCY	Local currency
Listing	Typically, action of submitting a bond issue or other securities to an exchange for the purpose of price finding, disclosure or profiling
MAS	Monetary Authority of Singapore
MEPS+	MAS Electronic Payment System
MNC	Multi-national corporate or corporation
OC	Offering Circular, synonymous with Information Memorandum
Offering Circular	Term typically used for key documentation for a private placement to professional investors
OTC	Over-the-Counter
PO	Public Offer or Public Offering
PP	Private Placement
Registration	Action of registering a bond issue, for reference pricing or disclosure purposes
SF1	Sub-Forum 1 of ASEAN+3 Bond Market Forum
SFA	Securities and Futures Act
SGD	Singapore dollar
SGS	Singapore Government Securities
SGX	Singapore Exchange Limited
SRO	Self-regulatory Organisation
Wholesale Bonds	SGX-listed debt securities which are only distributed to institutional and/or in larger denominations (typically S$200,000 and above) are referred to as wholesale bonds.
USD	Unites States dollar

Session 3: Remaining issues for other markets to be included in AMBIF

by ADB Secretariat team

Steps way forward to be recognized as AMBIF markets

Session 4: How to Implement Pilot Issuance: Approach to attract potential issuers and potential Investors

by ADB Secretariat team

- Potential issuers and potential investors
- Issues to be tacked to attract and facilitate intra-regional investors

Session 5: Re-organization of ABMF

by Mr. Satoru Yamadera, ADB Secretariat

- Objective of the re-organization
- Works to be done under the new ABMF
- AMBIF document management and issue-focused working group(s)

Session 6: How to support Regional SRO under ABMF

- Issues to be discussed by SRO as the next step
- Issues to be supported by ABMF

Ver. 8
Included comments
at the meeting

ADB

Re-organization of ASEAN+3 Bond Market Forum (ABMF)

ABMF Meeting
SF2 session 7 and SF1 session 5&6
on 22-23 January *2015*

Satoru (Tomo) Yamadera,
Principal Financial Sector Specialist,
RSDD, ADB

Purpose of ABMF

ADB

Established in September 2010 as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transactions in the region.

The ABMF aims to

i. assess the existing regulatory frameworks, as identified by the participants, and their recommendations on how to foster harmonization of regulations and market practices that facilitate cross-border bond transactions in the region;

ii. enhance dialogue between the private sector and ASEAN+3 officials to develop bond markets in the region and improve harmonization, standardization, and integration; and

iii. provide opportunities to exchange knowledge, expertise, and experience among the private and public sectors in the region.

Achievements of ABMF

ADB

Phase 1

- Publication of *the ASEAN+3 Bond Market Guide* *as* a comprehensive report on bond market in the ASEAN+3 region.
  - Collecting regulatory information and detailed transaction flow information

Phase 2

- Sub-Forum 1 (SF1) : Proposal on ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF).
- Sub-Forum 2 (SF2) : Expanding the scope of transaction flow study
  - Cross-border STP through the harmonization and standardization of transaction flows and message items
  - Establishment of Cross-border Settlement Infrastructure Forum (CSIF)

Phase 3

- SF1: Creation of *AMBIF Single Submission Form* and *Implementation Guidelines* for the markets eligible for AMBIF
- SF2: Roadmap for further standardization in the region with clear timeline for the implementation of ISO 20022 and ISIN

Next steps of ABMF

ADB

To further develop liquid and well-functioning bond markets, and effectively channel the region's abundant savings for its increasing investment needs, the following issues should be discussed.

1) Expansion of AMBIF issuance

Issuers' perspective

- More standardized issuance requirements and processes

  (e.g.) different rating requirements, different requirements for non-residents

Investors' perspective

- Further market transparency and liquidity
  - AMBIF price information
  - Inclusion in major bond indexes
  - Differences in accounting standards and credit information

2) Further support for regional financial integration efforts

- ❖ Continued support for regional settlement linkages ⟷ **CSIF**
- ❖ Adapting regulatory environment changes

Key considerations for the next steps

ADB

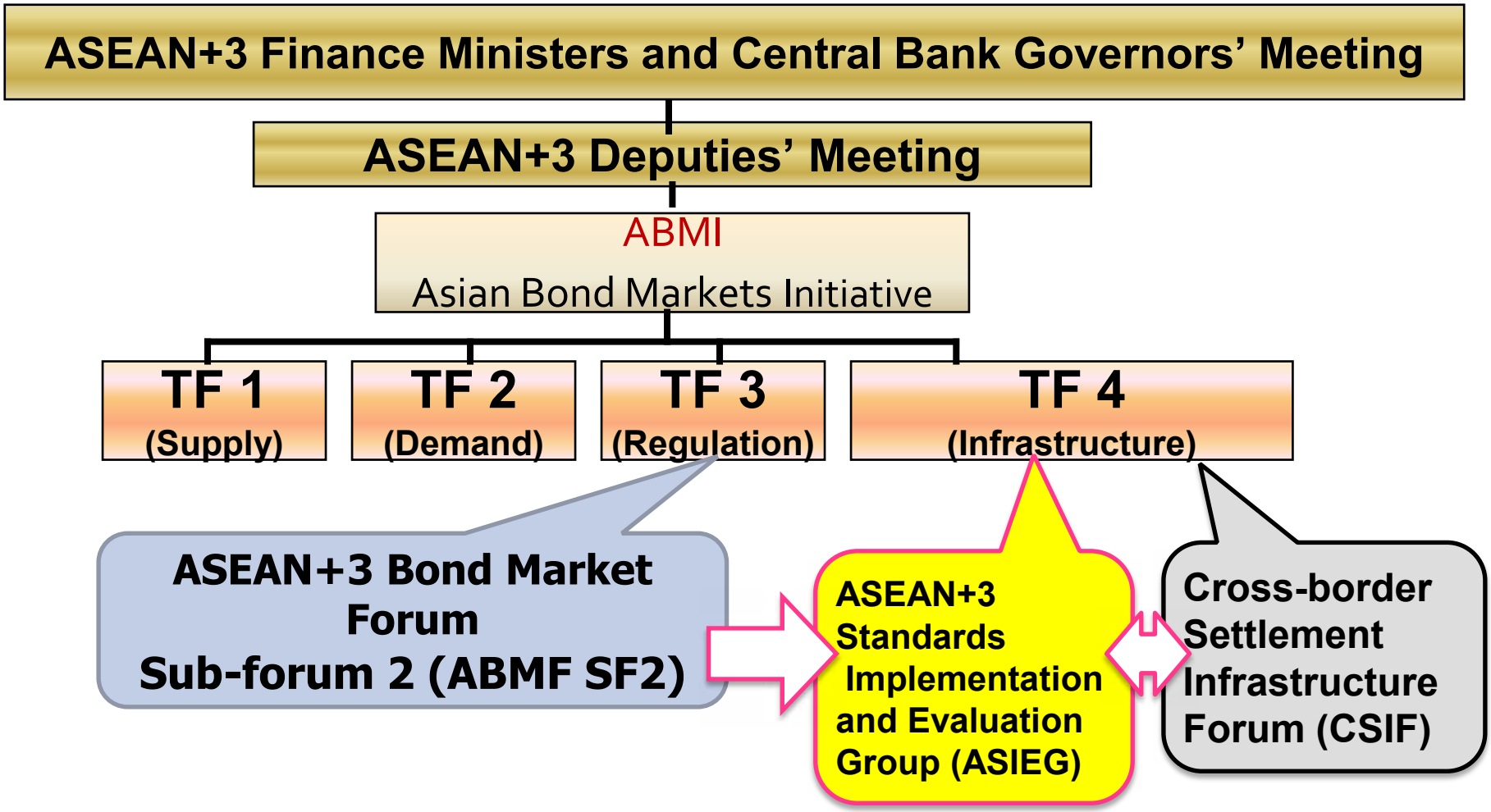
- **Effectiveness**
  - ABMF has been a very effective platform to exchange knowledge, expertise, and experience among the private and public sector participants in the region.
  - More topics needs to be covered by ABMF.
  - More experts in the region should be involved.
- **Synergy**
  - Collaboration with other works under different ABMI TFs is desirable.
- **Efficiency**
  - Membership needs to be open, but logistics is becoming more problematic.
  - issue-focused ad-hoc group(s) may be better.

ASEAN+3 Standards Implementation and Evaluation Group(ASIEG)

Proposal of Re-organization

ADB

Establishment of Standard Promotion and Advisory Group (ASIEG)



ASEAN+3 Standards Implementation and Evaluation Group (ASIEG)

ADB

- Purpose
  - Promote international standards in financial services to ensure interoperability within/with outside of the region;
  - Support financial market developments and integration of ASEAN+3 to ensure sound and efficient financial transactions within the region

- Functions
  i. Support developing international and regional standards and market practices in the region;
  ii. Support implementing international and regional standards and market practices in the region;
  iii. Support evaluating an international standard proposal for the region;
  iv. Promote establishment of national standard technical committee and market practice group;
  v. Based on the request by the Cross-border Infrastructure Forum (CSIF), prepare a recommendation and technical advice; and
  vi. Provide technical inputs to CSIF, if necessary, in appropriate manner to facilitate their discussions.

ASIEG Membership

ADB

- Qualification of the members
  - The members are open to experts related to financial transactions and financial services standardization in the ASEAN+3.
  - ✓ In practice, the members are expected to come from the financial industry such as commercial banks, custodians, CSDs, and regulators and central banks as well as IT industry or academia.
  - ✓ In principle, the membership should be open to experts wishing to participate in ASIEG.
  - ✓ ABMF SF2 members are recognized to be eligible for the ASIEG membership.
  - ✓ A new member may be recommended by the SF2 members as well as the authorities of ASEAN+3.
  - ✓ An expert without recommendation but wishes to be a member shall be checked by ASIEG secretariat for eligibility.

ASIEG Membership (2)

ADB

- Duty and commitment of the members
  - The members are expected to participate discussions regularly.
  - ✓ If the member does not participate in the discussions /meetings three times in a row, it is regarded that the member is no longer participating.
  - ✓ The member may nominate an alternate for meetings or provide comment/opinion in his/her absence, which will be recognized as his/her participation.
  - ✓ If there is an exceptional reason to be considered, the member shall consult the ASIEG secretariat.

ASIEG Membership (3)

ADB

- Status of the members
  - The members shall act independently based on their technical expertise, and shall not represent the institution the member belongs.
  - ✓ In principle, the ASIEG member shall not be regarded representing the institution, even if the institution is the member of CSIF. Opinion of the ASIEG member included in ASIEG recommendation or advice shall not bind the institution which the members belong.
  - ✓ However, if the member is representing a national standard committee, or nominated by the national authority to represent the country, the opinion of the member shall be regarded as the opinion of the country.

ASIEG Membership (4)

ADB

- Decision making of ASIEG
  - In principle, a decision of ASIEG shall be made by consensus.
  - ✓ Given different level of market developments in the region, it would be very difficult to recruit the ASIEG members from all ASEAN+3 countries in equal manner. Therefore, the members need to bear in mind that all interests of all ASEAN+3 member countries shall be reflected appropriately when making a decision.
  - ✓ If consensus cannot be reached, in principle, it should be elevated to CSIF.
  - If voting by ASIEG is required in an exceptional case, an approval shall require a 2/3 majority of the members.

ASIEG action plan

ADB

Based on the ABMF SF2 recommendations in the Phase 3 report, ASIEG will:

- Support implementation of international and regional standards and market practices
- Support establishing ISO related groups such as:
  - standard evaluation groups for ISO 20022;
    - Payment SEG, Securities SEG, FX SEG, etc.
  - ISO TC68 national mirror committees in ASEAN
    - ✓ To promote ISO 20022 messages suitable for the region, it is necessary to have appropriate representations in ISO. It is desirable to establish ISO TC68 national mirror committees in all ASEAN+3 countries to make our voice heard globally.
- Support Identifying essential user requirements for cross-border transactions and CSD-RTGS linkages other than ISO 20022 messages.

2015-2016 Standardization phase

ADB

- Establish new “ASEAN+3 Standards Implementation and Evaluation Group ” under ABMI TF4 and migrate activities of ABMF SF2 to the Group
- Establish a common understanding on reference model of DVP flow and standard (minimum) message items for DVP settlement in the region as preliminary basis for discussions
- Promote ISIN and BICFI as standard securities numbering and financial institution identifier in the region, respectively
- Promote awareness of international standards in particular TC68 national mirror group related issues including RMG, SSEG, and PSEG as well as NNA
- Discuss establishment of market practice groups at the regional level as well as national level if possible
- Support CSIF

2017-2018 Implementation phase

ADB

- Promote and support establishments of ISO TC68 national mirror committees in all ASEAN+3 countries.
- Implement international standards such as ISO 20022 and ISIN in countries/economies where adoption and migration are ready.
- Review the reference model and standard message items by the group members and experts
- Operate and coordinate the regional activities of harmonization and standardization in countries/economies which are ready to contribute to such activities

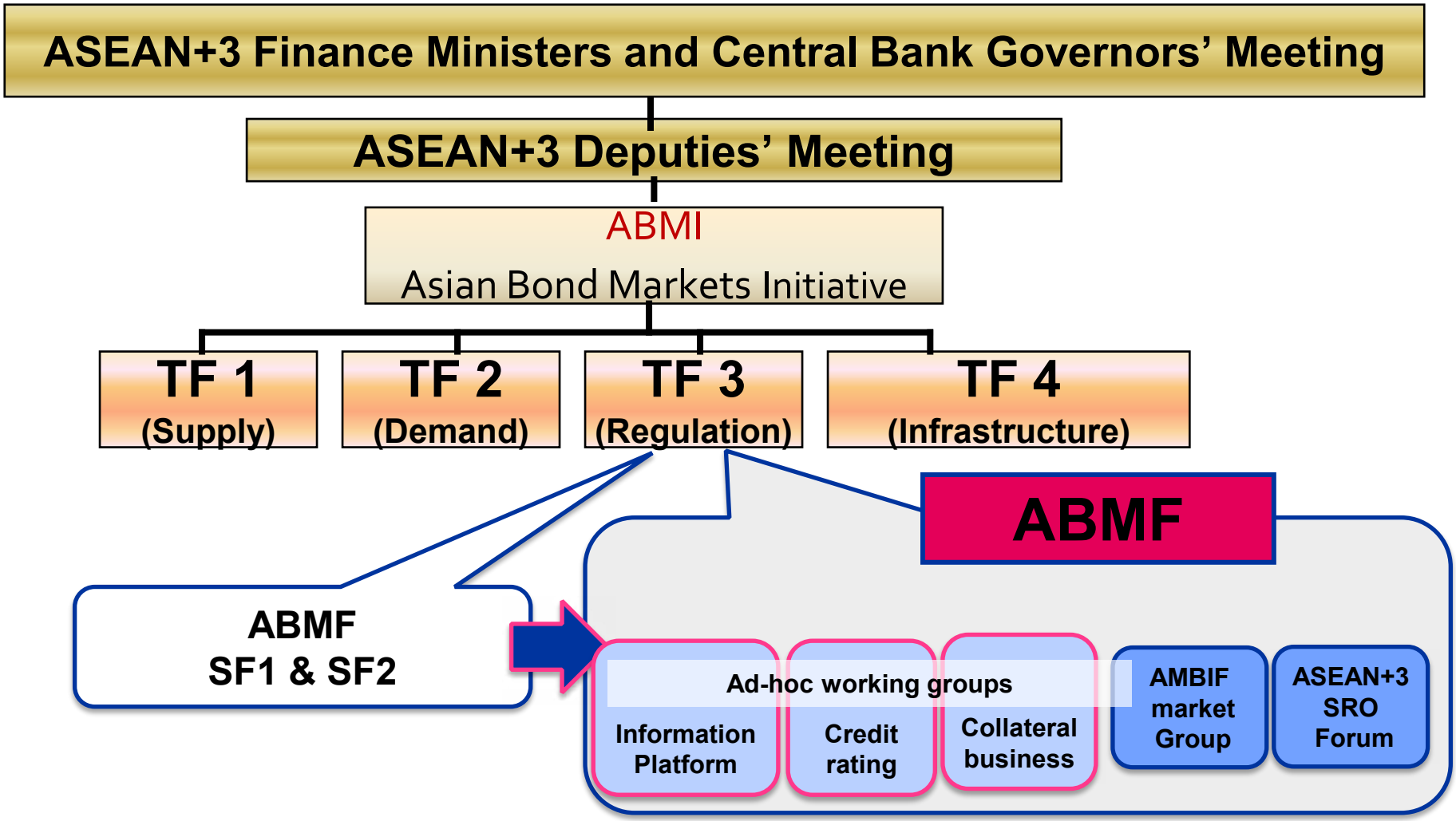
2019- later:
Fully operational phase

- Contribute to TC68 activities together with established ISO TC68 national mirror committees in ASEAN+3 countries
- Continue to support establishments of ISO TC68 national mirror committees in all ASEAN+3 countries.
- Implement the international standards in all countries/economies in ASEAN+3
- Promote further regional harmonization and standardization in ASEAN+3

New ABMF Sub-Forum and working groups

Proposal of Re-organization

Establishment of AMBIF SRO Forum and Ad-hoc working groups



Possible next ABMF topics
– preliminary proposal-

ADB

- Revisions of Single Submission Form and Implementation Guidelines
  - Support for Self-regulatory Organization
  - Information Platform for AMBIF information dissemination
  - AMBIF bond price information
  - Scope of issuers and investors
  - Use of bond proceeds and AMBIF to promote LCY
- Credit rating
  - Difference in rating requirements
  - Difference in usage and recognition by investors and regulators
  - Credit information sharing
- Regulatory changes and collateral business
  - Collateral usage in ASEAN+3 markets (Fact-finding)
  - Need for cross-border collateral
- Currency risk management for long-term LCY investments

AMBIF Market Group

ADB

- Purpose
  - Promote AMBIF and expand AMBIF markets
  - Support creation of more harmonized bond markets in ASEAN+3
- Function
  - Coordinate among SROs and regulators to harmonize AMBIF bond issuance processes
  - Support SROs for managing AMBIF documents
- Membership (most of SF1 members)
  - Registration/listing authorities such as bond market associations, securities dealers associations and stock exchanges.
  - Securities regulators and central banks and other authorities involved in the approval process
- Actions
  - Revise the Single Submission Form (SSF) and the Implementation Guidelines (GLs)
  - Support dissemination of SSF and the GLs through the websites
  - Discuss with regulators for further harmonization of regulatory processes.

WG on Credit Rating

ADB

- Objective

  Establish common understanding among regulators, rating agencies, and investors how credit rating should be utilized for AMBIF.

- Issues for discussion
  - Difference in rating requirements in the region
  - Difference in recognition of rating agencies
  - Do these differences need to be harmonized?
  - If yes, how?
  - If not, how the information on the differences should be provided to the AMBIF professional investors and issuers?

- Targeted Actions
  - Publication of a report and workshop for the relevant stakeholders in the region is desirable.

- Membership
  - Credit rating agencies, regulators, investors

WG on collateral business in ASEAN+3

ADB

- Objective
  - Conduct a survey on collateral business in ASEAN+3 to study an impact of recent regulatory changes in OTC derivatives and liquidity management
  - Recommend necessary regulatory consideration in relation with bond market developments

- Targeted action
  - Workshop with the private sector, central banks and regulators to discuss possible regulatory consideration

- Membership
  - CSDs, ICSDs, commercial banks, investment banks, brokers, and custodians involved in securities collateral business in ASEAN+3.
  - Central banks and regulators

ASEAN+3 SRO Forum

ADB

- Purpose
  - Support SRO discussion in ASEAN+3
  - Support AMBIF markets

- Function
  - Coordinate among SROs for more integrated bond markets in ASEAN+3
  - Discuss with regulators for more integrated ASEAN+3 bond markets
  - Support AMBIF bond issuance and secondary market arrangements

- Membership
  - SROs in ASEAN+3

WG on Information Platform

ADB

- Objective
  - Discuss and propose AMBIF Information Platform as a common market infrastructure to efficiently implement AMBIF for ASEAN+3 economies.

- Targeted action
  - Discuss and propose a plan of AMBIF Information Platform
  - Implement the AMBIF Information Platform, where possible, to support AMBIF issuance

- Membership
  - IT vendors
  - Information vendors
  - Bond pricing agencies
  - Possible users of the platform such as financial institutions

ADB

❖ Questions for discussion

- Are these topics relevant to current market needs?
- Are there any other issues to be discussed under ABMF?
- How can we invite relevant experts to WGs?
- How can we organize a meeting efficiently?

ADB

Thank you

Session 7: Revision of Bond market Guides

by ADB Secretariat team

-Tour-de-table discussion and collection of information from national members

ADB

Session 7: Revision of Bond Market Guides

17th ABMF Meeting – Sub-Forum 1

Prof Shigehito Inukai, Matthias Schmidt - ADB Consultants

Manila, 23 January 2015 (Day 2)

Bond Market Guides – Where we are

- Cambodia – review by National Members under way
- China – significant set of updates received, NAFMII coordinating
- Hong Kong – detailed revised BMG received from HKMA
- Indonesia – draft BMG prepared by SWIFT, review by NMs in progress
- Japan – draft version completed, review by ABMF-J in progress
- Korea – review in progress
- Lao PDR – under review, coordinated by MOF
- Malaysia – BPAM update received, review in progress
- Myanmar – Draft completed by consultants, sent to stakeholders for review
- Philippines – under review by Philippines market group
- Singapore – SGX update received, review by SMPG still in progress
- Thailand – detailed review National Members, more detail through AMBIF
- Viet Nam – some change templates received, coordinated by HNX

BMG Update – Status for Reference (as of 12 Jan 2015)

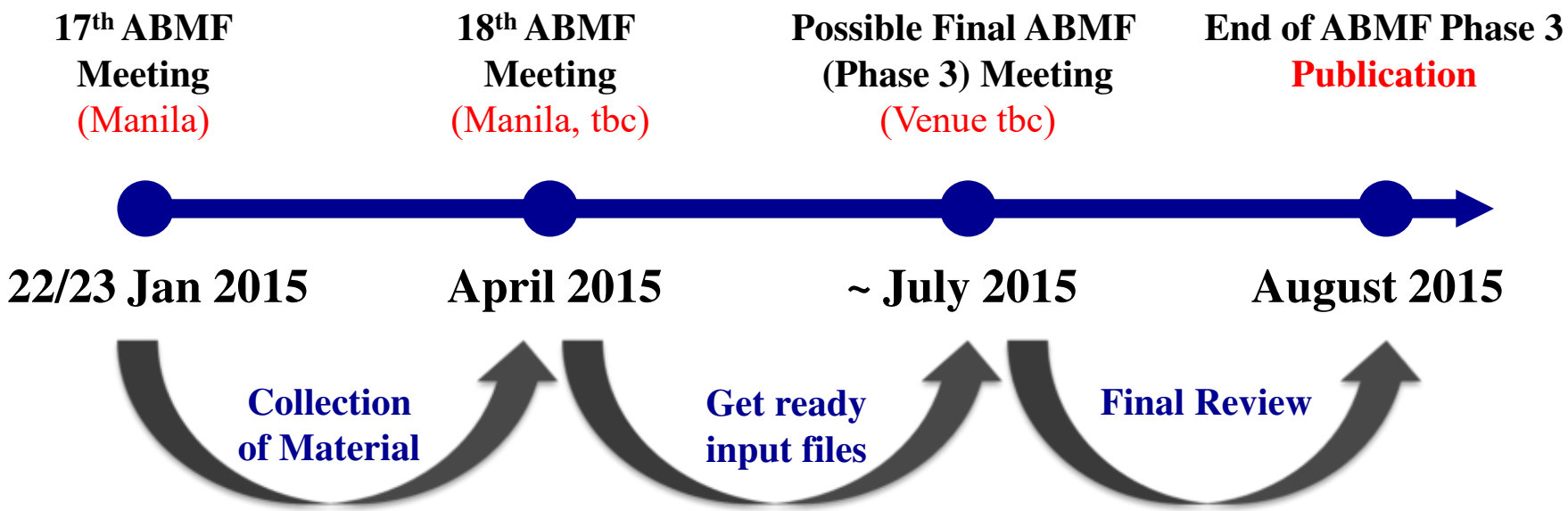
Market	Adjusted BMG doc directly	Used SWIFT Template	Sent separate Material(s)	Remarks	Status / Who does what?
Brunei	N/A	N/A	N/A	Brunei BMG targeted for 2015 BMG Update, or after	Not this round
Cambodia	Under review by SECC	N/A	N/A	First draft KH BMG finalised and sent to SECC by SF1 in July 2014	Pending; Inukai-san, Matthias (since authors and waiting for feedback)
PR China	Done by NAFMII as comments in original PDF; details in separate Word doc	NAFMII sent 3 templates on revisions of market features	NAFMII sent revisions of access schemes, additional info, and statistics in combined Word doc	Very comprehensive material; should allow to expand the original abbreviated BMG, and agreed to take in further material due to significant developments in 2014	Pending; Inukai-san, Matthias; with support/input from NAFMII; AMBIF discussion expected to provide additional material
Hong Kong	Done in great detail by HKMA	-	-	Decided to further include material, clarifications related to AMBIF topics, after market visit	Review by Inukai-san, Matthias
Indonesia	-	KSEI submitted Word doc containing changes via 49 templates	AMBIF discussion expected to provide additional material	Changes range from Bapepam/OJK name change to clarifications to changes in market	SWIFT completed draft input document Nov 2014; sent to KSEI as coordinator
Japan	Review conducted by Inukai-san	-	-	Review supported by volunteers from ABMF-J and R&I	85% done, waiting for final details, input from volunteer National Mambers and Experts
Korea	In progress	-	AMBIF discussion expected to provide additional material	Review under way by volunteer members of ABMF-K, coordinated by Dr Hyun; recent changes to be considered	Pending; effort will depend on amount of material submitted

Lao PDR	In progress	-	-	Coordinated by MOF as official ABMF Member	Review, completion by Inukai-san, Matthias upon receipr of material
Malaysia	In progress	-	BPAM sent separate Word doc with changes relating to BPAM	SC and BNM reviewing individually; SF1 decided to further include material, clarifications related to AMBIF topics, after market visit	Review by Inukai-san, Matthias upon receipt of material; effort would depend on amount
Myanmar	2nd review on revised BMG in progress	N/A	N/A	Waiting for (further) input	Pending receipt of CBM feedback and final review by Inukai-san, Matthias (as authors)
Philippines	Pending review	N/A	Received from BSP, PDS on specific topics	ABMF member/market group in process of reviewing	Effort will depend on material collected and still to receive; AMBIF discussion expected to provide significant additional material
Singapore	SGX revised original BMG Word doc	-	SGX sent future developments and update to diagram via email, latest developments	SMPG also reviewing BMG; SF1 decided to further include material, clarifications related to AMBIF topics, after market visit	Pending, effort may depend on amount of material submitted by SMPG; AMBIF discussion expected to provide further material
Thailand	PDMO, SEC and Thai BMA revised Word doc based on original PDF	-	PDMO sent a Word doc with revisions to BMG subjects; significant insights/material as result of AMBIF market visits	TH/SF1 decided to expand on specific topics, further include material, clarifications related to AMBIF, after 2nd market visit and AMBIF Implementation Guideline conclusion	Review and completion of input file by Inukai-san, Matthias following AMBIF Impl GL conclusion
Viet Nam	-	HNX sent 2 templates with updates on market and statistics	-	HNX is acting as coordinator and indicated there may be additional submissions coming	SWIFT completed draft input document Nov 2014

BMG Update – Status for Reference (as of 12 Jan 2015)

Market	Work done by Members	Status / Who does what?
Brunei	N/A	Not this round
Cambodia	Under review by SECC	Pending; Inukai-san, Matthias (since authors and waiting for feedback)
PR China	Reviewed by NAFMII, separate materials sent	AMBIF discussion expected to provide additional material; Inukai-san, Matthias to review, with support/input from NAFMII
Hong Kong	Review done in great detail by HKMA	AMBIF discussion expected to provide additional material, then conclusion, review by Inukai-san, Matthias
Indonesia	KSEI submitted Word doc containing changes via 49 templates	SWIFT completed draft input document Nov 2014; sent to KSEI as coordinator
Japan	Review being coordinated by Inukai-san	85% done, waiting for final details, input from volunteer National Members and Experts; AMBIF/SSF details to be included
Korea	Pending review by ABMF Members	Pending; effort will depend on amount of material submitted
Lao PDR	Pending review by ABMF Members	Review, completion by Inukai-san, Matthias upon receipt of material
Malaysia	SC and BNM reviewing individually; SF1 decided to further include material, clarifications related to AMBIF topics, after conclusion	Review by Inukai-san, Matthias upon receipt of material, conclusion on AMBIF; effort would depend on amount
Myanmar	2nd review on revised BMG in progress	Pending receipt of CBM feedback and final review by Inukai-san, Matthias
Philippines	Pending review by ABMF Members; topical material received by BSP, PDS	Pending; effort will depend on material collected and still to receive; AMBIF discussion expected to provide significant additional material
Singapore	SGX revised original BMG Word doc, sent future developments and update to flow diagrams; plus latest developments	Effort may depend on amount of material submitted by SMPG; AMBIF discussion expected to provide further material
Thailand	PDMO, SEC and Thai BMA each revised Word doc based on original PDF; sent additional info/material	Review and completion of input file by Inukai-san, Matthias following AMBIF Impl GL conclusion
Viet Nam	HNX sent 2 templates with updates on market and statistics	SWIFT completed draft input document Nov 2014

BMG Update – Proposed Timeline



- Significant updates through AMBIF process
- Start producing final input files
- Still taking updates

Pipeline approach:
Start editing input files while finalising next docs, plus
layout process

- Final files for distribution
- National Members' final review
- Complete Report
- Publish

BMG Update - Key Messages

- AMBIF work generating significant additional material for BMGs, across issuance, listing, registration, credit rating and other topics
- And pilot issues are likely to generate clarifications

- Would appreciate markets to complete their reviews
- Let’s aim for end of February 2015 (about 6 weeks)
- But, do keep sending relevant information

- Target deadline for publication is ~ August 2015
- Consider projecting market developments to come – if level of comfort is there

Prof. Shigehito Inukai
ADB Consultant
Waseda University
1-21-1 Nishiwaseda, Shinjuku-ku
Tokyo 169-0051

Office +81 3 5286 1994
Mobile +81 80 3360 7551
shige.inukai@me.com

Matthias Schmidt
ADB Consultant

Office +61 3 95571314
Mobile +61 423 708910
macschmidt@me.com