

## **Summary of 17th ASEAN+3 Bond Market Forum (ABMF)**

22-23 January 2015, Manila, Philippines

### **I. Introduction**

1. The 17th ASEAN+3 Bond Market Forum (ABMF) was held on 22-23 January 2015 in Manila, Philippines hosted by Asian Development Bank (ADB), back-to-back with the 5th Cross-border Settlement Infrastructure Forum (CSIF) on 21 January. The Sub-Forum 2 (SF2) was held on 22 January, followed by Sub-Forum 1 (SF1) on 23 January (Please see the meeting agenda as Annex 1 and feedback and Q&A as Annex 2).
2. The Forum members reviewed the phase 3 outcomes under SF1 and SF2; namely, progress of a regional common bond issuance program, ASEAN+3 Multi-currency Bond Issuance Framework (AMBIF), and implementation of international standards for cross-border transactions respectively. The Forum members recognized both SF1 and SF2 have made significant steps since the establishment of the ABMF in 2010.
3. Thanks to efforts by the Forum members, ABMF first published ASEAN+3 Bond Market Guide in 2012 to narrow information gaps and establish a common understanding on how markets in the region operate. This was followed by the two Phase 2 Reports: ASEAN+3 Information on Transaction Flows and Settlement Infrastructures by SF2 in 2013; and Proposal on ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF) by SF1 in 2014. Such incremental but steady steps are about to bring concrete outcomes. As for SF1, an AMBIF bond pilot issuance is hoped to be launched in the first half of this year; and as for SF2, cross-border bond transaction in ASEAN+3 is expected to be harmonized and standardized under international standards by 2020 latest. In addition, the regional discussion has led to the establishment of Cross-border Settlement Infrastructure Forum (CSIF) under the ABMI Task Force 4 in 2013, which chose the CSD-RTGS Linkage in ASEAN+3 as the best possible option to pursue in the next step.

4. Though remarkable progresses under the current setup of ABMF were recognized, it was also noted that there are still remaining issues to be tackled. To fully utilize the function of ABMF as a common platform to enhance dialogue between the private sector and ASEAN+3 officials to develop bond markets and improve harmonization, standardization, and integration, re-organization of ABMF was proposed. Taking consideration to increase effectiveness, synergy, and efficiency, the re-organization was proposed to realign ABMF SF2 under the ABMI TF4, and to create ad-hoc and issue-focused working group(s) under the new ABMF.
5. As the next step, ADB Secretariat will report to the ABMI TF and seek an approval and endorsement by the TF members on the proposal of re-organization of ABMF. The final approval and endorsement of the re-organization needs to be made by the ASEAN+3 Finance Ministers and Central Bank Governors in early May.
6. The next ABMF meeting is proposed to be held on 14 April in Manila. The main point of discussion will be the re-organization of ABMF. The feedback from the ABMI TF meeting will be shared. In addition, the meeting is expected to finalize the Phase 3 report drafts.

## **II. Highlights of the meeting**

### **(SF2: Implementation of International Standards)**

7. SF2 recognized that most of the markets where bond markets exist have already migrated or plan to migrate to ISO 20022 by 2020. The rest of the markets have implemented ISO 15022 (each economy's implementation plan is explained in Annex 3). As for the International Securities Identification Number (ISIN), the allocation flows were identified, thanks to the contribution from members. Though further clarification on the actual implementation timeline is required, it was recognized the ABMF has led the region to make a significant step towards standardization and STP of cross-border transactions. Dr. Taiji Inui, ADB consultant, expressed his heartfelt gratitude for the advice, support, and contribution of ABMF SF2 members and experts when compiling the results as well as proactively deciding the adoption of international standards.

### **(SF2: Outline of the Phase 3 Report)**

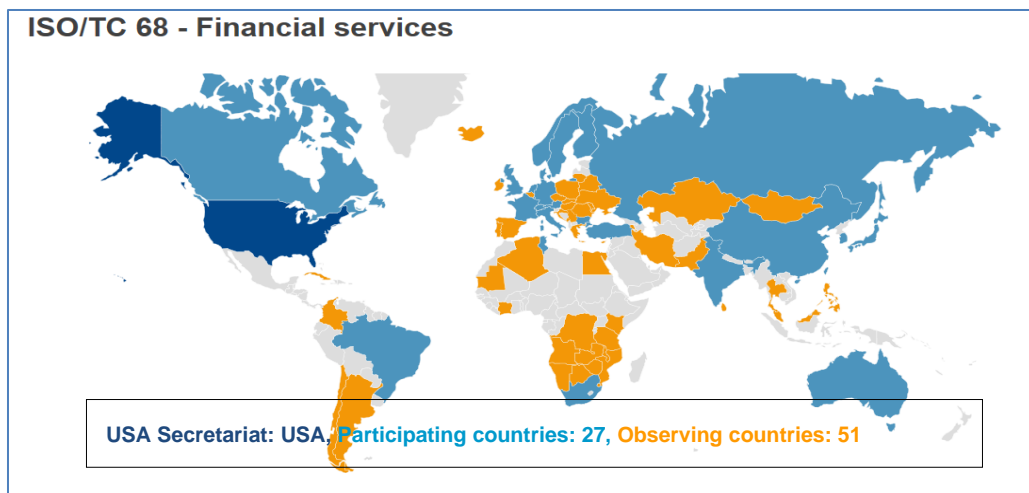
8. Dr. Taiji Inui, ADB consultant, explained the outline of the Phase 3 Report consisting of the following ten chapters: (i) Introduction; (ii) Harmonization of

Message Flow; (iii) Standardization of Message Items Related to DVP Settlement; (iv) International Securities Identification Number (ISIN); (v) ISO 20022 Standardization; (vi) Collateral and Repo; (vii) Updating Status of Settlement Barriers; (viii) Policy Recommendations; (ix) Roadmap including Next Step Forward; and (x) Acknowledgements.

9. It was recognized that the work under ABMF has contributed to reducing the market barriers identified by the Group of Experts (GoE)<sup>1</sup>; however, there are still remaining issues to be tackled. Particularly, the members highlighted the importance of harmonizing the settlement cycle, such as on T+2, together with a synchronization of the cash settlement cycle in the region. This was noted to be included in the report.

**(SF2: ISO Financial services standardization and Asian representation)**

**Figure 1: ISO TC68 Participating countries**



10. Mr. Satoru Yamadera, ADB Secretariat, explained the ISO decision-making process and the current status of Asian participation in ISO. As the markets in the region will implement ISO 20022 fully, it is important to understand how the international standards are created and managed. He highlighted that Asian countries are under-represented in the ISO decision-making process compared to other regions, thus, a further increase of the number of participating countries from Asia is highly desirable. Particularly, he expressed his concern that there would be a possibility in the future that a proposal by the other regions may not fit into our

<sup>1</sup> The ABMI Group of Experts Report was published in 2010.

Asian context, but we would be forced to accept because of the lack of participation in the ISO decision-making process. Therefore, it is important for each ASEAN+3 country to consider establishing a National Technical Committee 68 (TC68)<sup>2</sup> to acquire a voting right.

**(SF2: ISO 20022 management process and governance)**

11. Mr. James Whittle of the UK Payments Council explained the function of ISO 20022 Registration Management Group (RMG), as its Chairperson. He also explained the ISO 20022 registration process and its governance. He clarified the role of the registration authority (RA), which SWIFT is playing, and the process of ISO 20022 message creation and management, which are mostly done by the RMG members and market experts. He concurred with the view of importance of regional representation. He also emphasized the importance of regional discussion in standard creation.

**(SF2: Function and importance of National Market Practice Group)**

12. Mr. Taketoshi Mori of Mitsubishi-Tokyo UFJ shared his experiences as a member of the SMPG Steering Committee representing Asia/Pacific. He explained the background, processes, and activities of the Securities Market Practice Group (SMPG) and National Market Practice Groups (NMPG) supporting the SMPG for drafting and submitting of change request (CR) and business justification (BJ) for ISO 20022.

**(SF1: AMBIF Single Submission Form and Implementation Guideline)**

13. SF1 Chair, Mr. Koji Ito of Tokyo Stock Exchange expressed his appreciation to ABMF members for their cooperation and contribution in creating the draft Single Submission Form (SSF) and the draft Implementation Guidelines. SF1 reviewed the SSF and implementation guidelines for the markets which appear to be ready to participate in AMBIF, namely: Hong Kong, China; Japan; Malaysia; the Philippines; Singapore; and Thailand.

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<sup>2</sup> TC68 is dedicated to financial services standardization. The major international standards other than ISIN and ISO 20022 managed by TC68 are: ISO 4217 (Codes for the representation of currencies and funds); ISO 9362 (Business identifier code (BIC)); ISO 9564 (Personal Identification Number (PIN)); ISO 10962 (Classification of Financial Instruments (CFI code)); ISO 13616 (International bank account number (IBAN)); ISO 15022 (Scheme for messages (Data Field Dictionary)); and ISO 17442 (Legal Entity Identifier (LEI)).

14. The ADB Secretariat team, Mr. Satoru Yamadera, Prof. Shigehito Inukai, and Mr. Matthias Schmidt, explained that SSF is aimed at facilitating 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 the issuer(s) aiming to issue bonds/notes to Professional Investors in ASEAN+3. In addition, the Form is meant to be created as a common set of information to be submitted when applying for AMBIF bonds/notes issuance in 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.

15. The team also explained the AMBIF Elements to be observed as follows:

<b><i>AMBIF Elements (AMBIF Core Components)</i></b>	<b><i>Brief Description</i></b>
✓ <b><i>Domestic Settlement</i></b>	<b><i>Bonds/notes are settled at a National CSD in ASEAN+3</i></b>
✓ <b><i>Harmonized Documents for Submission (Single Submission Form)</i></b>	<b><i>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.</i></b>
✓ <b><i>Registration or Profile Listing at ASEAN+3 (Place of Continuous Disclosure)</i></b>	<b><i>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.</i></b>
✓ <b><i>Currency</i></b>	<b><i>Bonds/notes are denominated in currencies normally issued in domestic bond markets of ASEAN+3</i></b>
✓ <b><i>Scope of Issuer</i></b>	<b><i>Resident of ASEAN+3</i></b>
✓ <b><i>Scope of Investors</i></b>	<b><i>Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3</i></b>

16. SF1 members basically agreed with the SSF and structure of the implementation guidelines. The ADB Secretariat team explained that the SSF will be sent to all relevant authorities for their validation, and hopefully endorsed by the ABMI Task Force meeting on 4-6 March. As for the implementation guidelines, ADB Secretariat explained that the guidelines will be submitted to the TF meeting, but would need to be validated through an AMBIF bond pilot issuance process.

Therefore, the guidelines would hopefully be finalized by the ASEAN+3 Finance Ministers and Central Bank Governors Meeting in May.

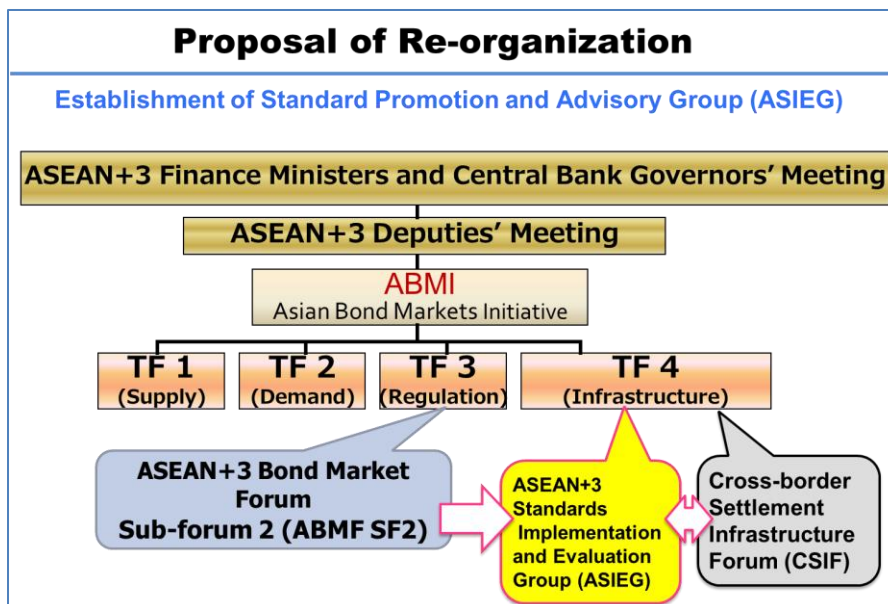
**(SF1: AMBIF Pilot Bond Issuance)**

17. ADB Secretariat informed the members that, after the Manila meeting, a possible pilot issuance will be discussed only among the small number of members which have material business interest and contribution. ADB Secretariat asked the members to express their material interest to be a part of pilot issuance by the end of January.

**(SF1&2: Re-organization of ABMF)**

18. A re-organization of ABMF was proposed by ADB Secretariat (for more detail explanation, please see the Annex 4). The objectives of the re-organization are (i) to support expansion of AMBIF bond issuance; and (ii) to support regional financial integration efforts further. To enhance ABMF's commitments for further integration and AMBIF bond issuance, the Secretariat also highlighted additional consideration to be made, such as: how to increase the effectiveness of ABMF, particularly how to include more experts in discussions to deepen discussions; how to increase synergy with other ABMI TFs, particularly infrastructure related tasks under the TF4; and how to increase efficiency, particularly how to overcome logistical difficulties as the number of meeting participants has reached over 100. In this regard, the Secretariat proposed to realign ABMF SF2 under the ABMI TF4 and create ad-hoc and issue-focused working group(s) under ABMF.

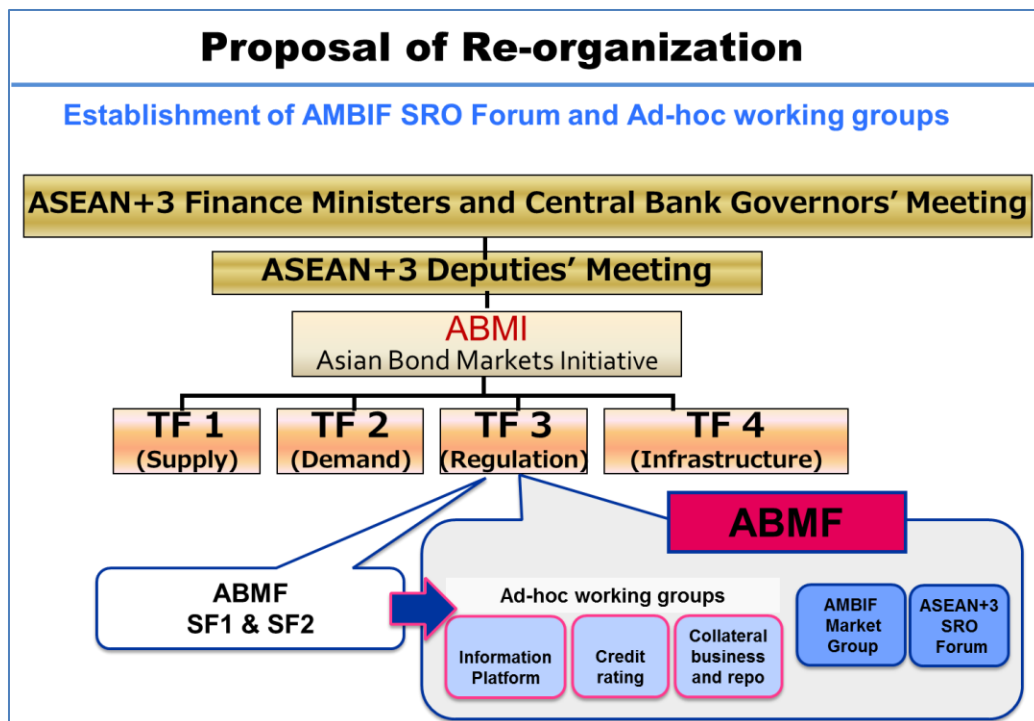
Figure 2: Re-organization of SF2 to migrate under the TF4



19. While CSIF focuses on the linkages between central banks and CSDs in the region and discussions are limited to these institutions, the new group under the ABMI TF4 focuses on the promotion of international standards in financial services to ensure interoperability within/with outside of the region; and support financial market developments and integration of ASEAN+3 to ensure sound and efficient financial transactions within the region.
20. In principle, the membership of the new group is open to experts related to financial transactions and financial services standardization in the ASEAN+3. To be a member, a candidate must demonstrate his/her eligibility and capacity to participate in discussion. ABMF SF2 members are recognized to be eligible for the new group membership. While the membership is open to the experts wishing to participate in discussions, the members are expected to participate regularly. A number of absences from discussions and meetings would be recognized as lack of interest, and the membership would be terminated.
21. After receiving comments from the members, the name of the new group under the TF4 was tentatively proposed as ASEAN+3 Standards Implementation and Evaluation Group (ASIEG).
22. Under the new ABMF, five possible work items were proposed: (i) AMBIF Market Group, consisting of regulators, market authorities and SROs involved in AMBIF

bond issuance approval, etc. to discuss and revise SSF and implementation guidelines; (ii) ASEAN+3 SRO Forum, consisting of the SROs, etc. in the region to discuss development of well-functioning AMBIF secondary markets; (iii) a Working Group on collateral business and repo, consisting of CSDs, ICSDs, custodians and other financial institutions to study cross-border collateral business and repo transactions in ASEAN+3, with the intention to identify issues and problems related to regulations and taxation, etc., through comparison with other markets' practices; (iv) a Working Group on credit rating, consisting of credit rating agencies, investors, pension funds and other financial institutions, etc., to establish a common understanding how credit ratings should be utilized for AMBIF; and (v) a Working Group on information platform, consisting of IT vendors, information vendors, bond pricing agencies, and possible users of the platform and related parties to discuss and propose an AMBIF information platform as a common market infrastructure to efficiently implement AMBIF for ASEAN+3 economies.

**Figure 2: Re-organization of ABMF to establish working groups and forum**



23. ABMF general assembly will be held at least once a year to report the work of each sub-working group/sub-forum. Sub-working group/sub-forum participants as well as



regulators, central banks, ministries of finance and other authorities of ASEAN+3 will be invited.

### III. Next actions by the members

24. The ABMF members are requested to do the following:

- a. Provide comments on the summary if any (by **24 February**);
- b. Propose possible actions and work items to be considered by the proposed five forum/working groups described in annex 4 (by **24 February**);
- c. Validate AMBIF Single Submission Form (by **24 February**, previously requested);
- d. Validate AMBIF Implementation Guideline (will be requested of selected markets);
- e. Provide comments on the SF2 Phase 3 Report (by **24 February**);
- f. Propose a name of the new group for standard implementation and evaluation if any (by **24 February**).
- g. Provide inputs for the revision of the Bond Market Guide, in particular those markets who have not yet completed their review; ADB Secretariat will need to report the update status **at the ABMI TF meeting, which is 4-6 March**. As ADB Secretariat team needs to finalize the revision of the Bond Market Guide **by the ASEAN+3 Finance Ministers and Central Bank Governors Meeting in May**, the earliest submission of inputs is highly appreciated.

### IV. Next step of ABMF

25. ADB Secretariat has circulated the Single Submission Form to the relevant authorities in each market. It is targeting to receive their endorsement by the ABMI Task Force Meeting on 4-6 March in Seoul, Korea.

26. ADB Secretariat will report to the ABMI TF to update the progress of ABMF. Particularly, the Secretariat will seek an approval and endorsement by the TF members on the proposal of re-organization of ABMF, namely the proposal to realign SF2 as a new group under the TF4, and the proposal to establish five working groups/forum under the ABMF.

27. The final approval and endorsement of the re-organization needs to be made by the ASEAN+3 Finance Ministers and Central Bank Governors in early May. After

the final approval and endorsement, the new group under the TF4 and the new working groups and forum will be established.

28. ADB Secretariat will work on a possible AMBIF bond pilot issuance, which is targeted to be launched in the first half of this year. Through the process of the pilot issuance, implementation guidelines of targeted markets will be validated.
29. ADB Secretariat team is hoping to support drafting of the implementation guidelines of PRC, Korea, Indonesia, and Vietnam. The intention is to include as many markets as possible in AMBIF. The Secretariat team is hoping to visit Korea, PRC and Indonesia in March to find a way to include these markets in AMBIF. The team is also hoping to visit Vietnam in the second half of this year to discuss a possible implementation process. The other markets will be included in AMBIF as soon as they are ready.

**V. Next ABMF meeting**

30. The next ABMF meeting will be held **on 14 April (the venue still to be confirmed, possibly in Manila)**. The main point of discussion will be the re-organization of ABMF. The feedback from the ABMI TF meeting will be shared. In addition, the meeting is expected to finalize the Phase 3 report drafts.
31. To announce the publication of the ABMF Phase 3 Report and revised ASEAN+3 Bond Market Guide, an ABMF public conference will be organized. ADB Secretariat is hoping to receive an indication from a member to host the event, which is expected to be held in late July or in August.

## 17<sup>th</sup> ASEAN+3 Bond Market Forum (ABMF) Meeting

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

DATE&TIME	PROGRAM
<b>22 January 2015</b>	<b>DAY 1: Sub Forum 2 (SF2) meeting</b>
08:30 - 09:00	<i>Registration</i>
09:00 - 09:10	<b>Welcome Remarks</b> by Mr. Noritaka Akamatsu, Asian Development Bank
09:10 - 09:15	<b>Opening Remarks</b> by Mr. Jong Hyung Lee , SF2 Chair
09:15 - 10:20	<b>Session 1: Progresses of implementation of international standards</b> 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	<b>Session 2: Outline of Phase 3 Report</b> by Dr. Taiji Inui, ADB Secretariat
10:50 - 11:10	<i>Coffee break</i>
11:10 -11:30	<b>Session 3: AMBIF and settlement of AMBIF bonds</b> by ADB Secretariat team - Updates on AMBIF discussion and issues related to settlements
11:30 -12:15	<b>Session 4: Introduction of Financial Services Standardization in Asia</b> by ADB Secretariat team - ISO TC68 and Asia's involvement in ISO
12:15 - 13:15	<i>Lunch (outside of Auditorium)</i>

DATE&TIME	PROGRAM
13:15 - 14:30	<b>Session 5: ISO 20022 management process and governance</b> -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
14:30 - 15:15	<b>Session 6: Function and importance of National Market Practice Group</b> by Mr. Taketoshi Mori, Bank of Mitsubishi-Tokyo UFJ -Functions and activities of National Market Practice Group
15:15 - 15:30	- <i>Coffee break</i>
15:30 - 16:45	<b>Session 7: Proposal of Re-organization of SF2 and establishment of a New Group under CSIF of TF4</b> by Mr. Satoru Yamadera, ADB Secretariat -Functions of the new group -Membership -Standardization and market practice
16:45 - 17:00	<b>Wrap up of SF2 discussion and others</b> by ADB Secretariat -Next ABMF meeting
17:00 – 17:10	<b>Closing Remarks</b> by Mr. Jong Hyung Lee , SF2 Chair
18:00 – 20:00	<b>Dinner hosted by ADB</b> (Executive Dining Room)
<b>23 January 2015</b>	<b>DAY 2: Sub Forum 1 (SF1) meeting</b>
08:30 - 09:00	<i>Registration</i>
09:00 - 9:10	<b>Opening Remarks</b> by Mr. Koji Ito, SF1 Chair
09:10 - 10:10	<b>Session 1: Presentation of the AMBIF common document</b> by ADB Secretariat team - Explanation of core elements to be recognized as AMBIF - Discussion and endorsement of the common document
10:10 - 11:15	<b>Session 2: Validation of the implementation guideline for selected markets (JP, MY, PH, TH, HK, SG)</b> by ADB Secretariat team -Explanation of AMBIF issuance procedures in each market
11:15 - 11:30	<i>Coffee break</i>

DATE&TIME	PROGRAM
11:30 - 12:00	<b>Session 3: Remaining issues for other markets to be included in AMBIF</b> by ADB Secretariat team -Steps way forward to be recognized as AMBIF markets
12:00 - 12:30	<b>Session 4: How to Implement Pilot Issuance: Approach to attract potential issuers and potential Investors</b> by ADB Secretariat team - Potential issuers and potential investors - Issues to be tackled to attract and facilitate intra-regional investors
12:30 - 13:30	<i>Lunch (outside of Auditorium)</i>
13:30 - 15:00	<b>Session 5: Re-organization of ABMF</b> 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	<i>Coffee break</i>
15:15 – 16:15	<b>Session 6: How to support Regional SRO under ABMF</b> -Issues to be discussed by SRO as the next step -Issues to be supported by ABMF
16:15 - 16:45	<b>Session 7: Revision of Bond market Guides</b> by ADB Secretariat team -Tour-de-table discussion and collection of information from national members
16:45 - 17:00	<b>Wrap up of SF1 discussion and others</b> by ADB Secretariat -Next ABMF meeting
17:00 - 17:10	<b>Closing Remarks</b> by Mr. Koji Ito, SF1 Chair

## Feedback, Questions &amp; Answers

Feedback or Question	Response from ADB Secretariat
<b>SF1 related questions</b>	
<b>General</b>	
Would it be possible to provide a list of questions raised or feedback provided by members, so that reviewers of SF1 documents can check whether their points have already been addressed?	Yes. Done in the form of this list and to be attached to the 17 <sup>th</sup> ABMF Meeting minutes.
<b>Single Submission Form</b>	
<b>General Comments or Questions</b>	
Best to refer to 'bonds', more so than to 'notes'	Acknowledged; at the same time, in most markets bonds and notes are either synonymous or both included in the descriptions of the market segment conducive for AMBIF; at the same time, in some markets, term 'bond' is not found in legal definition; also 'note' is closer to international market standard and referenced in typical documentation which we would like to adopt to achieve benefits for issuers.
Is the existence of derivatives related to the bond/note issuance approval included?	Some regulators may want to know cross-currency swap intermediary, which is included in SSF. Having said, AMBIF, in principle, is targeting to support local currency finance for local use.
Exchanges or market providers should have some additional info such as ISIN.	Though ISIN is important in processing, it is not directly relevant for AMBIF bond application which SSF supports.
Who is the target of SSF user? What can SSF achieve?	SSF is aimed to facilitate an AMBIF bonds/notes issuance application to regulatory, listing and registration authorities in each participating market. Probably, issuers who are considering bond issuance at multiple places in ASEAN+3 would benefit most. Issuers who issue bonds only in one market may want to utilize the existing document. We will not ask issuers to replace their existing document with SSF. However, if they are considering issuing a bond in other jurisdiction, SSF may bring benefit.

	It is important to note we are still at the beginning of AMBIF market creation. This is only the initial step. As the AMBIF bond issuance grows, we may be able to bring more beneficial features into the market. Hopefully through the process of the AMBIF market evolution, we can also harmonize and standardize the AMBIF procedures.
Issuer provides sales/offer materials to investors, such as the prospectus, this has more information than SSF; is intention for SSF to replace e.g. a prospectus or similar disclosure document?	No, not intended to replace. Existing prospectus and disclosure document can be used and attached. In principle, issuer and investor can agree on offer/disclosure materials, and market practice may evolve overtime. Along the evolution, SSF may also be evolved.
Related: But, SSF may still constitute a different document (and necessary enclosures) in each market if one jurisdiction requires more than another...	SSF is meant to be created as a common set of information to be submitted when applying for AMBIF bonds/notes issuance in each participating market. Therefore, SSF can cover a large portion of necessary information to be submitted to the authorities. But this would not suffice entire requirements in each market. Therefore, SSF together with market specific document needs to be prepared.
Who will approve SSF for each market? In particular since SSF may still require distinct submissions for each market, what is strategic value of SSF?	Approval to be done by each market's relevant regulatory authorities. Though difference in documentation would continue to remain, SSF provides clarity in the bond issuance process, particularly when issuing at an unfamiliar market. In addition, it would bring lower documentation costs for multiple issuances since large part of information is covered by SSF.
<b>Specific to I. General Information for Single Submission Form</b>	
Targeted Authorities: settlement agency (CSD) is not an authority	Acknowledged; discussion established that CSDs may require own documentation to be submitted/executed, in addition to SSF; will be adjusted based on discussions with individual CSD.
Targeted Authorities for PR China (summary): best to include all possible relevant institutions for IBBM (e.g. incl. CCDC), then have discussion and reach conclusion through further consultation	Acknowledged; presently working on how to draw up the PR China Impl GL and, hence, actual interpretation of AMBIF in PRC, will influence the authorities/institutions to be mentioned in SSF.

P7, Lao PDR authorities, please show 3 lines: MOF, Lao Securities Exchange for listing approval, depository under LSX	Accepted. Done.
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.	Acknowledged; member discussion concluded that such field would be a matter inherent to the necessary due diligence of an underwriter or other intermediary, and such confirmation would typically be covered under representations and warranties in underwriting and other agreements. At this stage, due diligence related matters are not yet slated for inclusion in SSF, and also the Impl GL. As an alternative, due diligence matters may be included in market practice discussions among members.
Could we expand the form to accommodate both “cross-border investment” and “cross-border issuance” to be clearly segregated and clearly allowed?	In discussion during SSF draft making stage with lawyers, similar proposal was not taken up since such information can be obtained via current SSF; also, participants preferred SSF as simple as possible. At the same time, the initial focus of AMBIF is on domestic issuance. To be revisited at a later stage.
Are issuers required to indicate all the markets they would like to offer or issue?	No; under the current SSF format, issuer can submit supplemental SSF if issuer/underwriter would like to issue/offer bonds/notes in additional market(s); please refer to “Distinction of the Form”. For practical reasons, and to maximise benefits, issuer could consider indicating all potential issuance markets in SSF upfront, even if issuance may take some time.
<b>Specific to IV. Information on the Notes / 1. Summary of the Terms and Conditions of the Notes or Final Terms of Individual Issuance of Notes:</b>	
Please include fields “Minimum Tradable Amount” and “Multiple Tradable Amount” under Denomination of the Notes	Accepted; included under “Denomination of the Notes”. Done.
Please add field “Record Date Rule”	Accepted. Added item under “Interest / Coupon Payment Method”. “Record Date Rule” means the rule of establishing the date of determining the right of the noteholder of record on the book-entry bonds/notes who are entitled to receive the principal and interest payments. This information is considered to be included in the “Interest/Coupon Payment Method”.
Please add field “Interest Payment Frequency”	Accepted. Added item under “Interest / Coupon Payment Method”.
Proposed to include field for compliance	Acknowledged, and recognised the



with FATCA WHT rules	increasing importance of this subject, also in the eyes of regional markets' tax authorities going forward. Hence, not averse to including a generic field "Special withholding tax applied to financial institutions (such as under FATCA) (if any)" or similar.
Is the date count included in SSF?	Yes, already included, under field 14, "Interest / Coupon Payment Method"
<b>Specific to IV. Information on the Notes / 2. Other Information of the Notes:</b>	
Please include field "Type of Notes"	Accepted. Added the field of "Type of Notes".
Please include field "Method of Distribution"	Accepted for 1 market; may also be useful for similar requirements in other markets. Done.
Please include field "Outstanding Debt from Previous Issues of bonds/notes"	Accepted for 1 market; may also be useful for similar requirements in other markets. Done.
Please include field "Cross Currency Swap Intermediaries"	Accepted for 1 market; may also be useful for similar requirements in other markets. Done.
Please include field "Timing of Bond Issuance"; regulators in some markets (e.g. Malaysia and Thailand) set a period during which foreign issuers must issue their bonds/notes once the applications are approved.	Accepted for 2 markets; may also be useful for similar requirements in other markets. Done.
In Malaysia, SC Malaysia is reviewing said period with intention to shorten timeframe; currently, 1 year for non-MTN programme; 2 years for MTN programme.	Such specific, important information will be able to be described in column "Scheduled Issuance Period" and/or "Any other Important Matters"
Suggest to include details of advisor/underwriters who are appointed by issuer to cover all the cross-border issuance and investment	Acknowledged, but expected that information is already described by using current column. I. E., "Dealers and /or Underwriters or equivalent", "Legal advisors to the Issuer(s)", "Legal advisors to the Dealer(s)".
<b>Other (not directly attributable to a specific SSF section)</b>	
On discussion on domestic (say, Type 1) vs. cross-border issuance/listing (say, Type 2): Type 1 serves domestic funding needs; Type 2 more so visibility and/or liquidity in regional market(s); is this the intention or objective of distinction?	Yes, AMBIF is aiming to facilitate intra-regional funding and investments. Hopefully SSF together with the implementation guidelines, which will be accepted by the market authorities, provides certainty and clarity in the bond issuance process and investments. Also, it is hoped that multiple listing/registration together with flexibility in choice of governing law would bring more regional investors.
Related, on distinction of information on	Impl GL mainly focuses on

<p>Type 1 vs. Type 2 (see above): Implementation guideline is focused on issuance process in the market, but it is not clear how Type 2 is supported. Namely, it is not clear how offer for sales of AMBIF bond can be done in each market.</p>	<p>issuance/regulatory process in a domestic market. Therefore, detailed regulatory information or market features for cross-border listing and offering needs to be checked in the Bond Market Guide.</p> <p>Having said, the SSF has two dimensions: it also contains the section for the target market(s) of issuance, thus, it is aimed to satisfy both issuance processes and offering process.</p>
<p>On AMBIF related disclosure, including as shown in SSF: it appears that level of disclosure, relevant information is a foregone conclusion and not subject to further discussion.</p>	<p>This impression is incorrect. As has been agreed through progressive member discussions, the level of disclosure is geared towards the professional market in each jurisdiction and has been compared against current typical level of disclosure and issuance application process in each market, with the intention to have the SSF reflect the most common information required across markets. Level of information and scope depends on the evolution of market practices.</p>
<p>On AMBIF benefits vs. AMBIF Elements: focus on professional investors is intended to allow limited disclosure, lower cost and shorter time to market; yet, listing appears to increase disclosure and may lead to higher cost – this appears to be a dilemma within AMBIF?</p>	<p>Focus on professionals is not intended to allow limited disclosure. Issuer is able to reuse much existing documentation and disclosure information, because professional investors can accept, and, as a result, it may lead to lower issuance cost. On the other hand, investors may be able to benefit from better investment opportunity. If issuer is aiming for additional or new investor universe, issuer may need to add to its existing disclosure or documentation in line with expectation of investors. It is a matter of finding a balance, not a dilemma. Besides, not all markets require fee for registration.</p>
<p>On continuous disclosure: what is considered to be the cycle of 'continuous' disclosure, and what type of disclosure is intended, to the public or only to professionals?</p>	<p>Continuous disclosure in the context of AMBIF refers to regular, material disclosure as agreed between issuer and professional investors, or as prescribed by a listing place; typically annually, such as financial statements; plus material information in the course of business. Market practice is expected to find right balance.</p>
<p>Related, on continuous disclosure: typically, disclosure on private placement is not continuous but simply at time of issuance only</p>	<p>AMBIF is not the same as the existing private placement. Professional market may be created by utilizing the existing framework of private placement; however,</p>

	disclosure practice under AMBIF will be different. We should not call AMBIF as private placement because it may provide a wrong impression.
Related: limited disclosure means less transparency in the markets? What is the target of transparency, i.e. level of transparency?	No. Transparency is the consequential and continuous availability of disclosure/information that has been agreed between parties involved to be available at certain times and in a certain format; so transparency is not affected. Information available at professional market may be different from the information available at public offering. But this does not mean professional market is less transparent. Level of disclosure may need to be developed through market practices. A possible benchmark would be a market practice in the international bond market where participants are professionals.
If AMBIF market is more flexible than public offering market, would issuers move to AMBIF? Is there any risk of regulatory arbitrage?	Creation of AMBIF will not lead to regulatory arbitrage. Professional market, public offering market, and private placement will co-exist. There are merits and demerits of the each funding method. Public offering may be able to access more investors, which may lead to larger and cheaper funding, but regulatory requirements may be higher. Issuers will decide which funding method would fit to their financing needs.
Original objectives of AMBIF achieved: provide faster, better approval process; but, is the intention to turn the SSF into an actual single application across markets?	SSF could be a starting point to support a single application in the future. But at this point, SSF still needs to be accepted by regulators/markets. We need to move step by step.
As level of disclosure info is different by market and issuance method differs, would it not be better to have single/central platform for such information to be stored/viewable?	SSF is a start. Additional tools to support submission procedure can be considered in future.
For convenience, would it not be practical to have all SSF stored centrally, for all to access as necessary, e.g. electronically?	This can be considered in future. For the time being, SSF is conduit for AMBIF – we need to focus on implementing AMBIF, then we may be able focus on how to organise AMBIF better.
<b>AMBIF Implementation Guidelines</b>	
In context of issuance approval process, it is necessary to validate what type of document is available at what stage, e.g. at time of application at time or receipt of approval, at time of offer for sale to	Accepted; corrected in market in question, validation ongoing for other market Impl GLs in the course of further revisions.

professional investors.	
Need to include validity terms of issuance approvals	Accepted, and to be included in Impl GLs in the course of further revisions.
Due to varying terms for 'underwriter', proposed to use generic term 'underwriter' in Impl GL (images and text) unless definitive term prescribed by law	Accepted; done for market in question, part of ongoing revisions for other market Impl GLs; in relation to above, SSF adjusted field to read: "Dealers and/or Underwriters or equivalent (*): [ <i>*: for instance, Principal Advisor (MY) or Financial Advisor (TH)</i> ]"
On AMBIF Elements: National CSD makes sense, should be used in all instances; but on SSF, for Japan, no CSD shown – why?	Two reasons; 1) in JP, JASDEC is not a part of the approval process. Domestic bonds/notes listing on TSE would result in inclusion of depository/settlement function by JASDEC through agent; 2) to satisfy specific JASDEC documentation needs, a separate form needs to be submitted that contains many details that SSF is not meant to cover; this form comes from agent bank, not issuer
Related to above: understood and such similar distinction also in case of Korea; in case of organised market, auto admission into KSD; if not, issuer needs to submit deposit form	Acknowledged. Thank you.
AMBIF Implementation Guideline must have an owner, to ensure that it is continuously updated and reflects the latest status per market, in particular as it is intended to demonstrate and describe benefits and practical considerations.	Acknowledged, very good point. SSF and Impl GL are living documents which are expected to evolve with actual AMBIF issuances. ADB Sec will facilitate the process, but it needs to be considered for the future.
What about government bonds in context of AMBIF and AMBIF Impl GL?	Government bonds, or issuance by government agencies or related corporations is not excluded under AMBIF, but focus is on corporate bond issuance because the sovereign can enjoy exemptions and concessions that are presently not explained in Impl GL.
<b>SF2 related questions</b>	
<b>Implementation of International Standards</b>	
The meaning of "Y" is different country by country, economy by economy. For example, when ISO 20022 is adopted for a market infrastructure, old existing messages (proprietary messages or ISO 15022 messages) co-exist with ISO 20022	"Y (yes)" includes ISO standard as an option co-existing with proprietary standards. More granularity of the survey results "Adoption of international Standards in ASEAN+3 (both CSD and RTGS)" is a

<p>messages for some years or forever though abrupt change (big bang approach) is adopted in other countries. Also, in a country, ISIN is used as a unique numbering for all securities without allowing proprietary numbering though both proprietary and ISIN are allowed to be used in many countries/economies. So does BIC. Such differences may better be explained to provide more detailed information.</p>	<p>remaining challenge. Current status of CSD and RTGS systems adopting international standards is summarized in annex 3. ADB secretariat team will try to update the survey results to provide more detailed information on each market infrastructure during the next phase of the ABMI related activities.</p>
<p>ISIN allocation flows need to be confirmed.</p>	<p>ADB secretariat appreciated the corrections. Also, the secretariat appreciates your sending us revised flows if not corrected, yet.</p>
<p><b>Outline of Phase 3 Report</b></p>	
<p>Number five item of the policy recommendations is (5) Establishing National Numbering Agency (NNA), and the purpose of which is to establish the NNA in four countries in ASEAN+3 which don't have NNA, yet. In addition to the purpose, "promoting ISIN to be more used (to prevail) as a standard in ASEAN+3 is also to be recommended.</p>	<p>ADB secretariat will address in accordance with the advice.</p>
<p>The repo transactions of "sale and purchase (20%)" in JP is less than that of "pledge/borrowing &amp; lending (80%)" may be misleading.</p>	<p>It was based on the historical reason. The "pledge/borrowing &amp; lending" type which was exempt from securities transaction tax was more popular than "sale and purchase" type which was subject to the tax. Repo "sale and purchase" transferring title (ownership) is safer following Global Master Repurchase Agreement (GMRA) and getting popular since it is exempt from tax now. ADB secretariat will address in accordance with the advice.</p>
<p>Although it may be a current global trend to shorten the settlement cycle from T+3 to T+2, T+1, and T+0 from the viewpoint of risk reduction, it is not always true that the shorter the better. More important point is all market participants observe the settlement cycle such as T+2 as a market rule. As a matter of fact that DTCC is trying to introduce T+2 for the cross-border transactions.</p>	<p>The secretariat will compile the Phase 3 Report incorporating the content. Market practices in particular settlement cycle are one of the important remaining challenges.</p>

<p>It is necessary to consider timeliness of settlement cycle for cash settlement as well as settlement cycle for securities settlement. Therefore, it is also important to compare and harmonize current market practices including FX control and cash control. To harmonize settlement cycles both for securities and cash settlement is very important from cross-border STP perspective. Therefore, survey and comparison of current features of tax, FX control, cash control, account structure, etc. may be very important issues from the viewpoint of harmonization of payment and settlement processes in ASEAN+3. Also, settlement cycles for fixed income and equity are different and may need to discuss from entire capital market perspective.</p>	<p>The secretariat will compile the Phase 3 Report incorporating the content. Market practices in particular settlement cycle are one of the important remaining challenges.</p>
<b>ISO</b>	
<p>Do we have to buy ISO standards to implement? ISO standards are not free.</p>	<p>To read actual ISO document, it is necessary to buy from ISO. But as for ISO 20022 messages, the full catalogue of the current, latest version of approved ISO 20022 message definitions are freely available at the ISO 20022 website: <a href="http://www.iso20022.org">www.iso20022.org</a>.</p>
<b>Re-organization of AMBIF</b>	
<p>Why do we need re-organization?</p>	<p>Thanks to the efforts by the members, we have made remarkable progresses under the current setup. But to enhance further support for market integration of ASEAN+3, we need to discuss more issues and we need to invite more experts in the region. To be more effective as well efficient, it is necessary to have re-organization. In addition, it is necessary to consider synergy with other works under the different ABMI TFs. To take these into account, realignment of ABMF SF2 under the ABMI TF4, and creation of ad-hoc and issue-focused working group(s) was proposed.</p>

<p>The membership of CSIF is limited to the central banks and CSDs in the region. And it should not be open to the new group (ASIEG).</p>	<p>The members of the new group (ASIEG) should be open to experts related to financial transactions and financial services standardization in the ASEAN+3, thus, it may include a member from the institution which is currently the member of CSIF. However, the members of the new group shall act independently based on their technical expertise, and shall not represent the institution the member belongs. Therefore, the opinion of the member of the new group shall not bind the institution which the members belong. Hence, CSIF shall make its decision separately from the new group.</p>
<p>Will the ASIEG work under the CSIF? Will the ASIEG report to CSIF?</p>	<p>The ASIEG may prepare a recommendation or technical advice only when CSIF wishes to receive. In addition, the focus of the ASIEG is to support further standardization in the region while CSIF focuses on the implementation of linkages among CSDs and central banks.</p>
<p>Will the ASIEG report to TF4 directly or through CSIF?</p>	<p>Since the mandates and focuses of CSIF and the ASIEG are different, it is expected that progress of them will be reported separately.</p>
<p>Will the ASIEG be held back-to-back the CSIF? How frequent do we expect to have ASIEG meetings?</p>	<p>It is more likely to have ASIEG meetings more frequently than CSIF because the ASIEG is expected to discuss and evaluate proposals of a new message and change request of ISO 20022 if necessary. But these meetings are expected to be held via conference calls. As for a face-to-face meeting, it is likely to have it back-to-back if many of the members of CSIF and ASIEG overlap.</p>
<p>Who would be qualified as an ASIEG member?</p>	<p>The members are open to experts related to financial transactions and financial services standardization in the ASEAN+3. It is expected to have more IT specialists in the region in addition to the current SF2 members. To be a member, a candidate must demonstrate his/her eligibility and capacity to participate in discussion.</p>
<p>Since the membership is open, wouldn't there be a risk to make the members of ASIEG too large?</p>	<p>There may be such possibility; however, the members have duties and commitments. Thus, this may discourage nomination. The members are expected to participate regularly. Absences from discussions and meetings three times in a row would be recognized as lack of interest, and the</p>

	membership would be terminated.
Will ASIEG discuss financial services standardization like TC68?	ASIEG is expected to promote establishment of national standard technical committee and market practice group; however, the most of the works are expected to support developing international and regional standards, and market practices; to support implementing international and regional standards, and market practices; and to support evaluating an international standard proposal for the region.
How is the working group established under the new ABMF?	To establish a new working group, it is necessary to be approved and endorsed by the ABMI TF members. ABMF has a public role to provide ASEAN+3 officials viewpoints and recommendations on issues adopted by ABMI TF3.
How will the working group and forum be organized and run?	After the approval and support from the ASEAN+3 Finance Ministers and Central Bank Governors, the working groups and forum will be established. Therefore, it is likely to be established in the second half of this year. How to run the working group/forum is depending on the members participating in the working group/forum. But, ADB as the secretariat will support discussion.
Can existing SF2 members become SF1 members?	We will not have SF1 and SF2. But we will organize issue-focused WGs. Please register your interest in the topic you would like to contribute.
On membership: Can I be the member of both proposed ABMF working groups and ASIEG?	Yes. This is up to you. But membership would require certain participation, such as regulation attendance and contribution.
Will the next ABMF Meeting (in April) be held in the same structure as the Manila meeting?	Yes. The re-organization needs to be approved by ASEAN+3 Finance Ministers and Central Bank Governors in May. Therefore, the meeting under the new setup will be held in 2H2015.
With the change of structure for ABMF, the selection of topics for working groups would be crucial.	The selection of topics will be discussed by the ABMF members, but also needs to be approved and endorsed by the ASEAN+3 officials.
On proposed Working Group on Credit Rating: private sector members may be able to enlist willing investors to relay their experience or expectations with regards to credit ratings.	Very good idea. Should consider once Credit Rating WG has constituted.



**Summary of Recent Development of Standardization of Bond Market Infrastructures and possible roadmap in particular adoption of ISO 20022 in ASEAN+3**

1. BN (need to update based on the following information): RTGS has gone live adopting ISO 20022 in 2015. The RTGS system which is developed and operated by Autoriti Monetari Brunei Darussalam (AMBD) supported by SWIFT. AMBD started an initiative to develop CSD as the depository of government bond adopting ISO 20022. The CSD system hopefully start production operation in 2016 supported by SWIFT. AMBD is planning to establish NNA in the country, but CSD for corporate bond and NNA to allocation ISIN for corporate bond is remaining challenge.

2. CN (no need to update): RTGS system new generation China National Advanced Payment System (CNAPS 2) has already implemented ISO 20022 and started operation in October 2013. All participants need to migrate to ISO 20022 by June 2015 (old message format will be decommissioned in June 2015).

3. HK (no need to update): HKMA has no plan to adopt ISO 20022 for its RTGS system and for its bond clearing and settlement system operated by CMU (corporate action is based on ISO 20022). Nonetheless, the fund order routing and settlement system and TR system operated by the CMU have adopted XML format following ISO20022 standards.

4. ID (no need to update): New (2nd generation) RTGS (BI-RTGS) and CSD for government bond (BI-SSSS) already adopted ISO 15022. Bank Indonesia (BI) is planning to migrate to ISO 20022 in the near future after having relevant roadmap. Regarding CSD for corporate bond (KSEI's C-BEST), it is currently operated based on the ISO 15022 and will migrate its messages to ISO 20022 in 2016.

5. JP (no need to update): RTGS and CSD for government bond (New BOJ-NET) will start production operation using ISO 20022 on 13 October 2015. All messages of New BOJ-NET will adopt XML format but not all messages adopt ISO 20022. CSD for corporate bond (JASDEC BETS) already adopted ISO 20022 in January 2014 and is

operating the system smoothly. JASDEC will keep current ISO 15022 messages for 5 years after migration until the end of 2018.

6. KH (need to be checked): Currently there is no bond market in Cambodia, yet. Securities and Exchange Commission of Cambodia is drafting regulations related to bond trade and settlement, which will be completed at the end of 2014 or early next year.

7. KR (need to be checked): Bank of Korea is planning to adopt ISO 20022 and will decide basic strategy (how to implement it) in 2015. KSD will adopt ISO 20022 for SSS/Safe+ and is discussing it with the BOK and market participants.

8. LA (need to be checked): Bank of Lao (BOL) is already operating RTGS system based on ISO 15022 but needs further study on ISO 20022 to adopt it. Bond market is gradually developing. Legal framework is also under establishment including issuance of corporate bond.

9. MM (need to be checked): RTGS and CSD (book-entry) systems which can adopt ISO 20022 are under development by the Central Bank of Myanmar (Need to be confirmed).

10. MY (no need to update): RTGS and CSD systems (RENTAS IFTS and SSTS) will adopt ISO 20022 in 2017. Considering the participants readiness (banks are generally not ready in 2017), BNM will provide converter between ISO 15022 and ISO 20022 for the participants of RENTAS.

11. PH (need to be checked): RTGS system (PhilipaSS of BSP) is currently based on ISO 15022 and will migrate to ISO 20022 in 2016 (system enhancement will start first quarter of 2015). CSD systems (BTr Ross for government bond and PDTC and Depository for corporate bond) will discuss adoption of ISO 20022 possibly in 2015.

12. SG (need to be checked): RTGS system and CSD system for SGS operated by MAS already adopted ISO 15022 (regarding migration to ISO 20022 needs to be checked). The CSD system for corporate bond (DCSS of CDP) will start production operation adopting ISO 20022 in 2015. SGX will also adopt ISO 20022 for other systems including corporate actions. ISIN will be adopted as securities number.

13. TH (no need to update): RTGS system (New Bahtnet of BOT) adopted ISO 15022 (started production operation on 7 May 2013 upgrading technology). The new Bahtnet is connected with HKMA USD RTGS system on 28 July 2014. New CSD system (new PTI system) will start operation adopting ISO 15022 in 2015. Regarding the adoption of ISO 20022, it will be a long-term plan covering 5-6 years currently discussed by all related stakeholders including BOT and TSD. Not only technological issues but also demands of market participants as well as regulatory and legal issues need to be considered. BOT is planning to adopt ISO 20022 in 5-6 years.

14. VN (need to be checked): SBV and VSD are considering adoption of ISO 20022 for RTGS and CSD systems (need to be checked).