

18th ASEAN+3 Bond Market Forum (ABMF) Meeting
Auditorium A & B, Asian Development Bank HQ
Manila, Philippines / 14 April 2015

TIME	PROGRAM
08:30 - 09:00	<i>Registration</i>
09:00 - 09:10	Welcome Remarks by Mr. Noritaka Akamatsu, Asian Development Bank
09:10 - 11:00	Session 1: ABMF after Phase 3 by Mr. Satoru Yamadera, ADB Secretariat <ul style="list-style-type: none"> - <i>Update on the outcome of ABMI TF discussion</i> - <i>Review of work groups/forum proposal:</i> <ul style="list-style-type: none"> - <i>AMBIF Market Group</i> - <i>WG on Collateral business and repo</i> - <i>ASEAN+3 SRO Forum</i> - <i>WG on Information platform</i>
11:00 – 11:20	<i>Coffee break</i>
Progress Report of Phase 3 Report	
	Sub-Forum 1 (SF1 Session)
11:20 – 11:30	Opening Remarks by Mr. Koji Ito, SF1 Chair
11:30 – 12:45	Session 2: Update on AMBIF by ADB Secretariat, Prof. Shigehito Inukai, Mr. Matthias Schmidt <ul style="list-style-type: none"> - <i>Progress of Single Submission Form and Implementation Guidelines</i> - <i>Bond Market Guide</i> - <i>Phase 3 Report</i> - <i>Q&A</i>
12:45 – 13:45	<i>Lunch (EDR Coffee Lounge, 2nd Floor)</i>
	Sub-Forum 2 (SF2 Session)
13:45 – 13:55	Opening Remarks by Mr. Jong Hyung Lee , SF2 Chair
13:55 – 15:00	Session 3: SF2 Presentation & Discussion by ADB Secretariat, Dr. Taiji Inui <ul style="list-style-type: none"> - <i>Phase 3 Report</i>

TIME	PROGRAM
	<ul style="list-style-type: none"> - <i>How to support implementation of international standards in each market</i> - <i>Q&A</i>
15:00 – 15:15	- <i>Coffee break</i>
15:15 – 16:15	Session 4: Next step of ABMF <ul style="list-style-type: none"> - <i>Meeting schedule</i> - <i>Sibos 2015 in Singapore</i>
16:15 – 16:30	Wrap up by SF1 and SF2 Chairs and ADB Secretariat

Session 1

ABMF after Phase 3
by Mr. Satoru Yamadera, ADB Secretariat

- *Update on the outcome of ABMI TF discussion*
- *Review of five work groups/forum:*
 - *AMBIF Market Group*
 - *WG on Collateral business and repo*
 - *WG on Credit rating*
 - *ASEAN+3 SRO Forum*
 - *WG on Information platform*

Session 1: ABMF after Phase 3

18th ABMF Meeting

Satoru (Tomo) Yamadera,
Principal Financial Sector Specialist,
RSDD, ADB

Recap of the 17 ABMF meeting

ABMF now and forward

ADB

- ❑ ABMF made achievements to foster standardization of market practices and harmonization of regulations relating to cross-border bond transactions through three phases.
 - ASEAN+3 Bond Market Guide
 - Identification of domestic and cross-border bond transaction flows
 - ASEAN+3 Multi-currency Bond Issuance Framework
 - Promotion of international standards and standardization of transaction flows in the region

3

ABMF now and forward

ADB

- ❑ ABMF should continuously support standardization and harmonization efforts. In particular, ABMF should
 - ✓ Promote AMBIF further pilot issuance, and include more markets in AMBIF
 - ✓ Support implementation of international standards and inclusion of ASEAN+3 countries in ISO process.
 - ✓ Discuss other important issues to promote intra-regional investments.
 - Five work items were proposed.

4

Proposal of new work items

5

Outcome of ABMI TF

- The proposal of re-organization was withheld, and it was requested to maintain the existing SF1 and SF2 structure.
- ABMF needs to explain relevance and importance of the issues we would like to discuss.
 - ABMF needs to demonstrate the following to get support from the TF.
 - Clear objective and mandate;
 - Clear deliverables; and
 - Clear timeline and schedule
- Each work item needs to be examined with reference to these criteria, and a clear workplan needs to be developed.

6

How to organize a new project and discussion group

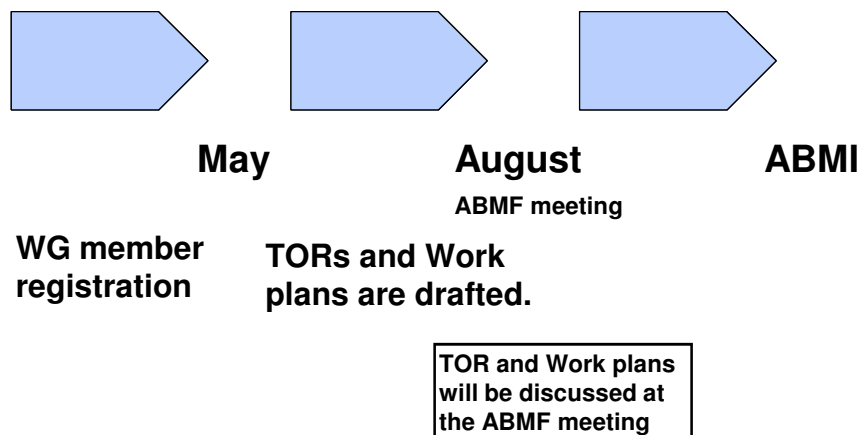
ADB

- ❖ Registration of members
 - A person who wants to be a member of a new project team(s) or discussion group(s) should send a registration to ADB by the end of May.
 - The nomination should be open not only for the current ABMF members, but also for non-members who are interested in the project and discussion group proposed. However, the membership will be subject to an approval or no-objection of the authorities of ASEAN+3 countries.
 - If the number of the ASEAN+3 member countries of which the persons registered with the new project team or discussion group is less than eight, the new team/group shall not be established. This ensures the representation of wider regional opinion into the discussion.
- ❖ Drafting a TOR and workplan
 - The members of the project team or discussion group need to develop TOR and workplan
 - Conference calls will be organized in June and July to develop TOR and workplan.
 - Final draft TOR and workplan will be presented at the next ABMF meeting

7

Schedule

ADB



8

AMBIF

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.
 - Underwriters, Law firms and academia
 - Securities regulators and central banks and other authorities involved in the AMBIF approval process
- ❖ Actions for 2015-16
 - Revise the Single Submission Form (SSF) and the Implementation Guidelines (GLs)
 - Support drafting GLs for the remaining markets
 - Discuss with regulators for possible harmonization of regulatory processes.

9

collateral business and repo in ASEAN+3

ADB

- ❖ Objective
 - Conduct a survey on collateral business and repo in ASEAN+3 to study an impact of recent regulatory changes such as OTC derivatives and liquidity management
 - Recommend necessary regulatory consideration in relation with bond market developments and intra-regional cross-border transactions
- ❖ Membership
 - CSDs, ICSDs, commercial banks, investment banks, brokers, and custodians involved in securities collateral business in ASEAN+3.
 - Central banks and regulators
- ❖ Action Plan for 2015-16
 - Conduct a survey to identify current status of collateral business and repo transactions in the region, and identify problems and impediments, particularly for cross-border transactions, by comparing with other markets' practices
 - Prepare a report to be considered for possible linkages of CSDs and central banks in the region
 - Workshop among the private sector, central banks and regulators to discuss possible regulatory consideration

10

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

11

AMBIF 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

12

Supporting implementation of International Standards under SF2

ADB

SF2 Work plan for 2015

- Support implementing international and regional standards and market practices in the region
 - Sibos in Singapore
 - Standard Forum
- Support evaluating an international standard proposal for the region
 - Familiarize ourselves with ISO process
- Promote establishment of national standard technical committee and market practice group
- Support CSIF discussion of linkages through standardization of core messages

13



The Proposal of AMBIF IP WG (draft)

14 April, 2015
18th ABMF meeting in Manila, Philippines

Outline

- AMBIF, AMBIF IP, AMBIF IP WG
- The principal objectives of AMBIF IP WG
- Members & organizations
- Roles of chairman and secretariat
- Work Plan
- Draft Schedule
- Expected outcomes

AMBIF Information Platform Working Group (AMBIF IP WG)

AMBIF, AMBIF IP, AMBIF IP WG

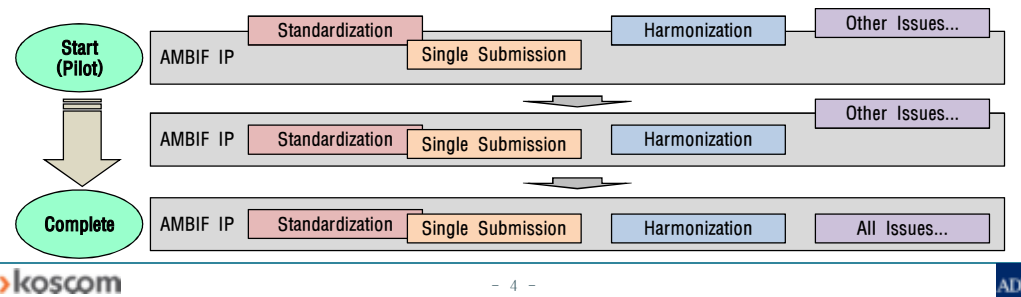
■ When can we realize AMBIF?

- For successful AMBIF, it is a basic principle to agree on standardization of regulations which are currently different by country
- Therefore, ABMF has put a great deal of efforts into consensus and produced a number of meaningful outcomes so far
- Many challenges, however, are still remaining and long-term efforts are necessary

AMBIF, AMBIF IP, AMBIF IP WG

■ AMBIF IP is the Solution!

- Developing systems only after all the challenges solved has some limitation
- All those issues raised up can be solved by introducing IT systems
- In AMBIF IP, even Pilot issuance and virtualization of SSF are also feasible. Therefore, AMBIF IP must now be started



- 4 -

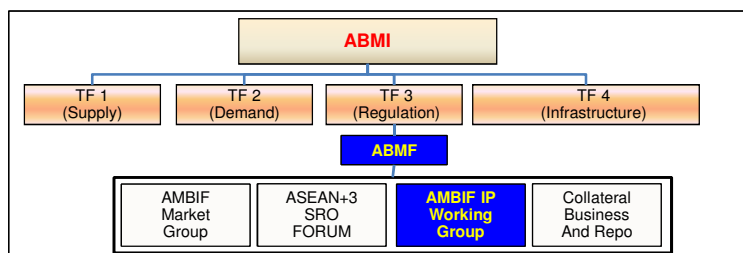
AMBIF, AMBIF IP, AMBIF IP WG

■ The AMBIF IP is ...

- The common market infrastructure to efficiently implement AMBIF for ASEAN+3 economies
- The common market infrastructure to facilitate standardization and harmonization in the concepts of AMBIF

■ AMBIF IP WG is ...

- The organization for **the realization of AMBIF IP implementation**
- One of the working groups/forums



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- 5 -

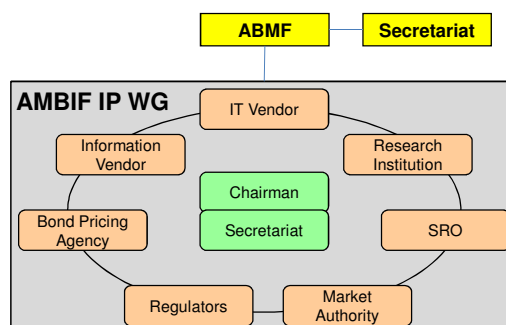
ADB

The principal objectives of AMBIF IP WG

- The realization of AMBIF IP implementation
 - Infrastructure plan and design for developing tangible and touchable systems
 - How to find out effective implementation method for the challenges discussed so far from ABMF
 - AMBIF IP infrastructure development and operational management
- Induce the participation of the ASEAN+3 economies
 - Complete the final AMBIF through gradual participation of each economies ready to participate AMBIF IP
- Ongoing contents development
 - Discover new business to increase the utilization of AMBIF IP

Members and Organizations

- Members of AMBIF IP WG
 - Are based on Volunteers of ASEAN+3 economies
 - Consisting of IT vendors, information vendors, bond pricing agencies and possible users of AMBIF IP (regulators, market authorities, SROs, research institutions)
- Organizations of AMBIF IP WG
 - Nominate and elect a chairman and secretariat of AMBIF IP WG
 - Under the control of ABMF and ABMF secretariat



Roles of Chairman & Secretariat

- Nominate and elect a chairman and secretariat of AMBIF IP WG
 - The term of office is three(?) years and can be reappointed
 - Accept the majority decision
- Roles of chairman
 - Preside the regular or occasional meetings and seminars
 - Induce consensus among members by moderating debate
 - Have operational responsibilities of the secretariat
- Roles of secretariat
 - Establish and Update roadmap of AMBIF IP WG
 - objectives, members, organization, work plan & schedule, outcomes
 - Hold the regular or occasional meetings and seminars
 - Convene and mediate the relevant authorities
 - Report the meeting and research results
 - Expenditure

Work Plan

- Regular or occasional meetings
 - Quarterly regular meetings(similar to the ABMF)
 - Occasional meetings for special comments
 - International conference
- Write and publish AMBIF IP research report
 - Research report based on the meeting results
 - Report to the regular meetings or ABMF meetings

Work Plan

■ AMBIF IP infrastructure development

- Plan and design AMBIF IP infrastructure
- Develop AMBIF IP infrastructure

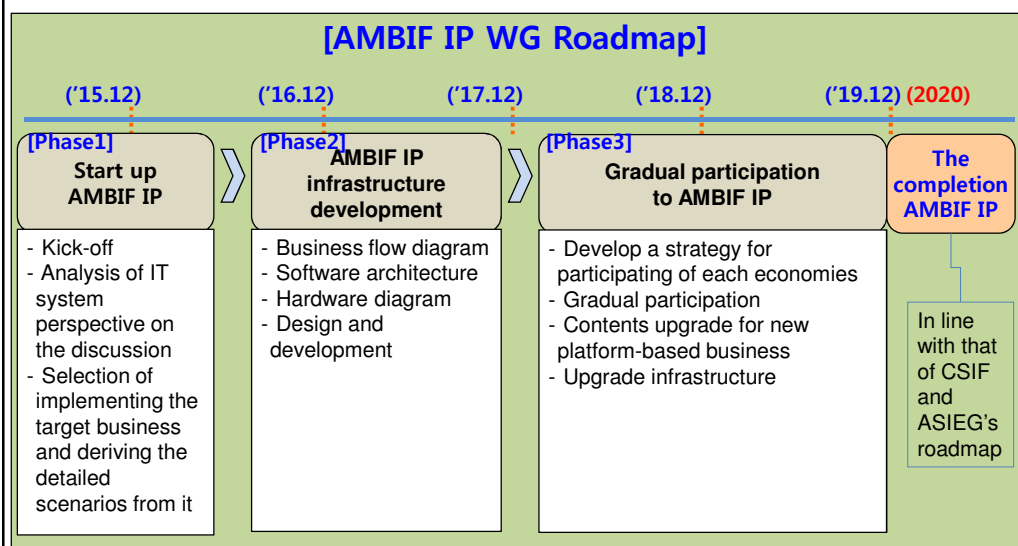
■ Gradual participation

- Gradual participation of each economies ready to participating AMBIF IP
- Education and guided participation

■ Contents Upgrade

- Feasible contents for new business or requirements for ASEAN+3 economies

Draft Schedule



Draft Schedule

Step	Time	Activities	Rem
Phase 1	2015.4.14	- Make a presentation on the proposal of AMBIF IP WG	
	2015.4	- Nominate and elect a chairman and secretariat	
	2015.5~6	- Recruit members - Establish roadmap of AMBIF IP WG	
	2015.7	- Hold the 1 st meeting(Kick-off meeting)	
	2015.9	- Hold the 2 nd meeting(International conference)	TBD
	2015.10~ 2016.3	- Hold the 3 rd and 4 th meeting	
	2016.4	- Make a presentation on AMBIF IP Phase 1 report	

Draft Schedule

Step	Time	Activities	Rem
Phase 2	2016.5~ 2017.12	- Develop AMBIF IP infrastructure - Conduct education and induction into AMBIF IP - Make a presentation on AMBIF IP Phase 2 report	
Phase 3	2018~ 2019	- Upgrade AMBIF IP infrastructure - Make a presentation on AMBIF IP Phase 3 report	
-	2020	- Complete AMBIF and AMBIF IP	

Expected Outcomes

- Analysis of the IT system perspective on the discussion(ABMF)
 - Standardization, harmonization
- Selection of implementing the target business and deriving the detailed scenarios from it
 - Pilot issuance, SSF
- Design and development
 - Business flow diagram, software diagram(the application technology of key processes), hardware diagram
 - Design and development
- The strategy for participating of each economies
- Upgrade Contents for new platform-based business
- Investment costs, Business model

Thank You !

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Sub-Forum 1

Session 2

Update on AMBIF
by ADB Secretariat,
Prof. Shigehito Inukai and Mr. Matthias Schmidt

- *Progress of Single Submission Form and Implementation Guidelines*
- *Bond Market Guide*
- *Phase 3 Report*
- *Q&A*

Session 2: SF1 - Update on AMBIF

18th ABMF Meeting
Prof Shigehito Inukai, Matthias Schmidt
ADB Consultants
Manila, 14 April 2015

1

Agenda

1. Progress on Single Submission Form
2. Participating AMBIF Markets
3. Status of AMBIF Implementation Guidelines
4. Possible Structure of Phase 3 Report
5. Findings and Policy Recommendations
6. Update on Bond Market Guides 2015
7. Questions & Answers Session

2

1. Progress on SSF

Points of Note

- Up to now, it is considered that approval or recognition is given by the relevant regulatory authorities and market institutions in each of the first group of participating markets.
- While a difference in documentation would continue to remain across markets, the SSF - together with the AMBIF implementation guidelines - provides clarity/benefits for issuers on the bonds/notes issuance process, particularly when issuing in an unfamiliar market in the region.
- Please also see the draft “Q&As on AMBIF and the Single Submission Form”, prepared by ABMF SF1 Team

3

2. Participating Markets

- China – under consideration and discussion (on the basis of employing Interbank Bond Market features)
- Hong Kong – CMU, in conjunction with HKEx profile listing
- Indonesia – under discussion
- Japan – TSE/TOKYO PRO-BOND Market
- Korea – under discussion (expected to join AMBIF soon once making necessary regulatory changes)
- 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

4

2-2. AMBIF Participating Markets

Market Place of issuance	Language on Common document for submission	Law related with issuance and settlements	Governing law for bankruptcy and dispute resolution	Possible currencies issued
Offshore (ICSD)	(English)	(English)	(English)	USD*, JPY*, CNY*
Hong Kong, China	English	HK	HK, English or agreed	HKD, CNY*, USD*, JPY*
Japan	English	JP	JP law (or agreed)	JPY, USD*
Malaysia	English	MY	MY, English, or agreed	MYR, USD*, CNY*
Philippines	English	PH	PH, English, US, or agreed	PHP, USD*
Singapore	English	SG	SG, English or agreed	SGD, USD*, JPY*, CNY*
Thailand	English	TH	TH or agreed	THB, USD*
Korea	English	KR	KR law	KRW, USD*

* These are offshore currencies.

5

3. Status of Implementation GLs

Points of Note:

- Thanks to regulatory authorities and market institutions, the first six participating markets are able to use Impl. GLs for potential issuers
 - Hong Kong
 - Malaysia
 - Japan
 - Philippines
 - Singapore
 - Thailand
- Under development are (with practical reasons given)
 - China (discussion on language and governing law; distinction of IBBM segments)
 - Indonesia (definition of professional market, in the absence of direct regulations)
 - Korea (adjustment of market segment(s) in view of changes planned by authorities)

6

3-2. Some Feedback during Creation

Points of Note:

- Enforcement of continuous disclosure is on basis of market practice defined by/for professional investors
- Clarity required for validity of issuance approval and distinction of effective (issuance) date
- Markets are progressing while Impl. GLs are compiled
- Impl. GLs (and SSF) are living documents
- Please continue to update SF1/ADB Sec

7

4. Phase 3 Report - Possible Structure

[General Contents]

Cover, Imprint

Preface

Statement from SF1 Chairs

Acronyms and Technical Terms (as one possibility)

Executive Summary

I. Background, Purpose and Objectives

II. Definition of AMBIF and Summary of Findings

III. Recommendations as Next Steps (drawn from the Findings shown in Comparative Analysis)

8

4. Phase 3 Report - Possible Structure

(cont'd)

[\[Main Contents\]](#)

- I. Background, Purpose and Objectives
- II. Definition of AMBIF and Summary of Findings
- III. Recommendations as Next Steps (drawn from the Findings shown in Comparative Analysis)
- IV. Description of key AMBIF features in each market (in the form of a Comparative Analysis)
 - AMBIF Elements in *[market]*
 - Bond Issuance relevant Features in *[market]*
 - Bond Issuance Process in *[market]*

9

4. Phase 3 Report - Possible Structure

(cont'd)

[\[Detailed Information in Appendices\]](#)

- Appendix 1: Q&As on AMBIF and the Single Submission Form
- Appendix 2: Detailed Review of Comparative Analysis
- Appendix 3: Single Submission Form
- Appendix 4: Implementation Guidelines

10

5. Findings/Policy Recommendations

- Developed from member discussions on AMBIF, as well as market visits and conversations with potential issuers and market participants
- Based on the work of developing and normalising the Single Submission Form and the Implementation Guidelines

11

5-1. Findings (I)

- To be included in Report in the form of Comparative Analysis of market features relative to AMBIF Elements

[AMBIF]

- Discussions within ABMF and with stakeholders confirmed need for AMBIF to be refined from Phase 2 proposal
- Original AMBIF 'Core Components' evolved into practical 'AMBIF Elements' that fulfill spirit of AMBIF concept while cementing domestic nature and access to largest number of investors
- Acceptance of AMBIF as a concept and its elements via expression of interest by potential issuers on pilot issues
- Acceptance of AMBIF as a concept and its elements via expression of interest by potential institutional investors

12

5-1. Findings (II)

- To be included in Report in the form of Comparative Analysis of market features relative to AMBIF Elements

[AMBIF Markets]

- Form and format of professional markets, the basis for an AMBIF Market, across ASEAN+3 jurisdictions differ greatly (confirmed observations from Phase 2)
- In addition, issuance approval concepts across markets differ widely, involving different numbers and combinations of regulatory authorities and market institutions
- Hence, generalised for Phase 3 as “Regulatory Processes”
- At the same time, markets and regulatory processes are evolving, from prescribed processes to flexible application of basis principles

13

5-1. Findings (III)

- To be included in Report in the form of Comparative Analysis of market features relative to AMBIF Elements

[Issuance Approval Information / Disclosure Items / SSF]

- Information and disclosure items for issuance approvals were found to be very similar across markets, regardless of the nature of the issuance approval process
- The recognition of this similarity lead to the development of the Single Submission Form (SSF)
- Being an expression of all participating markets needs, SSF can be a conduit for AMBIF Market harmonisation

14

5-1. Findings (IV)

- To be included in the text of the Report.

[Regulatory Authorities, Market Institutions]

- Regulatory authorities and market institutions were found to be open-minded, extremely cooperative and highly receptive on AMBIF
- Generous, practical and comprehensive feedback on reasons for issuance approval requirements resulted in SSF with common and practical information/disclosure items
- Both approving bodies and ABMF agreed that SSF would not (be able to) replace existing processes, but at the same time accepted it as part of each participating market's process

15

5-1. Findings (V)

- To be included in Report in appropriate form.

[Issuers, Investors, Intermediaries]

- Assumptions on issuer requirements made in Phase 2 were confirmed, further detailed and communicated to regulatory authorities and market institutions
- Thailand, Indonesia, Malaysia, Philippines, and China confirmed as markets of most interest for issuance
- Profile listing and international rating confirmed as indispensable features to make AMBIF corporate issuance accessible for specific, additional investors universes
- Sample SSF well received by potential issuers of bonds /notes under AMBIF

16

5-2. Policy Recommendations (I)

[SSF & Regulatory Process for Issuances]

- Acceptance of SSF as part of issuance approval process by all markets in the region participating, or intending to participate in AMBIF (Application form and format to be determined)
- Acknowledgement that SSF (and accompanying AMBIF Implementation Guidelines) are living documents that will evolve in line with AMBIF market(s) and AMBIF market practice developments
- Commitment to the continuous review of the regulatory processes in each jurisdiction in line with opportunities created as a result of pilot issuances and the continued development of AMBIF based on stakeholder requirements or expectations

17

5-2. Policy Recommendations (II)

[AMBIF Regulatory Process & Market Practices]

- Acceptance of IFRS
- Further discussion of Rating requirement
- Acceptance of flexible Governing Law structure
(Distinction between 'Law related with issuance and settlements' and 'Governing law for bankruptcy and dispute resolution')
- Appropriate Handling of Selling and Transfer Restrictions
(The common basic mechanism for the effective Selling / Transfer Restrictions will be that: (1) Clear cut definition/rules on selling and transfer restrictions exist in the law, supplementary regulations or listing rules; (2) These provisions are publicly available to investors and market participants together with the Terms and Conditions of the Notes; and, (3) Selling / Transfer Restrictions related description is mentioned and available in the Terms and Conditions of the Notes; (4) These bonds/notes are being issued or traded through licensed dealers and/or underwriters; (5) The following practice is shared among market participants: "Solicitation and Offer for Sale by the seller must be made only to the professional investors and persons reasonably believed to be persons who are professional Investors; and the seller must announce to professional investors that the seller is selling by employing such exemptions or special rules exempted from full disclosure requirements; (6) Appropriate enforcement for rule violations is available.)

18

6. Update on Bond Market Guides

- Status for Reference
- Work Steps
- Proposed Revised Structure
- Edit and layout approach
- Proposed Timeline

19

BMG Update – Status

- Review/submission target was end of February 2015
- Most reviews of BMG 2012 completed.
- Would appreciate markets to complete their reviews asap – cut-off would have to be end April!
- Still receiving additional materials, also as by-product of AMBIF discussion – this is ok.
- Of particular interest: planned or future market developments – for inclusion at end of BMG (separate chapter), to maintain readers' continuous interest

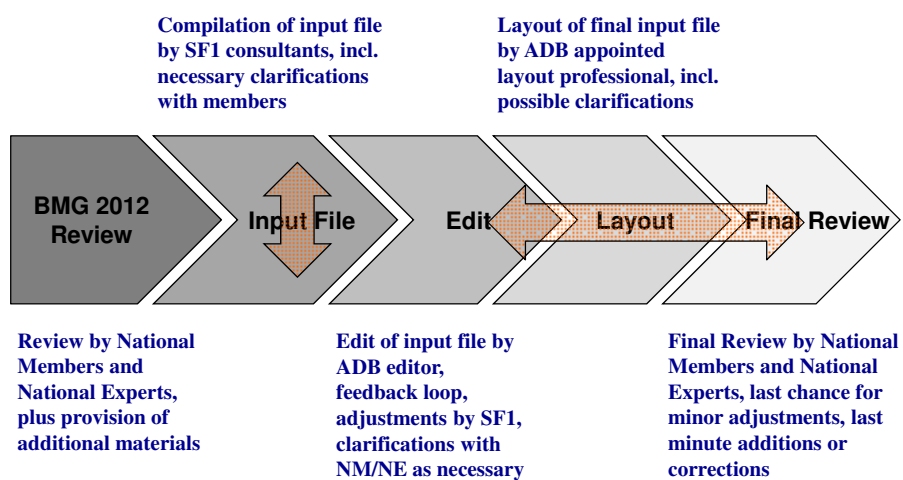
20

BMG 2015 Update – Status for Reference

Market	Original BMG Review	Additional Material	Next Steps
Brunei	N/A	N/A	N/A
Cambodia	Pending	Waiting for latest legislation info	Consultant review; complete input file
PR China	Completed	Received, latest in context of AMBIF	Compilation of input file
Hong Kong	Completed	Received, latest in context of AMBIF	Compilation of input file
Indonesia	Completed; 2nd review of input file initiated	Received	Consultant review; complete input file
Japan	Completed	Received, latest in context of AMBIF	Compilation of input file (largely done)
Korea	Review under way	As may be necessary	Depends on material received
Lao PDR	Review by MOF	As may be necessary	Consultant review; complete input file
Malaysia	Completed by most Members	Received, latest in context of AMBIF	Compilation of input file
Myanmar	Completed; 2nd review	Waiting for latest legislation info	Final review; clarifications with NMs; send for editing
Philippines	Completed	Received; latest regulations included	Compilation of input file
Singapore	Completed	Received, latest in context of AMBIF	Compilation of input file
Thailand	Completed	Received, latest in context of AMBIF	Compilation of input file
Viet Nam	Completed; 2nd review of input file initiated	Waiting for latest legislation info	Compilation of input file

21

BMG 2015 Update – Work Steps



22

BMG – Proposed Revised Structure

Cover (by Market)

Contents

Boxes, Figures and Tables

Acknowledgement

[Key Focus chapters]

I. Introduction / Historical Development

- Change of sequence, short intro, past significant developments

II. Legal and Regulatory Framework

- Review of all legal and regulatory guiding factors

III. Characteristics of the Bond Market

- Review of all relevant market features, incl. issuance processes

23

BMG – Proposed Revised Structure

[Value added chapters]

IV. Trading of Bonds/Notes and Trading Market Infrastructure

- Expanded, to include repo (from SRO Forum study, other sources)

V. Description of the Securities Settlement System

- As reference to SF2 Phase 2 Report only, no duplication intended

VI. Bond Market related Costs and Taxation

- Expanded on costs, sequenced according to bond/note lifecycle, to include PWC info on WHT from Phase 2 Report

VII. Market Size and Statistics

- As reference to ABO and e.g. domestic bond pricing agency only, since no duplication intended and statistics thus remain current

24

BMG – Proposed Revised Structure

[Value added chapters, cont'd...]

VIII. Presence of an Islamic Finance (Islamic Bond) Market

- Expanded, as and where possible

IX. [Market] Bond Market Challenges and Opportunities

- Combined from previous "*Possible Items for Future Improvement*" and other mentions in original version
- Includes mention of AMBIF

X. Recent Developments and Future Direction

- To project a market's development and retain readers' interest

25

BMG – Proposed Revised Structure

[Additional information]

Appendix 1: ASEAN Bond Market Development Scorecard

Appendix 2: Scorecard Related Explanation

Appendix 3: Practical References

Appendix 4: List of Acronyms, Abbreviations and Technical Terms

To be considered as Appendices:

- G30 Compliance
- Key Legislation
- Others

26

BMG Update – Proposed Approach

Contents

- Revised, expanded, focus on value added information
- Normalised, repetition avoided, same topics combined

Edit & Layout

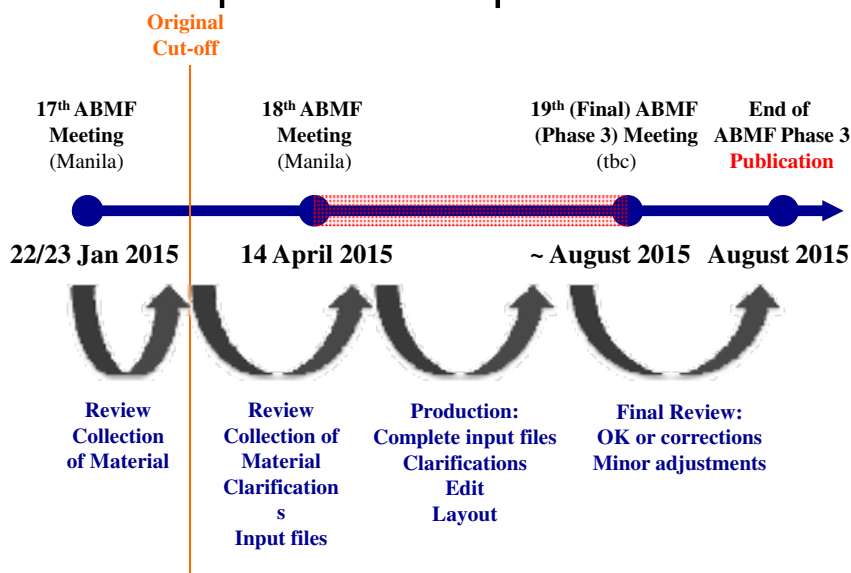
- ADB appointed colleagues worked on Phase 2 Reports
- Layout as single column, like original BMG 2012
- Colour scheme to be determined

Publication

- Single market files (easier to update going forward)
- Dissemination via ADB and mirror websites only

27

BMG Update – Proposed Timeline



28

6. Question & Answers Session

- AMBIF
- Single Submission Form
- Implementation Guidelines
- Policy Recommendations
- Possible Structure of Phase 3 Report
- BMG 2015 Update, incl. proposed contents
- Timeline
- Any other subjects

➤ Please provide feedback liberally.

Thank you!

29

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30

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

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

Important Explanations on this Form

Important Explanations 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 Explanations 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)*

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 Explanations stay on the Form; Message below is for current review purposes only.]

[Important Messages for Reviewers of this Draft Form]

Important messages 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:

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

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

Table of Contents

IMPORTANT EXPLANATIONS ON THIS FORM	2
INTRODUCTION TO AMBIF AND AMBIF ELEMENTS	4
I. GENERAL INFORMATION FOR SINGLE SUBMISSION FORM	6
AUTHORITIES AND MARKET INSTITUTIONS APPLIED TO FOR AN APPROVAL AND PROFILE LISTING/REGISTRATION:	6
ISSUER'S DOMICILE:	8
ISSUER'S PARENT COMPANY'S JURISDICTION:	8
1. TYPE OF SUBMISSION:	9
2. DISTINCTION OF THE FORM:	9
3. TARGETED PROFESSIONAL INVESTOR MARKETS IN ASEAN+3:	9
4. DENOMINATED CURRENCY OF THE NOTES:	10
5. CLEARING AND SETTLEMENT:	10
6. PLACE OF DISCLOSURE:	10
7. ANY OTHER IMPORTANT MATTERS:	11
II. ISSUER INFORMATION	12
1. INFORMATION ON THE ISSUER:	12
2. FINANCIAL INFORMATION OF THE ISSUER:	13
3. INFORMATION ON THE GUARANTOR OR PROVIDER OF OTHER CREDIT ENHANCEMENT (IF ANY):	13
4. FINANCIAL INFORMATION OF THE GUARANTOR OR PROVIDER OF CREDIT ENHANCEMENT:	13
III. INFORMATION OF THE PROGRAM OR THE SHELF-REGISTRATION	14
IV. INFORMATION ON THE NOTES	17
1. SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES OR FINAL TERMS OF INDIVIDUAL ISSUANCE OF NOTES:	17
2. OTHER INFORMATION OF THE NOTES:	18
V. TERMS AND CONDITIONS OF THE NOTES	20
VI. ATTACHMENTS	21

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: _____

Authorities and market institutions applied to for an approval and profile listing/registration:

Targeted Market	Regulatory, Listing or Registration Authority and Market Institution		Purpose of Submission	Tick
Cambodia	1-1.	Securities and Exchange Commission of Cambodia (SECC)	Approval	
	1-2.	National Bank of Cambodia (NBC)	Approval	
People's Republic of China (PRC)	2-1.	People's Bank of China (PBOC)	Approval	
	2-2.	National Association of Financial Market Institutional Investors (NAFMII)	Approval	
Hong Kong, China	3-1.	Hong Kong Exchanges and Clearing Limited (HKEx)	Submission for Listing	
	3-2.	Hong Kong Monetary Authority (HKMA) – Central Moneymarkets Unit (CMU)	Approval	
Indonesia	4-1.	Indonesian Financial Services Agency (OJK)	Approval	
	4-2.	PT Kustodian Sentral Efek Indonesia (KSEI)	Approval	

Japan	5.	Tokyo Stock Exchange (TSE) – TOKYO PRO-BOND Market	Submission for Listing	
Republic of Korea	6-1.	Korea Exchange (KRX)	Submission for Listing	
	6-2.	Korea Financial Investment Association (KOFIA)	Submission for Registration	
Lao PDR	7-1.	Securities and Exchange Commission Office (SCC)	Approval	
	7-2.	Bank of Lao PDR	Approval	
Malaysia	8-1.	Securities Commission Malaysia (SC Malaysia)	Submission of Application for Approval	
	8-2.	Bank Negara Malaysia (BNM)	Request for Approval	
Myanmar	9-1.	Securities and Exchange Commission	Approval	
	9-2.	Central Bank of Myanmar	Approval	
Philippines	10-1.	Securities and Exchange Commission of the Philippines (PH SEC)	Submission of Notice of Exemption	
	10-2.	Bangko Sentral ng Pilipinas (BSP)	Request for Approval	
	10-3.	Philippine Dealing & Exchange Corp. (PDEX)	Enrolment for Listing cum Trading	
	10-4.	Philippine Depository & Trust Corp. (PDTC)	Approval	
Singapore	11-1.	Singapore Exchange Securities Trading Limited (SGX)	Submission of Application for Listing	
	11-2.	Central Depository Pte Ltd.(CDP)	Approval	

Thailand	12-1.	Securities and Exchange Commission (Thai SEC)	Filing for Approval	
	12-2.	Public Debt Management Office (PDMO) of the MOF	Request for Approval	
	12-3.	Thai Bond Market Association (ThaiBMA)	Submission for Registration	
	12-4.	Bank of Thailand (BoT) <i>(Only in case issuer is financial institution for the use of proceeds as capital requirement)</i>	Request for Approval	
	12-5.	Thailand Securities Depository (TSD)	Approval	

Viet Nam	13-1.	Ministry of Finance (MOF)	Approval	
	13-2.	State Securities Commission (SSC)	Approval	
	13-3.	State Bank of Vietnam (SBV)	Approval	
	13-4.	Vietnam Bond Market Association (VBMA)	Approval	

Issuer's Domicile:

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

(: Enumeration in case of multiple issuer domiciles.)*

Issuer's Parent Company's Jurisdiction:

Issuer's Parent Company's Jurisdiction	
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1. Type of Submission:

Tick

Type-P.	Note Issuance Program:	
Type-S.	Shelf-Registration: <i>(Regulatory system of collective registration of the total amount of the note issuances that can be executed within a certain period of time)</i>	
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:

Tick

No.	Targeted Professional Investor Market (*)	
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' 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 February 2015, six markets have defined professional bond markets suitable for AMBIF.) (PP means Private Placement market.)

4. Denominated Currency of the Notes:**Tick**

No.	Denominated Currency of the Notes (ISO 4217 Code)		
1.	KHR		
2.	CNY	CNH: (HKMA-CMU Settled)	
		CNH: (Other than 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)	

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 (*) <i>(An issuer can choose one method of describing as set forth below.)</i>		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 <i>(Nature of Business of the Issuer in the Domestic Economy, if any)</i>	<i>(See attachment*) (*In case description is long.)</i>
11.	Risk Factors <i>(Including Risks Related to Issuer's Business, Operations, and Regulatory Environment)</i>	<i>(See attachment*) (*In case description is long.)</i>

12.	Board of Directors	(See attachment*) (<i>*In case description is long.</i>)
13.	Controlling Shareholders or, in the Case of a Public Company, Names of Major Shareholders	(See attachment*) (<i>*In case description is long.</i>)
14.	Status of Affiliates	(See attachment*) (<i>*In case description is long.</i>)
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*) (<i>*In case of above i, ii, iii.</i>)
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*) (<i>*: In case description is long</i>)

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 or equivalent (*): [*: for instance, Principal Advisor (MY) or Financial Advisor (TH)]	
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-S. (*)	Total Amount of the Notes Issuances under Shelf-Registration:	

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

18.	Currencies: <i>[Describe currencies in which Notes under the Program may be denominated]</i>	
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19.	Status of the Notes (*): <i>[Subordinated]</i> <i>[Preferred]</i> <i>[Unsubordinated]</i>	
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(: 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: <i>[Fixed Rate Notes]</i> <i>[Floating Rate Notes]</i> <i>[Zero Coupon Notes]</i>	1.	
		2.	
		3.	

21.	Listing / Registration / Filing Place(s): <i>See [I.-6.Place of Disclosure]</i>	
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22.	Use of Proceeds:	
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23.	Governing Law(s) & Jurisdiction(s) of the Notes (*):	
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(*: 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: <i>[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]</i>	
25.	Selling Restrictions at Issuance: <i>[Notes shall not be sold, offered for sale or distributed to non-professional investors in ASEAN+3]</i>	
	1.	
	2.	
	Selling Restrictions Thereafter: <i>[Notes shall not be sold, offered for sale or distributed to non-professional investors in ASEAN+3]</i>	
	1.	
	2.	
26.	Outstanding Debt from Previous Issues of bonds/notes: <i>[For instance, in case of THB bonds/notes]</i>	

IV. Information on the Notes

1. Summary of the Terms and Conditions of the Notes or 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.	Aggregate amount of the Notes (Issue Amount):	
5.	Form of Notes:	
6.	Status of the Notes:	
7.	Denomination of the Notes: <i>i) Minimum Tradable Amount</i> <i>ii) Multiple Tradable Amount</i>	
8.	Issue Price:	
9.	Offer Price	
10.	Date of Issue:	
11.	Date of Maturities, etc.: <i>[Timing of Amortization plan (if amortization plan)]</i>	
12.	Early Redemption: <i>[With call option / With put option / With call and put, Exercise Dates (if any)]</i>	
13.	Type of Notes: <i>[Fixed Rate Notes]</i> <i>[Floating Rate Notes]</i> <i>[Zero Coupon Notes]</i>	
14.	Interest / Coupon Rate:	
15.	Interest / Coupon Payment Method: <i>[Including Record Date Rule / Interest Payment Frequency, Interest Calculation Frequency, First Interest Payment Date, Timing of Interest Payment]</i>	

16.	Negative Pledge:	
17.	Cross Default:	
18.	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.)*

19.	Special withholding tax applied to financial institutions including FATCA (if any):	
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2. Other Information of the Notes:

1.	Dealers and/or Underwriters or equivalent ^(*) : <i>[*: For instance, Principal Advisor (MY) or Financial Advisor (TH)]</i>	
2.	Trustee or Equivalent ^(*) (if any): <i>[*: 'Bond Administrator' / 'Commissioned Company/Person' / 'bondholder representative']</i>	
3.	Fiscal Agent:	
4.	Paying Agents:	
5.	Registrar and Transfer Agent:	
6.	Other Agent: ():	
7.	Listing / Registration / Filing Place(s) of the Notes: <i>See [I.-6.Place of Disclosure]</i>	
8.	Settlement Place(s) of each Denominated Currency Notes: <i>See [I.-5.Clearing and Settlement]</i>	1.
9.	Use of Proceeds:	
	1.	Amount of Proceeds from Sale of Notes:
	2.	Use of Proceeds

		[and Timing of Disbursement]: <i>[May include rationale / justification behind]</i>	
10.	Risk Factors relating to the Notes:		
11.	Selling Restrictions at Issuance: <i>[Notes shall not be sold, offered for sale or distributed to non-professional investors in ASEAN+3]</i>		
	1.		
	2.		
	Selling Restrictions Thereafter: <i>[Notes shall not be sold, offered for sale or distributed to non-professional investors in ASEAN+3]</i>		
	1.		
	2.		
12.	Credit Rating for the Notes:		
13.	Other: <i>["Final terms" for drawdown]</i>		
14.	Method of Distribution: <i>[Subject to applicable selling restrictions. For instance, "Notes may be distributed [only to professional investors] on a syndicated or non-syndicated basis."] [For instance, in case of THB bonds/notes]</i>		
15.	Outstanding Debt from Previous Issues of bonds/notes: <i>[For instance, in case of THB bonds/notes]</i>		
16.	Cross Currency Swap Information: <i>[For instance, in case of issuance by non-resident, including intermediaries, if possible, and currencies, as and where necessary]</i>		
17.	Timing of Bond Issuance: <i>[For instance, in case of Baht Bond issued by non-Thai resident, (The PDMO Authorized Period)]</i>		

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.)

Appendix1. Q&A on AMBIF and the Single Submission Form

Prepared by the ABMF SF1 Team
(This version is subject to further revisions)

Questions

- Q1. What can the SSF achieve?1**
- Q2. Who are the target users of the SSF?1**
- Q3. Is the SSF alone sufficient to apply for AMBIF bonds/notes issuance?.....1**
- Q4. Do AMBIF issuers have to use the SSF?1**
- Q5. An issuer provides a sales / offer materials to professional investors (hereafter “AMBIF investors”), such as the prospectus - this has more information than the SSF; is the intention for the SSF to replace e.g. a prospectus or similar disclosure document?1**
- Q6. If an issuance application in different markets may require different information and procedures, what is the merit of the SSF?2**
- Q7. Who will approve the SSF for each market? In particular since the SSF may still require distinct submissions for each market, what is the strategic value of the SSF?2**
- Q8. Does limited disclosure mean less transparency in the markets? What is the target of transparency, i.e. level of transparency?.....3**
- Q9. AMBIF seems to utilize a private placement scheme. In a private placement, normally disclosure is not continuous but simply at the time of issuance only.3**
- Q10. Regarding 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?3**
- Q11. If the focus on professional investors is intended to allow limited disclosure, lower cost and shorter time to market, a potential profile listing requirement being one of the AMBIF Elements appears to increase disclosure and may lead to higher cost?4**

Q12.	If an AMBIF market is more flexible than a public offering market, would issuers move to AMBIF? Is there any risk of regulatory arbitrage?.....	4
Q13.	The SSF serves as the maximum common denominator for bonds/notes issuance applications and disclosure information. While participating markets continue to have different issuance procedures and different disclosure practices, the SSF is expected to bridge these difference effectively. Wouldn't it be better to have a single/central platform for such information to be stored/viewable in a common location?.....	4
Q14.	Can the SSF accommodate both multiple markets issuances and offers for sale in multiple markets at the same time?.....	4
Q15.	Are issuers required to indicate all markets of interest at once when submitting an SSF?	5
Q16.	Regarding the “domestic vs. cross-border” of issuance and listing, the SSF can support resident and non-resident issuers’ local currency funding as well as intra-regional (cross-border) offering of bonds/notes by adding visibility through listing or registration. Is this the intention of AMBIF?	5
Q17.	The Implementation Guideline is focused on the bond/note issuance process in the domestic market(s), but it is not clear how we the solicitation of bonds/notes in other markets may be undertaken.....	5
Q18.	Can government bonds be issued under AMBIF?	5
Q19.	In some markets, the settlement agency (CSD) is not listed among the authorities and market institutions, but in other markets they are. Why?	5

Q1. What can the SSF achieve?

A1. The SSF is aimed to facilitate an AMBIF bonds/notes issuance application to regulatory, listing and registration authorities in each participating market. The contents in this SSF can be used as either as disclosure for bonds/notes issued under a program/shelf-registration or for a discrete stand-alone AMBIF bonds/notes issuance. Probably, issuers who are considering a bond/note issuance in multiple places in ASEAN+3 would benefit most..

Q2. Who are the target users of the SSF?

A2. The target users of the SSF are corporate issuers based in ASEAN+3 who intend to issue bonds/notes in a participating domestic bond market(s) in ASEAN+3. Ideally, the use of proceeds from such bond/note issuance is intended for the funding of domestic operations or investments in ASEAN+3.

Q3. Is the SSF alone sufficient to apply for AMBIF bonds/notes issuance?

A3. The Single Submission Form is recognized by the regulatory, listing and registration authorities in each participating market; however, the submission of an SSF would not exclude the possibility to provide, or being asked to provide, supplemental documents or disclosure information when applying for an AMBIF bonds/notes issuance where the relevant authorities so admit or require.

Q4. Do AMBIF issuers have to use the SSF?

A4. Using the SSF is not mandatory in any of the participating markets and issuers are not required to use the SSF. At the same time, however, the use of the SSF is an integral part of the AMBIF concept, and any streamlining of regulatory processes and possible future concessions would be linked to AMBIF. Hence, an application for an AMBIF bond/note issuance should be expected to be made using the SSF.

Q5. An issuer provides sales / offer materials to professional investors (hereafter “AMBIF investors”), such as the prospectus - this has more information than the SSF; is the intention for the SSF to replace e.g. a prospectus or similar disclosure document?

A5. No, the SSF is not intended to replace a prospectus. The term ‘prospectus/ offering circular’ is generally used for documents of public offers of securities. The prospectus/offering circular is a formal legal disclosure document, which is required by and filed with the securities regulator, which provides details about an investment offering for sale to the public. On the other hand, the term ‘offering memorandum’ or ‘information memorandum’ is typically used for disclosure for a private placement, mainly to professional investors. For the soliciting of bonds/notes to AMBIF investors, limited disclosure materials can be used while using the SSF. Existing disclosure document(s) (such as a prospectus/offering circular) must not be used or attached to the SSF because this would mislead that the issuance is a public offering. No underwriter will take such risk. On the other hand, existing document(s) such as an offering memorandum/information

memorandum can be used with the SSF, and indicated under 'Documents Incorporated by Reference.' Also, a part of existing press releases which related to the material events, disclosure document(s) such as an annual report, by designating necessary part such as financials information with independent auditor's report, etc. can be used in the disclosure document as 'Documents Incorporated by Reference.' 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 in the SSF and describe how AMBIF Investors can access such annual reports, e.g. in the form of a web address.

Q6. If an issuance application in different markets may require different information and procedures, what is the merit of the SSF?

A6. The SSF is defined on the basis of a common set of information to be submitted when applying for AMBIF bonds/notes issuance in all participating markets. Therefore, the use of one SSF can cover a large portion of necessary information to be submitted to the authorities in each market. Where this would not fulfill entire requirements in a given market, the SSF together with supplemental documents to cover market specific requirements would need to be prepared. In this context, it is important to note that we are still at the beginning of the AMBIF market creation. As the AMBIF bonds/notes issuances grow, more beneficial features may be introduced into the market. At the same time, the process of development of the AMBIF market will also aid in harmonizing and standardizing the AMBIF procedures.

Q7. Who will approve the SSF for each market? In particular since the SSF may still require distinct submissions for each market, what is the strategic value of the SSF?

A7. Approval, acceptance or recognition is given by each market's relevant regulatory authorities. Though a difference in documentation may continue to exist, the SSF together with the AMBIF Implementation Guidelines provides clarity/benefits for issuers in the bonds/notes issuance process, particularly when issuing in an unfamiliar market. In addition, it would bring down documentation and issuance related costs for multiple issuances since the larger part of the common set of information is covered and handled by the SSF. Ultimately, the SSF is a reflection of current common practices in the professional bond markets in the region. Having said that, this also means that the SSF and the Implementation Guidelines will need to be continuously revised in line with the evolution of market practices going forward. This is why we call them living documents.

For your convenience, we have uploaded the latest version of the SSF to the ABMF website (<http://tinyurl.com/AMBIF-Single-Submission-Form>). Also, the Implementation Guidelines will be available on the ABMF website soon.

Please note that we would expect an initial validation of the usability of the SSF and the Implementation Guidelines in the process of pilot issuances within the year 2015. Through these and subsequent AMBIF issuances, we expect that particularly the SSF will continue to evolve.

Q8. Does limited disclosure mean less transparency in the markets? What is the target of transparency, i.e. level of transparency?

A8. No, it does not. Transparency on disclosure in a professional market means accountability on and accessibility of the consequential and continuous disclosure information that has been agreed between parties involved to be available at certain times and in a certain format; so transparency itself is not affected by the limited disclosure status. Information available in a professional market may be different from the information available in a public offering market. But this does not mean that a professional market is less transparent. The level of disclosure under AMBIF is geared towards the professional market in each jurisdiction and has been compared against current typical levels of disclosure and issuance application processes in each professional market, with the intention to have the SSF reflect the most common information required across markets. Furthermore, the level of information and scope depend on the degree of evolution of market practices. This level of disclosure may also be influenced by AMBIF bond market practices going forward. One possible benchmark would be the market practice in the international bond market where participants are generally considered as professionals.

Q9. AMBIF seems to utilize a private placement scheme. In a private placement, normally disclosure is not continuous but simply at the time of issuance only.

A9. AMBIF is not the same as an existing typical private placement. Also, it should be noted that the concept/definition/practice of a private placement are different in each market/jurisdiction. A professional market may be created in some jurisdictions by initially utilizing the existing framework of private placement; however, the disclosure information practice under AMBIF will be different. Hence, we should not equate AMBIF with prevailing/existing types of private placement anymore because it may give a wrong impression.

Q10. Regarding 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?

A10. Continuous disclosure in the context of AMBIF refers to regular, material disclosure as agreed between issuer and professional investors, and/or as prescribed by a listing place; typically annually, such as financial statements; plus material information in the course of business. At the same time, issuers will typically define their disclosure intervals in line with ongoing corporate obligations in their market of domicile; this could be quarterly, semi-annually or annually. Going forward, AMBIF Market practice is expected to find the right balance.

Q11. If the focus on professional investors is intended to allow limited disclosure, lower cost and shorter time to market, a potential profile listing requirement being one of the AMBIF Elements appears to increase disclosure and may lead to higher cost?

A11. A focus on professionals is not intended to allow lower or inferior disclosure. Instead, an issuer is able to utilise much of their existing disclosure information, and even include them into the SSF by reference, because professional investors can accept those in many/most professional markets, and, as a result, this may lead to lower issuance cost and expedited access to the market(s). This disclosure information aimed at professional investors can also typically be utilised for a profile listing. Any (additional) costs for a profile listing may have to be weighed against the additional investor access created by the profile listing.

Q12. If an AMBIF market is more flexible than a public offering market, would issuers move to AMBIF? Is there any risk of regulatory arbitrage?

A12. The creation of AMBIF will not lead to regulatory arbitrage. In each jurisdiction, the AMBIF (professional) market, public offering market, and private placement will continue to co-exist. There are merits and demerits for each funding method, and all have different characteristics. Public offering may be able to access more investors, which may lead to larger and cheaper funding, but regulatory requirements may be higher. Also, just-in-time issuance and targeted issuance may not be easy. Private placement may only access a very small number of regular investors, for limited issuance amounts. AMBIF (professional) markets allow issuers and investors to agree on all relevant terms and features to suit both sides. Issuers will decide which funding method would fit their financing needs.

Q13. The SSF serves as the maximum common denominator for bonds/notes issuance applications and disclosure information. While participating markets continue to have different issuance procedures and different disclosure practices, the SSF is expected to bridge ~~these differences~~ these differences effectively. Wouldn't it be better to have a single/central platform for such information to be stored/viewable in a common location?

A13. The creation of the SSF is just a starting point. Additional tools to support the submission procedures, or the regulatory processes at large, can be considered in the future as the AMBIF market and market practices develop. At this stage, we need to focus on implementing AMBIF. We may be able to discuss possible additional features of AMBIF as the next step.

Q14. Can the SSF accommodate both multiple markets issuances and offers for sale in multiple markets at the same time?

A14. Yes, it can. The SSF is recognized by the authorities and market institutions in ASEAN+3 for that purpose. Ticking the respective boxes can show the authorities and market institutions applied to for an approval and profile listing/registration where bonds/notes are issued. Also, by ticking the targeted professional investors markets, the SSF can show where the bonds/notes are intended to be offered or solicited.

Q15. Are issuers required to indicate all markets of interest at once when submitting an SSF?

A15. No, they are not; under the current SSF format, an issuer can submit an SSF for the market(s) of intended issuance and, should they wish to later issue in other market(s) as well, submit a separate SSF indicating the additional market(s); please refer to “Distinction of the Form.” For practical reasons and to maximize benefits, the issuer could consider indicating all the potential issuance markets in the SSF at the outset, even if the actual issuance may only take place over time. In this context, issuers may need to consider the validity of an issuance approval in a given market.

Q16. Regarding the “domestic vs. cross-border” of issuance and listing, the SSF can support resident and non-resident issuers’ local currency funding as well as intra-regional (cross-border) offering of bonds/notes by adding visibility through listing or registration. Is this the intention of AMBIF?

A16. Yes, it is. AMBIF is aiming to facilitate intra-regional funding and investments. Hopefully, the SSF together with the Implementation Guidelines, which will be accepted by the market authorities, will provide certainty and clarity in the bond issuance process. Also, it is hoped that multiple listings/registrations together with flexibility in the choice of governing law would bring more regional professional investors.

Q17. The Implementation Guideline is focused on the bond/note issuance process in the domestic market(s), but it is not clear how ~~we~~ the solicitation of bonds/notes in other markets may be undertaken.

A17. The SSF is designed to indicate both the places where to issue the bonds/notes and where to solicit professional investors to purchase. But an Implementation Guideline can always only focus on the issuance/regulatory process in a given domestic market. Therefore, detailed regulatory information or market features for intra-regional listing and soliciting of a bond/note issuance needs to be checked in the Bond Market Guide together with the Implementation Guideline related to the investment market.

Q18. Can government bonds be issued under AMBIF?

A18. Yes, they can. The issuance of government bonds, or issuance by government agencies or related corporations are not excluded under AMBIF, but the main focus is on corporate bond/note issuance, since sovereign issuers already typically enjoy exemptions from disclosure requirements and receive concessions that are presently not explained in the Implementation Guidelines.

Q19. In some markets, the settlement agency (CSD) is not listed among the authorities and market institutions, but in other markets they are. Why?

A19. Depending on established market process, CSDs in some markets may receive the information relevant for the set-up and deposit of bonds/notes to be issued through the approving authority or market institution, or they may not be involved

in the actual approval process. In other markets, CSDs may require their own application or legal documentation to be submitted/executed, in addition to the SSF, e.g. to fulfill legal or statutory requirements, these additional requirements are not within the scope of the SSF.

Sub-Forum 2

Session 3

SF2 Presentation & Discussion
by ADB Secretariat, Dr. Taiji Inui

- *Phase 3 Report*
- *How to support implementation of international standards in each market*
- *Q&A*





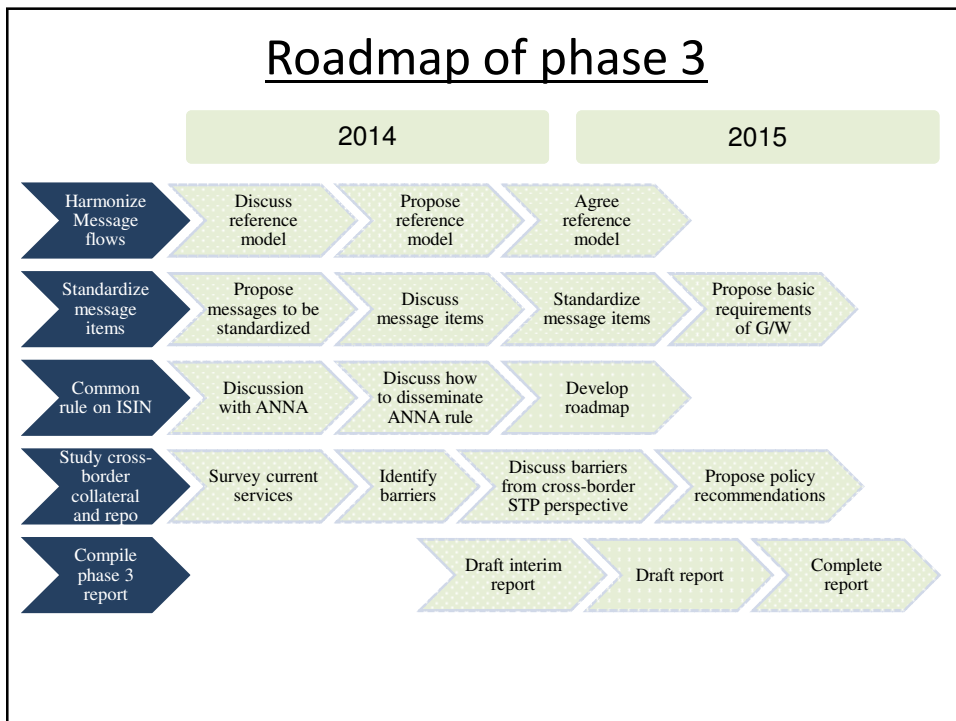
18th ABMF SF2:



Next step of ABMF SF2
candidates of activities to be surveyed and
implemented after Phase 3

14 April 2015 in Manila

Taiji Inui
ADB Consultant - Financial Information Technology
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Next Step Forward

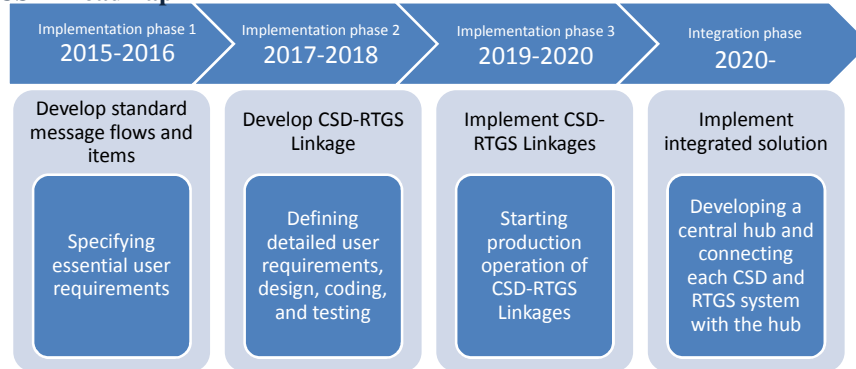
Following activities will be conducted during the rest of Phase 3

1. draft reference DVP flow will be agreed by ABMF SF2 members;
2. draft message items based on ISO 20022 will be agreed,
3. ISIN will be adopted as common standard of securities numbering in ASEAN+3 and tried to be allocated in line with the ANNA's recommendation in each country/economy,
4. harmonization of market practices including collateral and repo practices in ASEAN+3 will be further surveyed;
5. the four countries developing bond market infrastructures will be supported by other countries/economies in ASEAN+3 with the support of ADB; and
6. Phase 3 Report will be completed.

Roadmap of Message Standardization - in line with that of CSIF -



CSIF Roadmap



Next step of ABMF SF2

Possible candidates of activities
to be surveyed and implemented
after Phase 3

1. Support implementation of international standards and inclusion of ASEAN+3 countries in ISO process.
2. Survey on Intraday liquidity facility which central bank provides to the market participants in each country/economy
3. Survey on typical repo transaction flow in each country/economy
4. Survey on coupon payment flows including withholding tax flows (agencies) in each country/economy
5. Survey on how to share bond related information both when issuing and trading in each country/economy
6. Identify challenges to implement cross-border repo and propose policy recommendations to address the challenges

Long term goal

1. Deeper and more liquid bond markets in ASEAN+3
2. Government debt in each economy will be people's asset in ASEAN+3
3. Interoperable not only in ASEAN+3 but also with other regions
 - Measures to protect each market including FX and cash controls need to remain under the discretion of authorities in each market.

Thank you so much



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9

Remaining Challenges

[Tax]

- ABMF SF2 has discussed tax related to interest payment and redemption. Some countries/economies impose capital gain tax and stamp tax for bond trade. Tax related to interest payment is also one of the important remaining challenges.

[FX Control & Cash Control]

- In Hong Kong, Japan and Singapore, there is no barrier related to FX and cash control but other countries have some kind of barriers. There are background reasons of keeping FX and cash controls in each country/economy. As such, the removing pace of such controls should be under the discretion of each country/economy. Current status of each country/economy is shown in Appendix 7 which needs to be regularly updated.

[Omnibus Account]

- Account structure of each CSD is different market by market and CSD by CSD mainly because of regulatory differences including tax. Omnibus account structure may be more convenient than segregated account structure from cross-border trade and settlement perspective. But, at the same time, there is a trend adopting segregated account considering transparency of the market. Account structure is one of the most important remaining challenges which shall be discussed by experts in this field (from transaction flow perspective).

Policy Recommendations of Phase 3 Report

Harmonization of Message Flow

- DVP Model 1 of BIS definition shall be adopted for bond settlement in ASEAN+3, whenever the market infrastructures (such as CSD and RTGS systems) in each country/economy reach the period of reconstruction of the systems.

Adoption of International Standards

- International standards shall be adopted when the market infrastructures (CSD and RTGS systems) reach the period of reconstruction and/or total refurbishment. Followings are the examples of the international standards to be adopted.
 - Message standard: ISO 20022
 - Financial Institution Identifier: ISO 9362 (BICFI)
 - Securities Numbering: ISO 6166 (ISIN)
 - Country Code: ISO 3166-1
 - Currency Code: ISO 4217

Standardization of Message Items

- Essential (minimum) message items to effect DVP settlement shall be standardized based on ISO 20022. Following messages and their items are proposed as preliminary basis for further discussions of standard message items.
 - Bond settlement instruction: sese.023
 - Matched results: sese.024
 - Bond settlement confirmation: sese.025
 - Cash settlement information/instruction: pacs.009
 - Cash settlement confirmation: camt.054

Facilitating Standard Evaluation Groups

- It is advised that each country/economy which does not have ISO 20022 Securities Standard Evaluation Group (SSEG) and Payment Standard Evaluation Group (PSEG) start survey how to establish the groups by joining to Technical Committee 68 (TC68) as a participating member when the country/economy becomes ready to contribute to the decision making processes related to ISO 20022.

Establishing National Numbering Agency (NNA)

- ABMF SF2 has been promoting International Securities Identification Number (ISIN) as the standard securities numbering in ASEAN+3. Also, considering the importance of the standardization of securities numbering for cross-border STP, it is advised that each country/economy which doesn't have National Numbering Agency (NNA) yet shall establish it when the country becomes the stage to issue significant amount of bonds.

Repo

- ABMF SF2 recommends adopting sell / buy back type (repurchase agreement) repo which is a standard of repo transaction in line with Global Master Repurchase Agreement (GMRA). It is also recommended that transaction flows related to collateral and repo services be surveyed.

End of Slides



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18

Harmonization and Standardization of
Bond Market Infrastructures in
ASEAN+3 (Phase 3 Report)
(draft)

August 2015

Asian Development Bank

Statement from SF2 Chairs

It is a common understanding that Asia in particular ASEAN+3 is a leading force of world economy now. Payment and settlement infrastructures in the region have also steadily developed for these decade and already become efficient and robust systems equivalent with or better than that of developed countries in other regions evidenced by the survey results of Phase 1 and 2 of ASEAN+3 Bond Market Forum Sub-forum 2 (ABMF SF2). However, the payment and settlement infrastructures and related regulations including market practices are different country by country, economy by economy in ASEAN+3. Therefore, now ABMF SF2 members and experts started to harmonize and standardize messages and practices in the region to achieve cross-border STP in the region. The Chair and Vice-chairs express their heartfelt gratitude to members and experts of the ABMF SF2 for their contributions to make this initiative fruitful. The Chair and Vice-chairs hope to have the continuous support of the members and experts for this initiative, the organizational structure change, since this initiative is still early stage to implement the objectives of ABMI to fruition. The Chair and Vice-chairs also express their heartfelt gratitude to ADB Secretariat Team in particular ADB Consultant for ABMF-SF2 and his team for drafting this report.

Mr. Jong-Hyung Lee
Chair of the ABMF SF2

Ms. Margaret Mutiara Tang
Vice-chair of the ABMF SF2

Mr. Yuji Sato
Vice-chair of the ABMF SF2

Contents

Executive Summary.....	5
1. Introduction.....	10
1.1. Outline of Previous Activities	10
1.2. Following Up of Policy Recommendations of Phase 2	13
1.3. Expected Work Items of Phase 3.....	16
2. Harmonization of Message Flow.....	17
2.1. Concept of Harmonizing DVP Flows.....	17
2.2. Reference DVP Flows.....	18
3. Standardization of Message Items Related to DVP Settlement.....	20
3.1. Overview of Message Items	20
3.2. Bond Settlement Instruction	23
3.3. Matched Results.....	23
3.4. Bond Settlement Confirmation.....	24
3.5. Cash Settlement Information/Instruction	25
3.6. Cash Settlement Confirmation	26
4. ISO 20022 Standardization.....	27
4.1. Adoption of ISO 20022 of Each Country/Economy in ASEAN+3.....	27
4.2. Example of Migration to ISO 20022 (case in Japan)	29
4.3. Establishing ISO 20022 Institutional Framework	29
5. International Securities Identification Number (ISIN).....	31
6. Collateral and Repo Services	33
6.1. Outline of Repo Transaction	33
6.2. Repo Transactions in ASEAN+3	33
7. Updating Status of Settlement Barriers.....	36
7.1. Barriers Related with ABMF SF2.....	37
7.2. Other Remaining Challenges.....	38
8. Policy Recommendations	39
9. Roadmap Including Next Step Forward.....	41
9.1. Roadmap	41
9.2. Next Step Forward.....	42
10. Acknowledgements.....	43
Appendixes.....	44
Appendix 1: Members and Experts including Observers and ADB Secretariat	44
Appendix 2: Purposes and Governance Structure of ABMF SF2.....	49

Appendix 3: Message Items for Cross-Currency DVP	56
Appendix 4: Outline of International Organization for Standardization (ISO)	67
Appendix 5: Outline of ISIN	74
Appendix 6: Cross-border Use of Collateral and Repo	79
Appendix 7: FX and Cash Control	88
Appendix 8: Reference	91
Appendix 9: Information Sessions of ABMF SF2	92
Appendix 10: Abbreviations	93

Attachment: Typical Flow of Bond Number (Allocation of International Securities Identification Number (ISIN))

Executive Summary

This interim report is the survey results of Phase 3 of ABMF SF2 following “*ASEAN+3 Information on Transaction Flows and Settlement Infrastructure*”, Phase 2 report of ABMF SF2. In this report, naming conventions based on the international standard such as country codes (ISO3166)¹ and currency codes (ISO4217)² are adopted where possible and appropriate since bond market infrastructures in ASEAN+3 are adopting the international standards.

1. Harmonization of Message Flow

As an important step to achieve cross-border straight-through-processing (STP) and better interoperability in ASEAN+3, a harmonized message flow which is named “Reference delivery-versus-payment (DVP) Flow” is proposed. The Reference DVP Flow is based on the following basic concept:

- (i) Real-Time-Gross-Settlement (RTGS) is to be used for both bond settlement and cash settlement;
- (ii) DVP is to be secured;
- (iii) Central bank money is to be used for cash settlement;
- (iv) Cash settlement for DVP should be effected by credit transfer;
- (v) Data are to be transferred from upstream infrastructure to downstream infrastructure whenever possible; and
- (vi) The quality of data transferred and processed is to be confirmed when the data are entered by different parties.

2. Standardization of Message Items Related to DVP Settlement

In order to secure interoperability in ASEAN+3, essential (minimum) message items to effect DVP settlement are trying to be standardized in accordance with ISO 20022. Bond settlement instruction, matched result, bond settlement confirmation, cash settlement information/instruction,

¹ Brunei Darussalam (BN); the People's Republic of China (CN); Hong Kong, China (HK); Republic of Indonesia (ID); Japan (JP); Republic of Korea (KR); Kingdom of Cambodia (KH); Lao People's Democratic Republic (LA); Republic of the Union of Myanmar (MM); Malaysia (MY); Republic of the Philippines (PH); Republic of Singapore (SG); Kingdom of Thailand (TH); and Socialist Republic of Vietnam (VN)

² Brunei dollar (BND); Chinese yuan (CNY); Hong Kong dollar (HKD); Indonesian rupiah (IDR); Japanese yen (JPY); Cambodian riel (KHR); Korean won (KRW); Lao kip (LAK); Myanmar kyat (MMK); Malaysian ringgit (MYR); Philippine peso (PHP); Singapore dollar (SGD); Thai baht (THB); Vietnamese dong (VND)

and cash settlement confirmation shall be standardized based on the ISO 20022 definition taking the existing message items in ASEAN+3 into account.

3. Adoption of International standard in ASEAN+3

Current status of adopting international standard for Central Securities Depository (CSD) and RTGS systems in each country/economy of ASEAN+3 is shown as a preliminary result.

All CSDs of the 10 markets³ where bond markets already exist in ASEAN+3 have already adopted or decided to adopt international standards (ISO 20022 or ISO 15022) for messages. China Central Depository & Clearing Co., Ltd (CCDC) in CN and Japan Securities Depository Center, Inc.(JASEDC) in JP are already operating the book-entry systems based on ISO 20022. Hong Kong Monetary Authority (HKMA) in HK, Monetary Authority of Singapore (MAS) in SG, and Thailand Securities Depository Co.,Ltd (TSD) in TH are already operating book-entry system based on ISO 15022. All CSDs in ASEAN will adopt ISO 20022 by 2020. Regarding RTGSs of the 10 markets, People's Bank of China (PBOC) in CN is already operating RTGS based on ISO 20022. HKMA, MAS, and Bank of Thailand (BOT) in TH are already operating their RTGS based on the international standard (MT messages). All central banks in ASEAN will adopt ISO 20022 for their RTGS by 2020, since ASEAN central banks already agreed to adopt ISO 20022 as their standard for the CSDs and RTGSs.

4. International Securities Identification Number (ISIN)

Adoption of international standards in ASEAN+3 in particular ISIN for cross-border transactions is agreed by the members and experts. Also, the recommendation of Association of National Numbering Agency (ANNA) which is "allocation of ISIN within 24 hours following the request" is trying to be satisfied by ASEAN+3 countries/economies. Allocation flows in individual countries/economies are shown for the further improvement. The recommendation is being implemented in the region.

5. Collateral and Repo

Outline of Repo Transactions was surveyed. Also, experiences in Europe were shared with the ABMF SF2 members and experts since usage of bonds as collateral or similar way to obtain

³ CN, HK, ID, JP, KR, MY, PH, SG, TH, and VN

local currencies (liquidity) in other countries/economies is an urgent issue considering current situation in the markets.

- There are mainly two kinds of repo transactions from view point of title (ownership) transfer between sell side and buy side. Sell / buy back type including repurchase agreement such as classic repo is the standard of repo transaction adopted globally and generally in accordance with Global Master Repurchase Agreement (GMRA). In a sell / buy back repo, payment of tax on coupon payment is complex. It may be ideal from payment transaction flow perspective that there is no tax on coupon payment for securities transactions in ASEAN+3.

6. Settlement barriers

Current status of settlement barriers related to payment process (message standard, pre-matching, securities numbering, settlement cycle, and physical certificates) are reviewed. Barriers related to legal and market practices such as tax, FX control, and cash control are still remaining challenges.

7. Policy Recommendations

ABMF SF2 has been promoting to adopt international standard related to bond market infrastructures in the region and supported by ABMI TF3. ABMF SF2 members and experts really appreciate the understanding of the authorities. Followings are policy recommendations in line with the Joint Statement of the 17th ASEAN+3 Finance Ministers and Central Bank Governors' Meeting as well as the ABMI objectives.

1) Harmonization of message flow

DVP Model 1 of BIS definition shall be adopted for bond settlement in ASEAN+3, whenever the market infrastructures (such as CSD and RTGS systems) in each country/economy reach the period of reconstruction of the systems. Bond shall be locked (earmarked) first, and after transferring funds, which means after completing cash settlement, locked bond shall be released to effect (complete) DVP settlement considering the fact that bonds are less liquid than cash.

2) Adoption of International Standards

International standards shall be adopted when the market infrastructures (CSD and RTGS systems) reach the period of reconstruction and/or total refurbishment. Followings are the examples of the international standards to be adopted.

Message standard: ISO 20022

Financial Institution Identifier: ISO 9362 (BICFI)

Securities Numbering: ISO 6166 (ISIN)

Country Code: ISO 3166-1

Currency Code: ISO 4217

3) Standardization of Message Items

Essential (minimum) message items to effect DVP settlement shall be standardized based on ISO 20022. Following messages and their items are proposed as preliminary basis for further discussions of standard message items.

Bond settlement instruction: sese.023

Matched results: sese.024

Bond settlement confirmation: sese.025

Cash settlement information/instruction: pacs.009

Cash settlement confirmation: camt.054

4) Facilitating International Institutional Frame Work Related to International Standard

It is advised that each country/economy which does not have ISO 20022 Securities Standard Evaluation Group (SSEG) and Payment Standard Evaluation Group (PSEG) establish the groups by joining to Technical Committee 68 (TC68) as a participating member when the country/economy becomes ready to contribute to the decision making processes related to ISO 20022.

5) Establishing National Numbering Agency (NNA)

ABMF SF2 has been promoting International Securities Identification Number (ISIN) as the standard securities numbering in ASEAN+3. Also, considering the importance of the standardization of securities numbering for cross-border STP, it is advised that each country/economy which doesn't have NNA yet shall establish it when the country becomes the stage to issue significant amount of bonds.

6) Repo

ABMF SF2 recommends adopting sell / buy back type (repurchase agreement) repo which is a standard of repo transaction in line with Global Master Repurchase Agreement (GMRA).

It is also recommended that transaction flows related to collateral and repo services be surveyed.

8. Roadmap including Next Step Forward

1) 2015-2016: Standardization phase

(i) Agreeing reference model of DVP flow and essential (minimum) items, (ii) prompting ISIN and BIC, (iii) surveying to establish standard evaluation group (SEG) under TC68 to promote ISO, (iv) surveying collateral and repo services including interest payment flows, and (v) supporting CSIF;

2) 2017-2018: Implementation phase

(i) Establishing TC68 national mirror groups including SSEG and PSEG in the countries/economies which become ready to support such activities, (ii) Implementing standard in countries/economies where adoption and migration to international standard are ready, (iii) Reviewing the reference model and standard message items by the group members and experts, and (iv) Operating and coordinating the regional activities of harmonization and standardization in countries/economies which are ready to contribute to such activities;

3) 2019-later: Full operational phase

(i) Fully contribute to TC68 activities including SSEG and PSEG, (ii) Implementing international standards, (iii) Promoting regional activities of harmonization and standardization, (iv) Reviewing the reference model and standard message items, and (iv) Operating and coordinating the regional activities of harmonization and standardization in ASEAN+3

As next step forward, (i) draft reference DVP flow will be agreed by ABMF SF2 members; (ii) draft message items based on ISO 20022 will be agreed, (iii) ISIN will be adopted as common standard of securities numbering in ASEAN+3 and tried to be allocated in line with the ANNA's recommendation in each country/economy, (iv) harmonization of market practices including collateral and repo practices in ASEAN+3 will be further surveyed; (v) the four countries developing bond market infrastructures will be supported by other countries/economies in ASEAN+3 with the support of ADB; (vi) Phase 3 Report will be completed.

1. Introduction

1.1. Outline of Previous Activities

This report is an interim outcome of the Phase 3 of ASEAN+3 Bond Market Forum Sub-forum 2 (ABMF SF2). ABMF SF2 started in September 2010 aiming at implementing cross-border straight-through-processing (STP). ABMF SF2 is under the framework of ASEAN+3 Finance Ministers and Central Bank Governors' Meeting. ABMF SF2 members and experts are shown in Appendix 1. Outline of the ABMF SF2 including purposes and governance structure are shown in Appendix 2. During the Phase 1 and 2, ABMF SF2 made surveys on bond market infrastructures and practices in ASEAN+3 (refer to Figure 1). Also, more detailed phase 1 and 2 activities of ABMF SF2 are shown in the following documents.

Figure 1 Outline of Activities of ABMF-SF2

Implementation of cross-border STP in ASEAN+3

Phase 1

- ① Survey on bond market infrastructures in ASEAN+3
- ② Survey on DVP flows from trade to settlement of government bonds

Phase 2

- ① Survey on not only government but also corporate bond
- ② Add interest payment and redemption flows in addition to DVP flows
- ③ Conduct fit & gap analyses with the international standard
- ④ Propose policy recommendation and roadmap

Phase 3

- ① Harmonize and standardize bond trade and settlement flows and message items in ASEAN+3
- ② Survey on cross-border DVP, collateral, and repo

The ASEAN+3 Bond Market Guide (ABMF Phase 1 Report)

<http://www.adb.org/publications/asean3-bond-market-guide>

ASEAN+3: Information on Transaction Flows and Settlement Infrastructures (ABMF SF2 Phase 2 Report)

http://asianbondsonline.adb.org/features/abmf_phase_2_report/subforum2_asean+3_information_transaction_flows_settlement_infrastructures.pdf#search='ASEAN3%3A+Information+on+Transaction+Flows+and+Settlement+Infrastructures'

As an outcome of the survey, it is concluded that robust and sound bond market infrastructures such as CSD and RTGS systems are already in place in the 10 surveyed economies. Figures 2 and 3 show ASEAN+3 Market Infrastructure Diagrams for Government Bond and Corporate Bond, respectively.

Figure 2: ASEAN+3 Government Bond Market Diagram

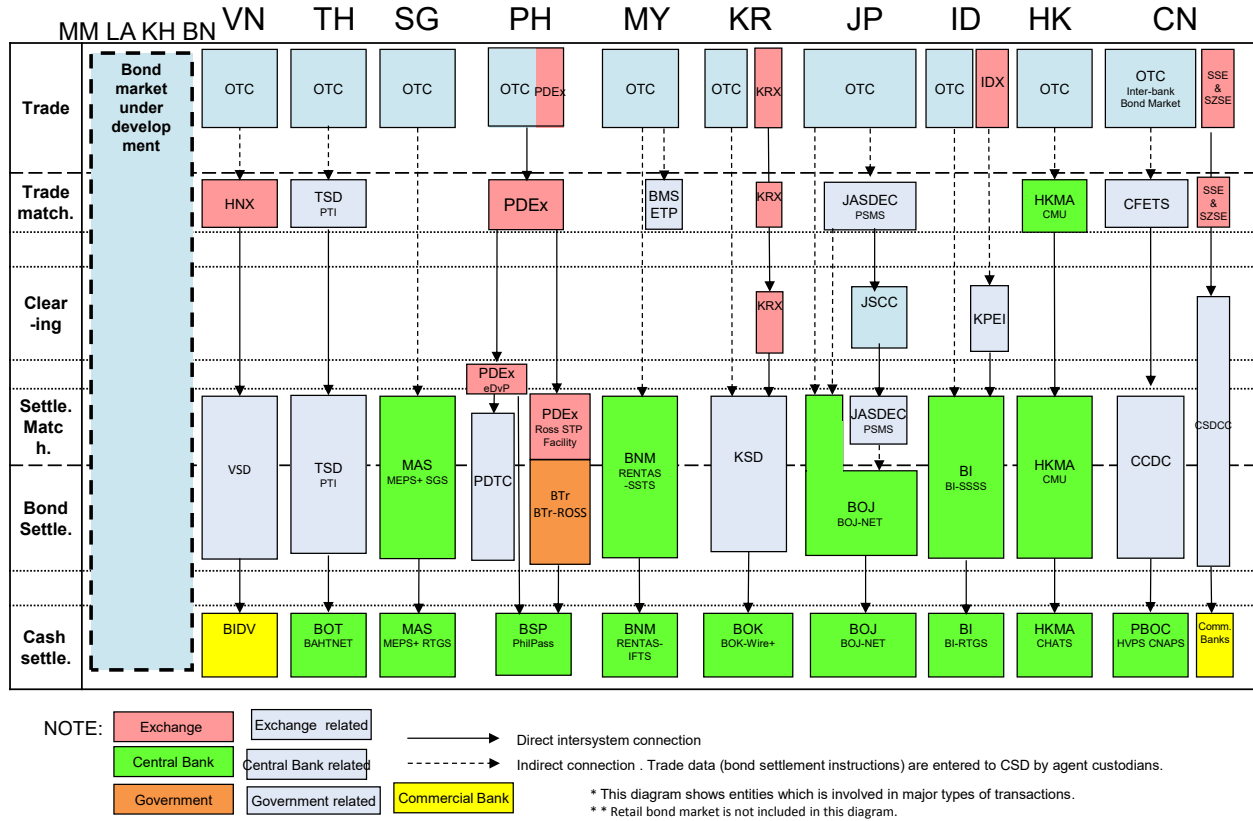
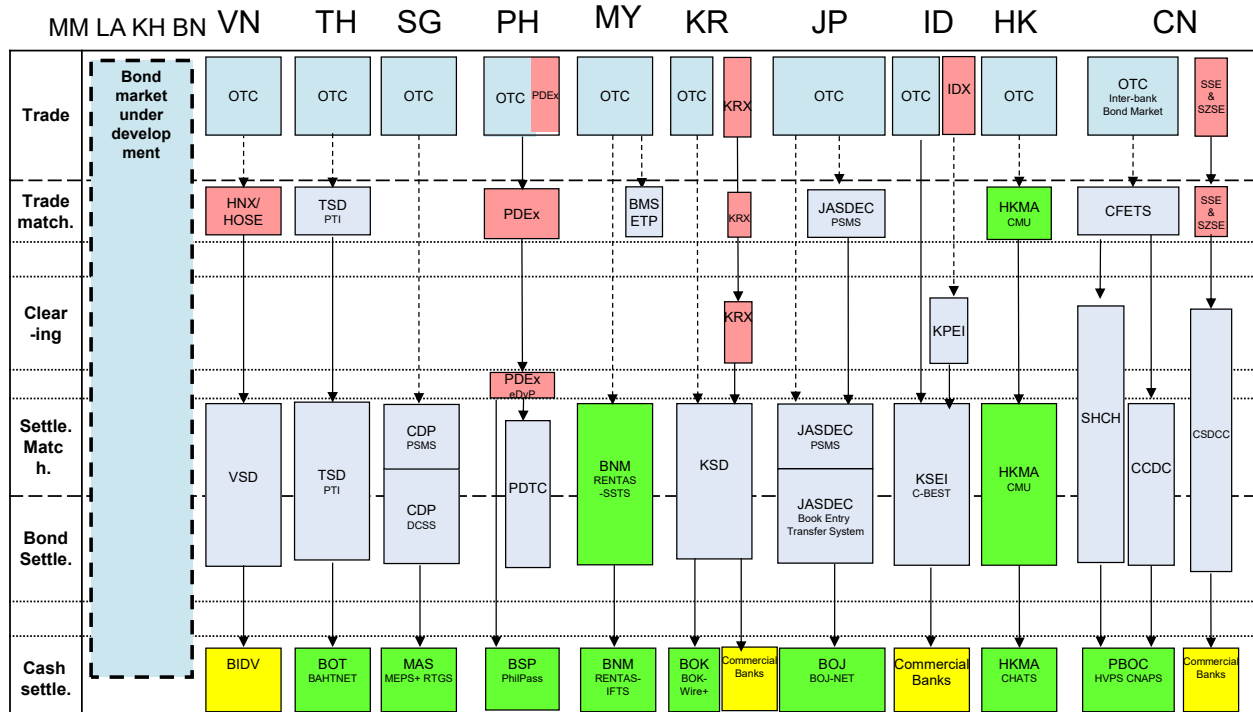
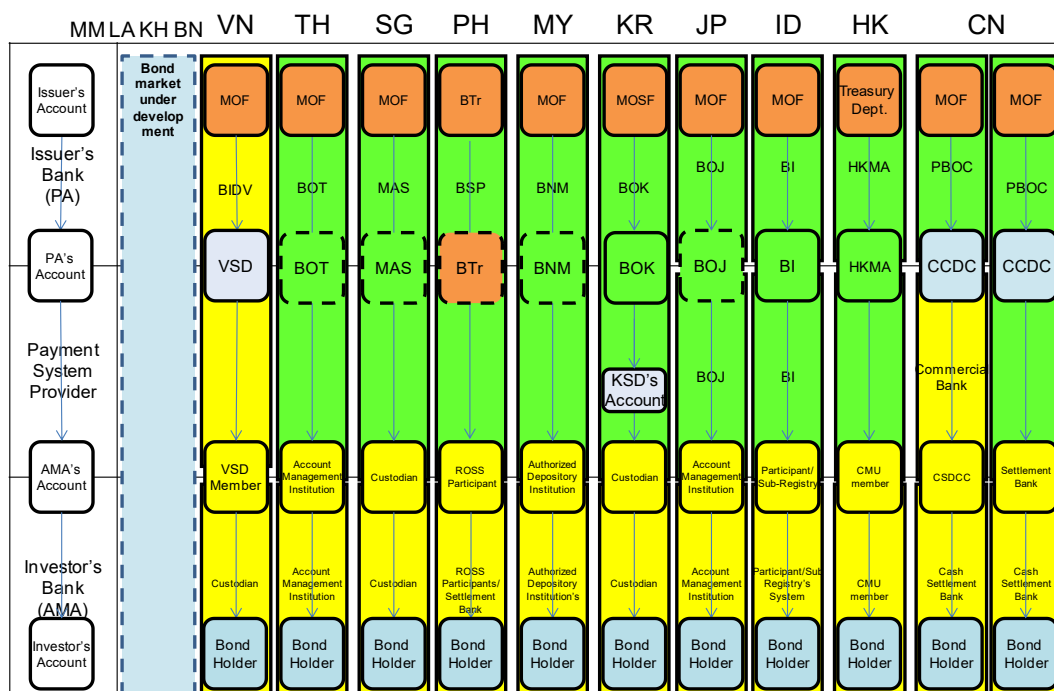


Figure 3: ASEAN+3 Corporate Bond Market Diagram



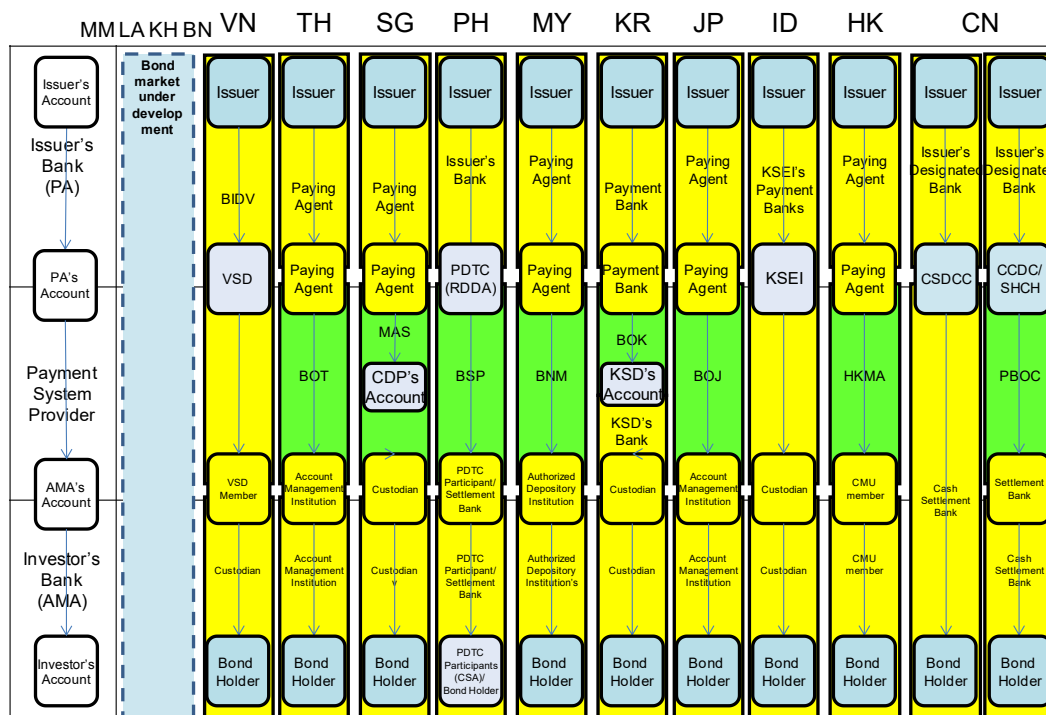
Figures 4 and 5 show Interest Payment related entities for Government bond and corporate bond, respectively.

Figure 4: Government Bond Interest Payment Related Entities



PA: Paying Agent, AMA: Account Management Agent (generally a custodian)

Figure 5: Corporate Bond Interest Payment Related Entities



1.2. Following Up of Policy Recommendations of Phase 2

Based on the survey results, Phase 2 report identified the some observations and policy recommendations. Also, based on the recommendations, the Phase 2 report specified activities of the next phase (Phase 3). Followings are outline and following up of them.

Bond Market Infrastructure

- 1) Implementation of automated pre-settlement matching system (PSMS)
Advantage and market demand of PSMS is explained. PSMS is also included as a reference model of message flow to harmonize the DVP flow in the region;
- 2) Discussion on CCP with market development
It is pointed out that developing Central Counterparty Clearing House (CCP) is currently not urgent priority for straight bond trade and settlement. For other instruments such as derivative, it is necessary and might be utilized to the bond clearing though it is out of the scope of ABMF SF2;
- 3) Central and local matching as standard
Both can be a standard matching method for bond settlement, but central matching is more popular in the region;
- 4) Bond settlement using central bank money
It is a prerequisite for bond settlement in particular for government bond cash settlement to use central bank money. State Bank of Vietnam decided to settle government bond DVP using central bank money. Then, all 10 economies in ASEAN+3 having government bond market will use central bank money. Four countries (BN, KH, LA, and MM) which are developing bond markets in ASEAN+3 also will use central bank money for bod settlement; and
- 5) Strengthening price discovery and transparency
Trend of strengthening price discovery and transparency is explained referring introduction of trade repositories. But, regarding the harmonization of trade part, there are discussions on information sharing from bond trades perspective including Information Platform (IP). There remain lots of challenges including IP which needs to be tackled.

DVP Flows

- 1) Enhancing STP in CSD related data flows
STP is already implemented from CSD including PSMS to RTGS in 10 economies in

ASEAN+3. Regarding the STP from trade to clearing, challenges remain to implement STP in the region; and

- 2) Developing a reference model for DVP flows for gradual harmonization of the flow
A preliminary basis for harmonizing DVP flows in the region is proposed and having positive responses from members and experts. As such, the model is to be further scrutinized by the members and experts during the phase 3.

Interest Payment Flows

- 1) Survey on the roles of PA, AMA, and TWA across economies
Paying Agent (PA), Account Management Agent (AMA), and Tax Withholding Agent (TWA) are identified in interest payment flows in ASEAN+3. More detailed roles and functions in each economy are still remaining challenges to be discussed in order to actually implement cross-border STP in the region; and
- 2) Continued study of interest payment flows with a view to gradual harmonization
Interest payment flow is one of the most important issues for cross-currency repo and a remaining challenge for cross-border STP.

Message Standard Including Numbering and Coding

- 1) Migration to ISO 20022
Migration to ISO 20022 has been progressing significantly during phase 3;
- 2) Standardization of message items
Essential (minimum) message items to effect DVP settlement are proposed to be standardized;
- 3) Utilizing ISIN as a unique number and establishing common rules on ISIN
Each market infrastructure operator of 10 economies which already have bond markets in the region has already introduced ISIN as a standard though not fully utilized it as a bond identification number domestically. The four countries don't have national numbering agency (NNA) of ISIN yet. ABMF SF2 is now promoting the ISIN in the region with support of Association of National Numbering Agency (ANNA); and
- 4) Promotion of BIC
Majority of economies which already have bond markets in ASEAN+3 already use BIC as their financial institution identification. ABMF SF2 is now promoting the BIC as financial institution identification code.

Market Practices and Other Issues

1) Harmonization of market practices

There is no progress on harmonization of market practices for the time being and remain as future challenges;

2) Investor identification

This is also remaining challenge which may need to wait for the conclusion of Legal Entity Identifier (LEI);

3) Account structure

Account structure is still far from standardization because of differences including tax regime. Also, there is a trend to adopt segregated account rather than omnibus account in the region; and

4) Language for bond settlement instruction

Standardization of language is very difficult in some countries in the region. Having said that, there are some trends that bond related information such as ISIN is to be published in English timely.

Cross-Border STP and LCY Liquidity

1) Promoting cross-border collateral and repo services

Cross-border collateral and repo service is an important issue and promoted by ABMF SF2. Also, the service is one of the important survey subjects (remaining challenges); and

2) FX and cash control

FX and cash controls are different country by country and economy by economy. Whether the controls need to be standardized or not remains under the discretion of each country/economy.

Overall evaluation

The bond markets and infrastructures are rapidly developing by adopting international standards and principles. However, the efforts for harmonization and standardization of bond markets in the region have just begun. Given large differences in economic and market developments in the region, the task is not easy. The work is inevitably gradual and step-by-step. At the same time, further harmonization and standardization of cross-border STP for bond transaction in the region still seems challenging. There are no obvious low-hanging fruits in such a field. As such, ABMF will continue to commit to add more dynamism through fostering mutual understanding towards more harmonized and standardized bond transactions. This unique regional initiative will create a momentum to push the region towards deeper, more liquid, and integrated bond markets in the future.

1.3. Expected Work Items of Phase 3

Among the policy recommendations

work items chosen for

phase 3 are (i)

harmonization

messages flows, (ii)

standardizing message

items for ISO20022

migrations, (iii) ISIN, and

(iv) studies on

cross-border collateral

and repo services are to

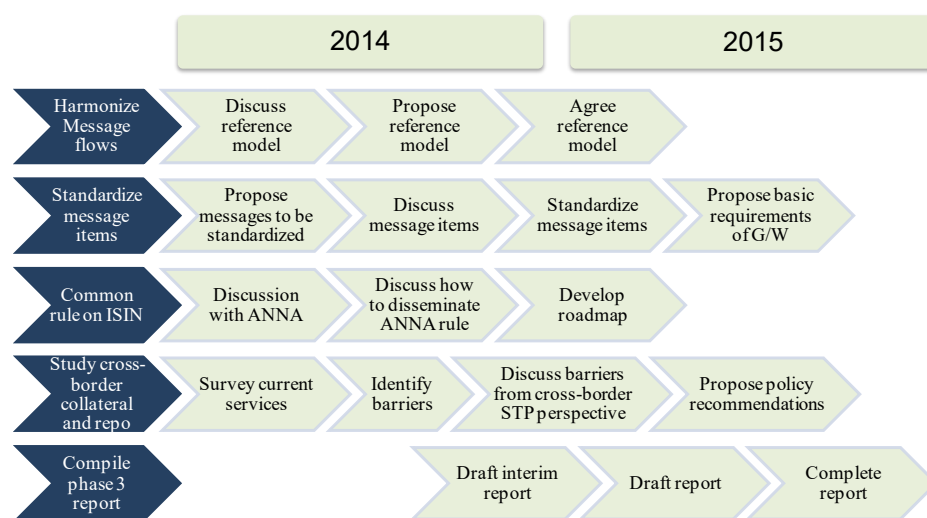
be discussed herein after.

Roadmap to implement

the above working items

is shown in Figure 6.

Figure 6: Roadmap for Phase 3



Also, schedule and meetings of ABMF SF2 from the start of Phase 3 to date is shown in Figure 7.

Figure 7: Schedule of ABMF SF2

		Meeting Schedule	Tasks
2014	Jan		
	Feb		Preparation for Questionnaire Items
	Mar	15 th ABMF SF2 in Manila, Philippines	
	Apr		Reply to Questionnaire from Each Economy
	May		
	Jun		
	Jul	Economy Visits (PH, MY, ID)	Survey on Message Items
	Aug		
	Sep	16 th ABMF SF2 in Hong Kong Economy Visits (HK)	
	Oct		Drafting the Report and Supplement Surveys
	Nov		
	Dec		
2015	Jan	17 th ABMF SF2 in Manila, Philippines	Interim Report
	Feb		
	Mar		

2. Harmonization of Message Flow

ABMF SF2 members and experts have been discussing harmonization of message flows in ASEAN+3 as one of the most important issues of the forum. The ADB consultant for ABMF SF2 proposed a few candidates of reference DVP flows for discussions based on the survey results of phase 2. During the phase 3, the members and experts have improved the draft candidates and concluded that the following DVP flow is to be proposed as the reference model of DVP flow for ASEAN+3 and market infrastructure operators in each country/economy shall honor the reference model when they come to the period to reconstruct their market infrastructures such as CSD and RTGS systems. The trade and settlement of bonds involves market infrastructures such as trading system (TS), post trade matching system (PTMS), CCP, PSMS, CSD, and RTGS. As a first step, the harmonization of flows from PSMS to settlement (both bond and cash settlement) will be discussed since harmonization of trade related infrastructures are still a future challenge in ASEAN+3.

- Trade and post-trade matching part is important for straight-through-processing (STP) of bond trade and settlement. Also, direct transfer from upstream system such as trading system, post-trade matching system, and exchange to downstream system such as pre-settlement system and CSD is very important. It remains as a future challenge.

2.1. Concept of Harmonizing DVP Flows

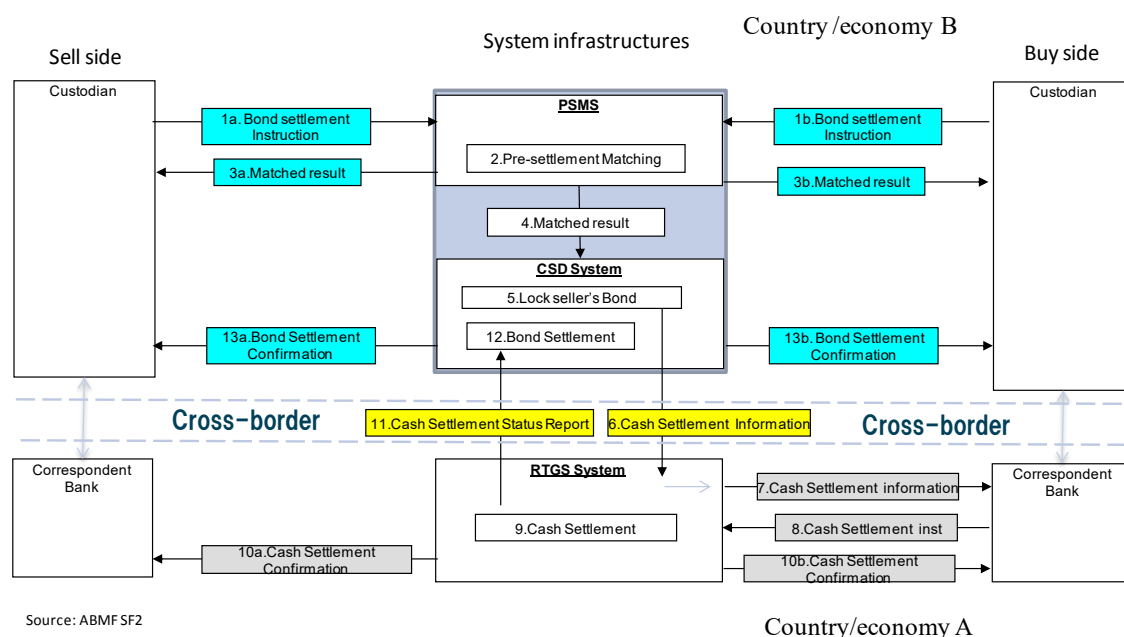
As an important step to achieve cross-border STP and better interoperability in ASEAN+3, a harmonized message flow which is named “Reference DVP Flow” is proposed. The Reference DVP Flow is based on the following basic concept:

- 1) RTGS is to be used for both bond settlement and cash settlement;
- 2) DVP is to be secured;
- 3) Central bank money is to be used for cash settlement;
- 4) Cash settlement for DVP should be effected by credit transfer;
- 5) Data are to be transferred from upstream infrastructure to downstream infrastructure whenever possible; and
- 6) The quality of data transferred and processed is to be confirmed when the data are entered by different parties.

2.2. Reference DVP Flows

Draft reference DVP flow is shown in figure 8.

Figure 8: Draft Reference DVP Flow



- 1) Custodians (both sell side and buy side) enter “Securities Settlement Transaction Instructions”⁴ into pre-settlement matching system (PSMS) or central securities depository (CSD) if PSMS functions are provided by the CSD.
 - Trade and post-trade matching part is important for straight-through-processing (STP) of bond trade and settlement. Also, direct transfer from upstream system such as trading system, post-trade matching system, and exchange to downstream system such as pre-settlement system and CSD is very important. But it remains as a future challenge since standardization of the part is very difficult for the time being considering a variety of players related to trades.
- 2) Pre-settlement matching for cross-border transactions need to be completed by one day before the settlement date (S-1).
- 3) Matched results (Securities Settlement Transaction Status Advice) are sent back to the sell side and buy side.

⁴ The official name is “Securities Settlement Transaction Instructions” although figure 8 shows “Bonds System infrastructures ” because ABMF SF2 discusses bond transaction flows.

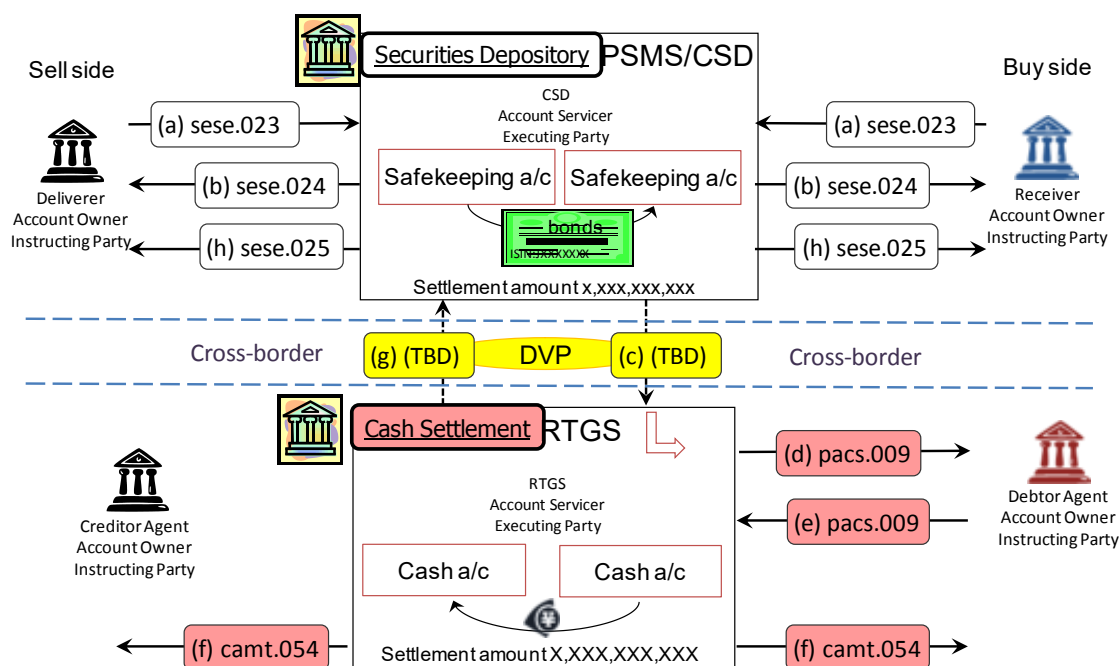
- 4) Matched results are transferred from PSMS to CSD if PSMS and CSD are operated in different platforms.
- 5) CSD locks (blocks or earmarks) the sell side bond
- 6) CSD transfers cash settlement information to RTGS system to effect cash settlement leg for the DVP settlement.
- 7) RTGS system forwards this cash settlement information to correspondent bank of buy side.
 - Though this forwarding message and subsequent “8. Cash settlement instruction” is omitted in some markets domestically, it is recommended that credit transfer instruction from buy side needs to be effected for high value payment like bond DVP settlement in particular for cross-border transactions. When omitting these processes (7 and 8), pre-arrangement such as earmarking the exact amount for the settlement needs to be secured beforehand).
- 8) Buy side correspondent bank sends cash settlement instruction to RTGS system to effect credit transfer for the DVP settlement.
- 9) Cash settlement is effected by transferring the fund from buy side current account to sell side current account in RTGS system.
- 10) When cash settlement is successfully completed, cash settlement confirmations are sent to both sell and buy sides.
- 11) Also, cash settlement status report is sent from RTGS to CSD.
- 12) Locked bond is released to buy side account in CSD
- 13) Bond settlement confirmations are sent from CSD to sell and buy sides.

3. Standardization of Message Items Related to DVP Settlement

3.1. Overview of Message Items

ABMF SF2 proposes to standardize the essential (minimum) message items to effect DVP settlement in ASEAN+3. Examples of messages are shown in Figure 9.

Figure 9: Examples of Standard ISO 20022 Messages



Preliminary basis of ISO 20022 messages correspond to Reference DVP Flow are shown in Table 1.

Table 1: Preliminary Basis of ISO20022 Messages for Discussions

ISO 20022 messages	Messages correspond to reference DVP flow
sese.023 Securities Settlement Transaction Instruction	(a) Bond settlement instruction
sese.024 Securities Settlement Transaction Status Advice	(b) Matched results
sese.025 Securities Settlement Transaction Confirmation	(h) Bond settlement confirmation
pacs.009 Financial Institution Credit Transfer	(d) (e) Cash settlement information/instruction
camt.054 Bank to Customer Debit Credit Notification	(f) Cash settlement confirmation

The definition of each message for this particular case based on ISO 20022 is shown as follows⁵.

sese.023: An account owner sends a SecuritiesSettlementTransactionInstruction (sese.023) to an account servicer to instruct the receipt or delivery of financial instruments with payment by book-entry. The account owner/servicer relationship is a central securities depository participant which has an account with a central securities depository.

sese.024: An account servicer sends a SecuritiesSettlementTransactionStatusAdvice (sese.024) to an account owner to advise the status of a securities settlement transaction instruction previously sent by the account owner or the status of a settlement transaction existing in the books of the servicer for the account of the owner. The status may be a processing, pending processing, internal matching, matching and/or settlement status. The status advice may be sent as a response to the request of the account owner or not. The account servicer/owner relationship is a central securities depository acting on behalf of their participants.

sese.025: An account servicer sends a SecuritiesSettlementTransactionConfirmation (sese.025) to an account owner to confirm the delivery or receipt of financial instruments, against of payment, by book-entry. The account servicer/owner relationship is a central securities depository acting on behalf of their participants.

pacs.009: The FinancialInstitutionCreditTransfer (pacs.009) is sent by a debtor financial institution to a creditor financial institution, directly or through other agents and/or a payment clearing and settlement system. It is used to move funds from a debtor account to a creditor, where both debtor and creditor are financial institutions⁶. The message can be used as follows:

- 1) The FinancialInstitutionCreditTransfer message is exchanged between agents and can contain one credit transfer instruction where debtor and creditor are both financial institutions;
- 2) The FinancialInstitutionCreditTransfer message does not allow for grouping: a CreditTransferTransactionInformation block must be present for each credit transfer transaction; and
- 3) The FinancialInstitutionCreditTransfer message can be used in domestic and cross-border scenarios.

camt.054: The BankToCustomerDebitCreditNotification message (camt.054) is sent by the account servicer to an account owner or to a party authorized by the account owner to receive the message. It can be used to inform the account owner, or authorized party, of single or multiple debit and/or credit entry reported to the account.

⁵ For the messages between CSD and RTGS, (c) and (g), please refer to "Progress Report on Establishing Regional Settlement Intermediary and Next Step Forward" which will be published in May 2015.

⁶ The pacs.009 can also be used for transferring information to move funds.

- 1) The BankToCustomerDebitCreditNotification message provides information for cash management and/or reconciliation;
- 2) The BankToCustomerDebitCreditNotification message can be used to notify debit entry and credit entry;
- 3) It can include underlying details of transactions that have been included in the entry;
- 4) It is possible that the receiver of the message is not the account owner, but a party entitled by the account owner to receive the account information (also known as recipient); and
- 5) It does not contain balance information (needs to be discussed).

Conventional messages (ISO 150022 etc.) corresponding to ISO 20022 messages are shown in Figure 10.

Figure 10: Conventional (ISO 15022 etc.) Messages corresponding to ISO 20022 Messages

ISO15022 etc.		ISO20022 Messages	
Bond Settlement Instruction	MT541 Receive against Payment	NEWM	sese.023 Securities Settlement Transaction Instruction APMT,REC E
	MT543 Deliver against Payment	NEWM	sese.023 Securities Settlement Transaction Instruction APMT,DELI
Bond Settlement Confirmation	MT545 Receive against Payment Confirmation		sese.025 Securities Settlement Transaction Confirmation
	MT547 Deliver against Payment Confirmation		sese.025 Securities Settlement Transaction Confirmation
Cash Settlement Matched Result	MT548 Transaction Status Advice		sese.024 Securities Settlement Transaction Status Advice
Cash Settlement Instruction Status Report	MT202 Credit Transfer Instruction		pacs.009 Cash Settlement Transaction Instruction
	MT900 Confirmation of Debit	camt.054 Bank to Customer Debit Credit Notification	Debit
	MT910 Confirmation of Credit	camt.054 Bank to Customer Debit Credit Notification	Credit

(Reference: National Bank of Belgium “NBB-SSS Adaptation Plan to T2S Phase1:Harmonisation and New IT Platform” June 2012)

Essential (minimum) items transferred between market infrastructures (CSD and RTGS systems) and their participants are shown in Table 2, 3, 4, 5, and 6 for sese.023, sese.024, sese.025, pacs.009, and camt.054, respectively.

3.2. Bond Settlement Instruction

An account owner (CSD participant) sends a sese.023 to an account servicer (CSD) to instruct the receipt or delivery of financial instruments with payment or by book-entry, respectively.

Table 2 shows message items which are extracted from sese.023 as essential (minimum) items to effect DVP settlement. These message items are the key items for harmonization of bond settlement. SF2 recommends that all bond settlement infrastructures adopt these message items when current system comes to reconstruct. This does not necessary mean other items are not to be added to instructions.

Table 2: Message Items for Bond Settlement Instruction sese.023

Message Items	Definition
Transaction Identification	Unambiguous identification of the transaction as known by the instructing party.
Securities Movement Type	Specifies if the movement on a securities account results from a deliver or a receive instruction (such as DELI or RECE).
Payment	Specifies how the transaction is to be settled, for example, separate settlement or against payment (such as FREE or APMT).
Settlement Date	Date and time at which the securities are to be delivered or received.
Financial Instrument Identification	Financial instrument representing a sum of rights of the investor vis-a-vis the issuer (such as ISIN).
Settlement Quantity	Total quantity of securities to be settled (such as face value).
Safekeeping Account	Account to or from which a securities entry is made.
Securities Transaction Type	Identifies the type of securities transaction (such as REPU for repo, TRAD for settlement of trade, etc.)
Delivering Settlement Parties	Identifies the chain of delivering settlement parties (such as BIC).
Receiving Settlement Parties	Identifies the chain of receiving settlement parties (such as BIC).
Debtor and/or Debtor Agent	Party that owes an amount of money to the (ultimate) creditor (such as BIC). Debtor Agent (Financial institution servicing an account for the debtor)
Creditor and/or Creditor Agent	Party to which an amount of money is due (such as BIC). Creditor Agent (Financial institution servicing an account for the creditor)
Settlement Amount	Total amount of securities to be paid or received in exchange for the securities (amount of money in the cash entry).
Credit Debit Indicator	Indicate an entry is a credit or debit (such as CREDIT or DEBIT)

3.3. Matched Results

A sese.024 defines securities settlement transaction status advice. An account servicer (CSD) sends sese.024 to an account owner (CSD participant) to advise the status of a securities settlement transaction instruction previously sent by the account owner or the status of a settlement transaction

existing in the books of the servicer for the account of the owner. The status is matched result (matched or unmatched). Table 3 shows essentials items to be informed as matched results.

Table 3: Message Items for Matched Result Advice sese.024

Message Items	Definition
Transaction Identification	Provides unambiguous transaction identification information.
Matching Status	Provides the matching status of the instruction (matched or unmatched).
Safekeeping Account	Account to or from which a securities entry is made.
Financial Instrument Identification	Financial instruments representing a sum of rights of the investor vis-a-vis the issuer (such as ISIN).
Settlement Quantity	Total quantity of securities to be settled (such as face value).
Settlement Date	Date and time at which the securities are to be delivered or received.
Securities Movement Type	Specifies if the movement on a securities account results from a deliver or a receive instruction.
Payment	Specifies how the transaction is to be settled, for example, against payment (APMT) .
Receiving Settlement Parties	Identifies the chain of receiving settlement parties (such as BIC).
Delivering Settlement Parties	Identifies the chain of delivering settlement parties (such as BIC).

3.4. Bond Settlement Confirmation

A sese.025 defines securities settlement transaction confirmation. An account servicer (CSD) sends sese.025 to an account owner (CSD participant) to confirm the delivery or receipt of financial instruments of against payment by book-entry. Essential (minimum) items as bond settlement confirmation are shows in Table 4.

Table 4: Message Items for Bond Settlement Confirmation sese.025

Message Items	Definition
Transaction Identification	Unambiguous identification of the transaction as known by the instructing party.
Securities Movement Type	Specifies if the movement on a securities account results from a deliver or a receive instruction (such as DELI or RECE).
Payment	Specifies how the transaction is to be settled, for example, separate settlement or against payment (such as FREE or APMT).
Effective Settlement Date	Date and time at which the securities are to be delivered or received.
Financial Instrument Identification	Financial instrument representing a sum of rights of the investor vis-a-vis the issuer (such as ISIN).
Settlement Quantity	Total quantity of securities to be settled (such as face value).
Safekeeping Account	Account to or from which a securities entry is made.
Securities Transaction Type	Identifies the type of securities transaction (such as REPU for repo, TRAD for settlement of trade, etc.)
Delivering Settlement Parties	Identifies the chain of delivering settlement parties (such as BIC).
Receiving Settlement Parties	Identifies the chain of receiving settlement parties (such as BIC).
Debtor and/or Debtor Agent	Party that owes an amount of money to the (ultimate) creditor (such as BIC). Debtor Agent (Financial institution servicing an account for the debtor)
Creditor and/or Creditor Agent	Party to which an amount of money is due (such as BIC). Creditor Agent (Financial institution servicing an account for the creditor)
Settlement Amount	Total amount of securities to be paid or received in exchange for the securities (amount of money in the cash entry).
Credit Debit Indicator	Indicate an entry is a credit or debit (such as CREDIT or DEBIT)

3.5. Cash Settlement Information/Instruction

A pacs.009 defines cash settlement information/instruction. It is used to move funds from a debtor account to a creditor, where both debtor and creditor are financial institutions. Minimum items shows in Table5.

Table 5: Message Items for Cash Settlement Instruction pacs.009

Message Items	Definition
End to End Identification	Unique identification, as assigned by the initiating party, to unambiguously identify the transaction.
Transaction Identification	Unique identification, as assigned by the first instructing agent, to unambiguously identify the transaction that is passed on, unchanged, throughout the entire interbank chain.
Interbank Settlement Amount	Amount of money moved between the instructing agent and the instructed agent.
Debtor and/or Debtor Agent - BICFI	Financial institution that owes an amount of money to the (ultimate) financial institutional creditor.
Creditor and/or Creditor Agent – BICFI	Financial institution that receives an amount of money from the financial institutional debtor.

3.6. Cash Settlement Confirmation

Camt.054 defines cash settlement confirmation. It is sent by the account servicer to an account owner or to a party authorized by the account owner to receive the message. It can be used to inform the account owner, or authorized party, of debit or credit entries reported to the account.

Table 6: Message Items for Cash Settlement Confirmation camt.054

Message Items	Definition
Notification Identification	Unique identification, as assigned by the account servicer, to unambiguously identify the account notification.
Creation Date Time	Date and time at which the message was created.
Account	Unambiguous identification of the account to which credit and debit entries are made.
Amount	Amount of money in the cash transaction.
Credit Debit Indicator	Indicates whether the entry is a credit or a debit entry.
Status	Status of an entry on the books of the account servicer.
Bank Transaction Code	Set of elements used to fully identify the type of underlying transaction resulting in an entry.

More detailed message items for bond settlement instructions, matched results, bond settlement confirmations, cash settlement instructions (including information), and cash settlement confirmations are shown in Appendix 3.

4. ISO 20022 Standardization

4.1. Adoption of ISO 20022 of Each Country/Economy in ASEAN+3

ABMF SF2 members and experts shared their plan and/or policy to adopt ISO 20022 when the RTGS and CSD (book-entry) systems come to the period to reconstruct or totally refurbish the systems. Significant trend for bond market infrastructures adopting ISO 20022 is identified.

Based on the information obtained at ABMF meetings, current status of adoption of international standards in particular ISO 20022 for the CSD and RTGS systems in ASEAN+3 is shown in Table 7 and 8 for CSD and RTGS, respectively. (Note: The information is not committed base. It needs further confirmation and review.)

Color	Explanation
	Cross-border STP ready (ISO 20022)
	Cross-border STP ready (ISO 15022)
	Not ready but decided
	Not clear and need to be confirmed
	Not ready yet

Table 7: Adoption of International Standard in ASEAN+3 (CSD)

	CSD	Name of Bond Settlement System	Inst.	Standardization of Message items (SSS)							System renewal	
				ISO15022	ISO20022	ISIN	BIC	Charac. Code set	Comm protocol	Overall	Inauguration current system	Reconstruct . period
BN	AMBD	NPSS	G		Y (2016)	Y (201X)	Y	Y	Y	Y (2016)		2016
BN	(TBD)		C		Y (201X)	Y (201X)	Y	Y	Y	Y (201X)		201X
CN	CCDC	CBGS	G/C	N	Y	Y	Y	Y	Y	Y	2013	
CN	CSDC	MNS	G/C	N	Y (201X)	Y (201X)	Y	Y	Y	Y (201X)	Nov. 2011	
CN	SHCH	SHCH-SSS	C	N	Y (201X)	Y (201X)	Y	Y	Y	Y (201X)	Dec 2011	
HK	HKMA	CMU	G/C	Y	N	Y	Y	Y	Y	Y	Mar. 1990	
ID	BI	BI-SSSS	G	Y	Y (201X)	Y	Y	Y	Y	Y (201X)	Mar 2003	2018
ID	KSEI	C-BEST	C	Y	Y (2016)	Y	Y(2016)	Y	Y	Y(2016)		2016
JP	BOJ	BOJ-NETJGB Service	G	N	Y (2015)	Y (2015)	Y (2015)	Y	Y	Y(2015)	1990/Jan 2001	2015
JP	JASDEC	BETS	C	Y	Y	Y	Y	Y	Y	Y	Jan. 2014	
KH	CSX	-	G/C	N								
KR	KSD	SSS/SAFE+	G/C	N	Y (201X)	Y	Y	Y (201X)	Y	Y (201X)	Nov 2011	
LA	BOL	-	G/C	N								
MM	CBM	-	G/C	N	Y (201X)	Y (201X)	Y (2015)	Y (2015)	Y (2015)	Y (201X)		2015
MY	BNM	RENTAS SSTS	G/C	Y (2016)	Y (2018)	Y	Y (2017)	Y	Y	Y(2018)	Jul 1999	2018
PH	BTr	BTr-ROSS	G	Y (2015)	Y (2015)	Y (2015)	Y (2015)	Y	Y	Y (2015)	Nov 1996	2015
PH	PDTC	PDTC Depository	G/C	Y (2015)	Y (2015)	Y (2015)	Y (2015)	Y	Y	Y (2015)	Mar 1995	2015
SG	MAS	MEPS+ SGS	G	Y	N	Y	Y	Y	Y	Y	Dec 2006	
SG	CDP	DCSS	C	Y (2015)	Y (2015)	Y	Y (2015)	Y	Y	Y (2015)	-	2015
TH	TSD	PTI	G/C	Y	N	Y	Y	Y	Y	Y	Oct 2007	2019
VN	VSD	VSD-BES	G/C	Y	Y(2016)	Y	Y (2016)	Y	Y	Y (2016)	May. 2014	2016

- (i) ISO15022: ISO15022 is adopted for the messages related to bond settlement
- (ii) ISO20022: ISO20022 is adopted for the messages related to bond settlement

- (iii) ISIN (adoption): ISIN is adopted (full membership of NNA exists)
- (iv) BIC: BIC can be used. This includes conversion by using table with proprietary codes.
- (v) Character code set: Unicode (UTF-8) is adopted.
- (vi) Communication protocol: TCP/IP is adopted as communication protocol
- (vii) Inauguration current system: Inauguration year of current bond settlement system
- (viii) Reconstruction period: Plausible go-live year of reconstruction based on the assumption of ADB Consultant for ABMF SF2

Table 8: Adoption of International Standard in ASEAN+3 (RTGS)

	Operator	Name of the System	Standardization of Message Items (RTGS)						System renewal	
			ISO messages		BIC	Char. Code set	Commun. protocol	Overall	Inauguration current system	Reconstructi on period
			ISO15022	ISO20022						
BN	AMBD	-	N	Y	Y	Y	Y	Y	2015	
CN	PBOC	CNAPS	N	Y (2014)	Y	Y	Y	Y	2014	
HK	HKMA	CHATS	Y	N	Y	Y	Y	Y	Dec 1996	
ID	BI	BI-RTGS	Y	Y (201X)	Y (2014)	Y	Y (2014)	Y (201X)	Nov 2000	2015
JP	BOJ	BOJ-NET	N	Y (2015)	Y (2015)	Y	Y	Y (2015)	1987, Nov 2011	2015
KH	NBC	-	N	Y (201X)	Y (201X)	Y (201X)	Y (201X)	Y (201X)		201X
KR	BOK	BOK-Wire	N	Y (201X)	Y	Y	Y	Y (201X)	Apr 2009	
LA	BOL	-	Y		Y	Y	Y	Y		
MM	CMB	-	N	Y (201X)	Y (2015)	Y (2015)	Y (2015)	Y (201X)		2015
MY	BNM	RENTAS IFTS	Y (2016)	Y (2018)	Y (2017)	Y	Y	Y (2018)	Jul 1999/2004/2011	2018
PH	BSP	PhilPaSS	Y	Y (2015)	Y	Y	Y	Y (2015)	1995/Dec 2002	2015
SG	MAS	MEPS plus	Y	N	Y	Y	Y	Y	Dec 2006	2015
TH	BOT	BAHTNET	Y	N	Y	Y	Y	Y	Dec 2001/2012	2019
VN	SBV (BIDV)		N	Y (201X)	Y (201X)	Y (201X)	Y (201X)	Y (201X)	2010	201X

All countries/economies in ASEAN+3 will adopt (or already adopted) international standard for messages and numbering including technological aspects related to bond settlement by 2020.

Current status of adopting international standard for CSD and RTGS systems in each country/economy of ASEAN+3 is shown as a preliminary result which needs to be confirmed and updated.

All CSDs of the 10 markets where bond markets already exist in ASEAN+3 have already adopted or decided to adopt international standards (ISO 20022 or ISO 15022) for messages. China Central Depository & Clearing Co., Ltd (CCDC) in CN and Japan Securities Depository Center, Inc. (JASEDC) in JP are already operating the book-entry systems based on ISO 20022.

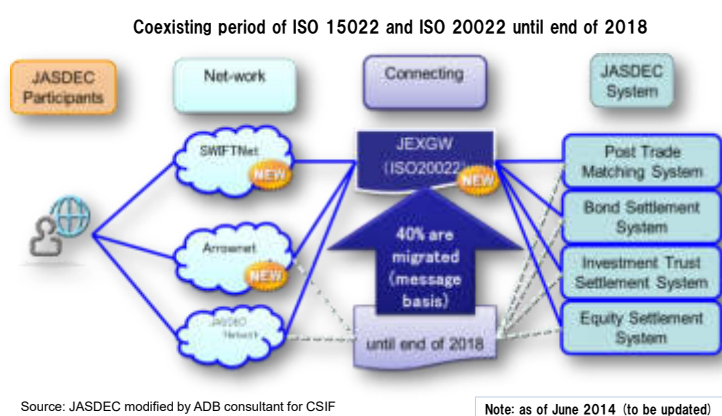
Hong Kong Monetary Authority (HKMA) in HK, Monetary Authority of Singapore (MAS) in SG, and Thailand Securities Depository Co. Ltd (TSD) in TH are already operating book-entry system based on ISO 15022. All CSDs in ASEAN will adopt ISO 20022 by 2020. Regarding RTGSs of the 10 markets, People's Bank of China (PBOC) in CN is already operating RTGS based on ISO 20022. HKMA, MAS, and Bank of Thailand (BOT) in TH are already operating their RTGS based on the international standard (MT messages). All central banks in ASEAN will adopt ISO 20022 for their RTGS by 2020, since ASEAN central banks already agreed to adopt ISO 20022 as their standard for the CSDs and RTGSs.

4.2. Example of Migration to ISO 20022 (case in Japan)

Zengin Data Telecommunication System (Zengin System) which is a domestic funds transfer system of Japanese Banks' Payment Clearing Network (Zengin-net) adopted ISO 20022 in November 2011. Pre-Settlement Matching System (PSMS) and Book-Entry Transfer System (BETS) of Japan Securities Depository Center (JASDEC) adopted ISO 20022 in January 2014. Bank of Japan Financial Network System (BOJ-NET) which is final settlement system of JPY as well as book-entry system of Japanese Government Bond of the Bank of Japan (BOJ) will adopt ISO 20022 in October 2015. In case of Zengin System conventional proprietary messages remain with that of ISO 20022 without specific decommission period. In case of BETS, coexisting period of ISO 20022 and ISO 15022 is 5 years decommissioning the ISO 15022 at the end of 2018.

In case of BOJ-NET, conventional proprietary messages will be decommissioned at the starting day (13 October 2015) of new ISO 20022 messages reflecting the demand from market participants. Migration from ISO 15022 to ISO 20022 in case of JASDEC is shown in Figure 11.

Figure 11: Migration from ISO 15022 to ISO 20022 in JASDEC



4.3. Establishing ISO 20022 Institutional Framework

Since bond market infrastructures (MIs) such as CSD and RTGS systems shall adopt international standards in particular ISO 20022 for messages (such standards will be adopted when the MIs come to the period to be reconstructed to new platform), all ASEAN+3 countries/economies will be

harmonized and standardized to achieve cross-border STP in the region and will be able to be connected each other.

Considering such a situation, each MI operator is expected to contribute to ISO 20022 activities including joining to the decision making processes of ISO 20022 related messages and standards. All ASEAN+3 countries/economies are expected to establish relevant organization to support ISO activities when each country/economy is ready to be a full member of ISO. Current ISO membership of ASEAN+3 country / economy is shown in Table 9.

In order to contribute to the ISO activities, it is important to establish institutional framework such as Securities Standard Evaluation Group (SSEG) and Payment Standard Evaluation Group (PSEG) under Technical Committee 68 (TC68) in each country. Also, it is recommended to facilitate ways to discuss and agree standardization of messages based on ISO 20022 and related issues including ISIN allocation will be necessary. Outline of ISO is shown in Appendix 4.

Table 9: Current Status of Membership to ISO 20022 related Organizations from ASEAN+3

	ISO member	TC68 member	RMG	PSEG	SSEG
BN	Correspondent member (ABCI)				
KH	Correspondent member (ISC)				
CN	Full member (SAC)	Participant member	Member (PBOC)		
HK	Correspondent member (ITCHKSAR)	Observing member			
ID	Full member (BSN)				
JP	Full member (JISC)	Participant member	Member (BOJ)	Member (BOJ, Zenginkyo, NTT Data, JPMC, BTMUFI)	Member (BOJ, JASDEC, Mizuho CB, BTMUFI, NTT Data)
KR	Full member (KATS)	Participant member	Member (KFTC and KATS)	Member (KFTC)	
LA	Subscriber member (DISM)				
MY	Full member (DSM)	Observing member			
MM	Correspondent member (MSTRD)				
PH	Full member (BSP)	Observing member			
SG	Full member (SPRING SG)	Participant member	Member (Standard Chartered Bank, Deutsch Bank)	Member	Member (Standard Chartered Bank)
TH	Full member (TISI)	Observing member			
VN	Full member (STAMEQ)				

5. International Securities Identification Number (ISIN)

ABMF SF2 has been promoting the International Securities Identification Number (ISIN) to be used as standard securities number to identify bonds issued in a country/economy in ASEAN+3. ABMF SF2 has also been promoting to allocate ISIN timely in accordance with the recommendation of Association of National Numbering Agency (ANNA) in each country/economy in ASEAN+3. ISIN identifies the country/economy where the bond is issued by adding two-character country code based on ISO 3166 on the head of the number. A country where the bond is deposited (in a CSD) is regarded the country where the bond is issued. ISIN is allocated by the National Numbering Agency (NNA) in each country. Outline of ISIN is shown in Appendix 5.

In ASEAN+3, 10 economies where bond markets have already developed have established NNAs. The rest of the countries where NNA is not established yet in the country shall be supported by ADB, ANNA, and the 10 economies in order to establish the NNAs when each country becomes ready to issue bonds regularly. Table 10 shows current status of NNA and allocation of ISIN in ASEAN+3. It took more than two weeks in some countries/economies in the region to allocate ISIN, when ABMF SF2 made a survey during Phase 1 and Phase 2.

- In order to promote cross-border STP in ASEAN+3, securities need to be identified by non-resident investors from other countries/economies. Also, when issuing securities, data (information) about the securities including securities numbering (ISIN) need to be known by non-resident investors located in other countries/economies. To meet such requirements, the ISIN needs to be allocated timely in accordance with ANNA recommendation (within 24 hours after request) when the securities being issued. During the first phase of ABMF SF2, some International Experts pointed out that significant number of countries/economies in ASEAN+3 don't satisfy the ANNA recommendation. The survey of this time shows that the timeliness of ISIN allocation (within 24 hours) has been improving drastically for these a few years in the region and becoming ready to meet ANNA recommendation in many countries/economies in the region.

Table 10: National Numbering Agency (NNA) and Allocation of ISIN in ASEAN+3

	National Numbering Agency (NNA)	Allocation of ISIN	Availability in English
CN	China Securities Regulatory Commission (CSRC)/ China Securities International Standards Committee (CSISC)	Within 48 hour	No
HK	Hong Kong Exchanges and Clearing Ltd. (HKEx)	Within 48 hour	Yes
ID	Indonesian Central Securities Depository (KSEI)	Within 24 hour	Yes
JP	Tokyo Stock Exchange (TSE)/ Securities Identification Code Committee (SICC)	Within 24 hour	No
KR	Korea Exchange (KRX)	Within 24 hour	No
MY	Bursa Malaysia (BM)	Within 24 hour	Yes
PH	Securities Exchange Commission (SEC)	Within 24 hour	Yes
SG	Singapore Exchange Limited (SGX)	Within 24 hour	Yes
TH	Thailand Securities Depository (TSD)	Within 24 hour	Yes
VN	Vietnam Securities Depository (VSD)	Within 24 hour	No

Note: National Numbering Agency (NNA) should allocate ISIN within 24 hours following the request and making the ISIN available to users at the same time in each economy. Proprietary securities number is generally allocated by each CSD.

Allocation flows for government bond and corporate bond in each country/economy of ASEAN+3 are shown in Attachment: Typical Flow of International Securities Identification Number (ISIN) Allocation for Government Bond and Corporate Bond.

6. Collateral and Repo Services

6.1. Outline of Repo Transaction

It is generally anticipated that tightening regulatory framework such as implementation of Dodd-Frank and Basel III would cause shortage of good collateral. Also, importance of liquidity is emphasized by many high-ranking central bank officers and experts. From such a background, ABMF SF2 has been tackling with cross-border collateral and cross-currency repo issues as a Phase 3 activity and trying to compare the differences of repo markets in the region from transaction flow and message perspective which is still one of the remaining challenges.

There are several types of repo transactions. In this report, “repo” transactions are categorized into two types which are “sell/buy-back” including “classic repo” which transfers title (ownership) and “borrowing/lending” including “pledged” which doesn’t transfer title (ownership) considering the transaction flows and interest payment processes. This categorization is in line with that in Europe categorizing it to Repurchase agreement (repo) and Pledge agreement (pledge) as shown in Appendix 6.

- In Europe, cross-border use of collateral has been discussed for many years since 1990s and successfully implemented systems. Indeed, the complexities of the cross-border use of collateral can only be properly analyzed based on a thorough understanding of collateralization in a national context.

6.2. Repo Transactions in ASEAN+3

Most of countries/economies except China and Japan adopt sell/buy-back instead of borrowing/lending (pledge) style repo. Though ABMF SF2 itself has made a survey about the repo markets in ASEAN+3, self-regulatory organization (SRO) WG⁷ also conducted more intensive survey on repo market in the region. Considering the timeliness and efficiency of the survey as well as necessity of sharing information on repo markets in the region, ABMF SF2 is trying to cooperate with SRO WG and utilize their survey results.

Transaction flows related to collateral and repo services including interest payment and related tax payment such as withholding agencies are very important but different country by country and economy by economy in the region.

⁷ SRO working group is the voluntary group which convenes back-to-back to ABMF. Mr. Ryuichi Shiina of JSDA surveyed and presented about the repo markets in ASEAN countries.

The followings are repo transactions and markets in ASEAN+3.

Table11: Repurchase Transaction

	Sale & Purchase	Pledged / Borrowing & Lending
CN	(Interbank market) • Outright Repo : 3.4% of trade volume. • A transfer of ownership occurs	(Interbank market) • Pledged Repo: 96.6% of trade volume • Non-transfer of ownership
HK	• Classic Repo	• Borrowing and lending market exists, but is not clear whether it is used as an alternative to Repo.
ID	• Sell/Buy-back 50-70% • Classic-asset Blocking 20-40%	• Not exist
JP	• Gensaki Transactions (sale and purchase): 20% share in Repo market	• Bond Borrowing and Lending used as an alternative to Repo(Cash Collateralized Repo): approx. 80% share in Repo market
KR	• [OTC Repo] Most Repos are so-called "Classic Repo" that combines spot sale and forward buy in a single contract. Sell/Buy-back type Repo is almost non-existent. • [Exchange Repo] Only Classic Repo	• Borrowing and lending market exists, but is not used as an alternative to Repo
MY	• Classic Repo and Sell/Buy-back	• None
PH	• Classic Repo with 3rd party collateral management.	• None
SG	• Real Repo (transfer of ownership)	• Not exist
TH	• Most repos are in the form of "classic Repo" while "sell & buy back" is not popular because there is no tax incentive.	• securities borrowing and lending exists but not active.
VN	• All repos are in form of "classic Repo"	• Not exist

Source: SRO WG (Mr. Ryuichi Shiina) modified by ADB consultant for ABMF SF2

In addition, Global Master Repurchase Agreement (GMRA), proposed by International Capital Market Association (ICMA), seems to be prevailing widely in ASEAN+3 economies.

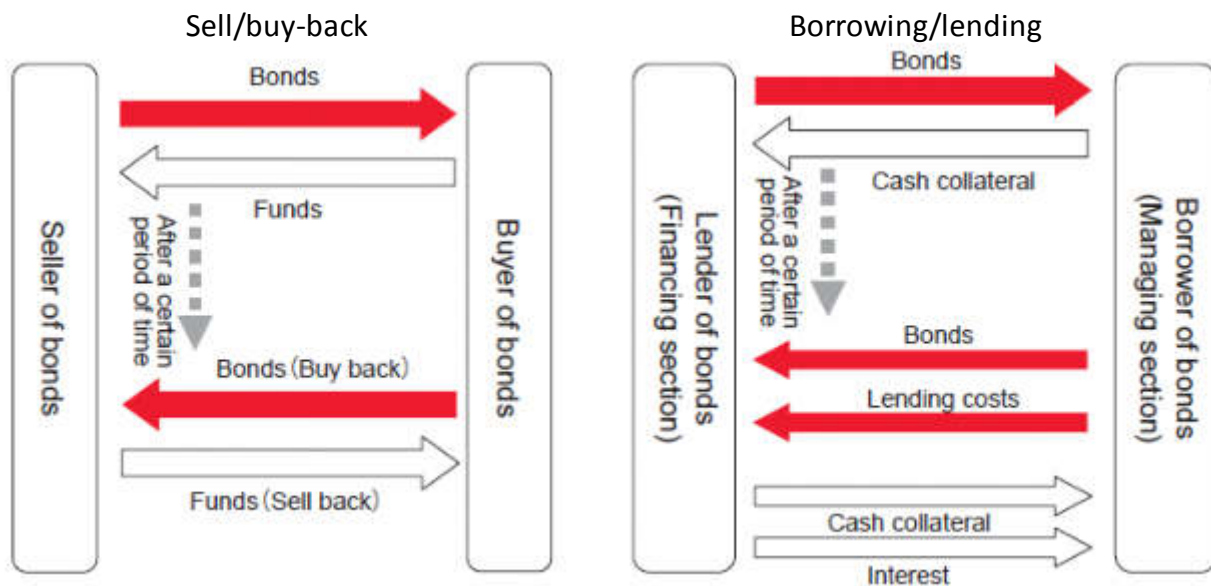
As an example of repo transaction, case in Japan is shared with the members and experts.

Sell/buy-back transactions are bond sales transactions in which the traded bonds are traded back in the opposite direction on a date and at a price specified in an agreement concluded in advance between the parties to the transaction. The sell/buy-back (including repurchase agreement such as classic repo) transactions incorporate risk management methods such as the use of a package settlement provision, margin call feature, and substitution.

In a borrowing/lending Transaction, one party (the lender) lends bonds to a second party (the borrower). After a specified period, the borrower returns bonds of the same kind and in the same amount to the lender, thereby settling the lending transaction. In Japan, Borrowing/lending

Transaction which prevailed in Japan was for avoiding paying securities transaction taxes which had to be paid before when the bonds were sold. Transaction tax is one of the most important factors for each market to accept a certain type of repo. Currently, the transaction tax to repo trades is abolished in Japan. As such, repurchase agreement based on GMRA transferring ownership is prevailing.

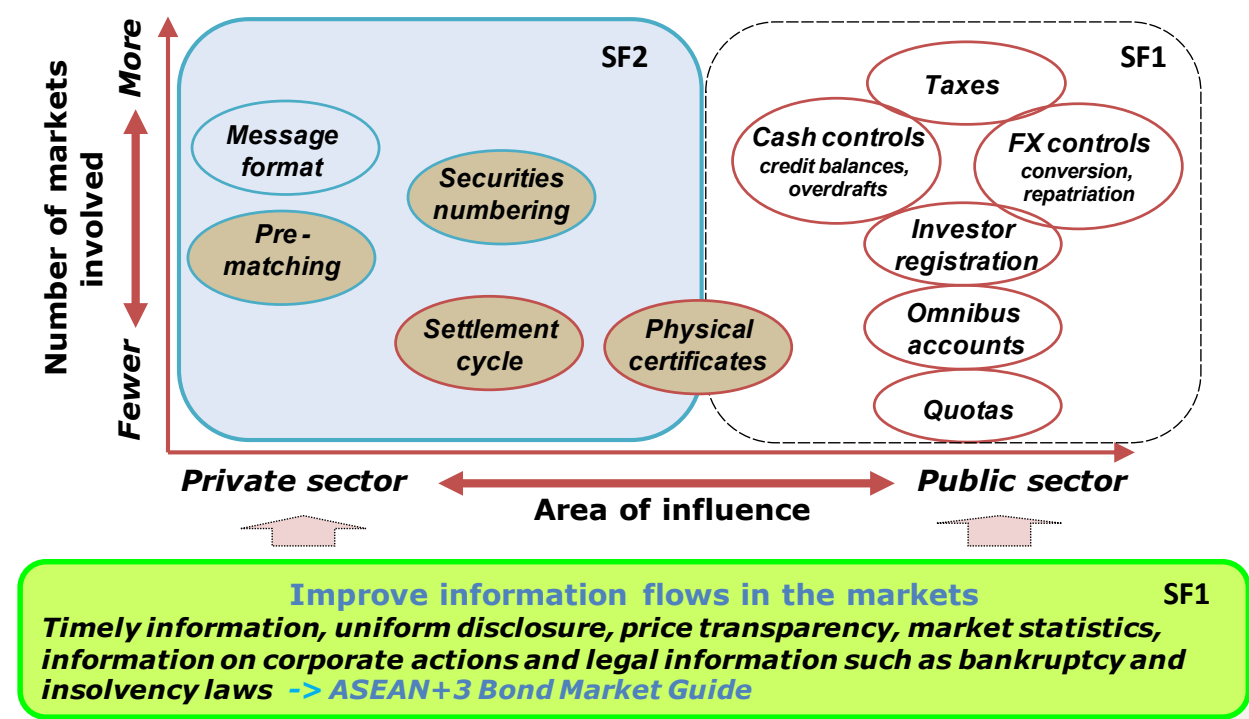
Figure 12: Outline of repo transactions in Japan



7. Updating Status of Settlement Barriers

One of the purposes of ABMF when it started its activities in 2010 was to remove settlement barriers shown as a survey result of the Group of Experts (GOE) Report shown in Figure 13.

Figure 13: Barriers Focused Under ABMF



Source: GOE Report modified by ADB consultant

ABMF SF2 has tried to mitigate the barriers through phase 1, 2 and 3 activities. Most of the barriers are discussed by members and experts. User requirements and market practices including legal and regulatory issues still need to be harmonized and standardized. In this section, current status of the barriers in ASEAN+3 will be discussed.

This does not necessarily mean that all regulations and controls need to be abolished. Some of the controls are essential to protect the countries/economies from external turmoil. As such, it should be under discretion of regulators and central banks in individual countries/economies whether and when to remove them. Also, it is more important that facts and current situation are to be surveyed and clarified.

7.1. Barriers Related with ABMF SF2

1) Message standard

Standardization of messages based on ISO 20022 is progressing in ASEAN+3. As shown in the report, ISO 20022 and/or ISO 15022 have already been implemented in leading countries/economies in ASEAN+3. Also, all countries/economies which don't adopt international standard for messages are planning to implement ISO 20022 when their system becomes the period to be reconstructed.

2) Pre-matching

International Experts of ABMF SF2 pointed out the issues about lack of automated pre-settlement matching in the region from the beginning of phase 1 of ABMF SF2. ABMF SF2 has surveyed settlement matching during phase 1 and phase 2. As a result of the survey, automating pre-settlement matching system (PSMS) is included as a part of the reference DVP model.

3) Securities numbering

All countries/economies, which have bond markets, adopt ISIN and have national numbering agencies for the sake of issuance ISIN. According to the Phase 3 survey, allocation of ISIN within 24hours has also been achieved in most of the countries/economies in ASEAN+3 where bond markets already exist. Dissemination of bond related information in particular ISIN has been recognized as an important issue. The countries which don't have National Numbering Agency (NNA) yet understand the importance of establishing NNA. ADB and ANNA are ready to support them.

4) Settlement cycle

ABMF SF2 has surveyed the settlement cycle of both government and corporate bond in each market. There are differences in market by market from T+1 to T+30. In addition, settlement cycles are different even in one country (government bond or corporate bond, trade by residents or non-residents, and so on). Participants can share the same awareness to harmonize settlement cycle in the region but there still remain some challenges to be resolved especially for cross-border trade and settlement.

5) Physical certificates

Bonds are dematerialized or immobilized in all countries/economies which already have bond markets in the region though physical certificates (mainly corporate bonds) still remain in some countries/economies. Bonds are completely dematerialized in China and Japan.

7.2. Other Remaining Challenges

Since the main focus of ABMF SF1 changed from settlement barriers to ASEAN+3 Multi-currency Bond Issuance Framework (AMBIF), most of the issues remain unsolved and need to be surveyed and discussed by experts who really know the matters.

[Tax]

ABMF SF2 has discussed tax related to interest payment and redemption. Some countries/economies impose capital gain tax and stamp tax for bond trade. Tax related to interest payment is also one of the important remaining challenges.

[FX Control & Cash Control]

In Hong Kong, Japan and Singapore, there is no barrier related to FX and cash control but other countries have some kind of barriers. There are background reasons of keeping FX and cash controls in each country/economy. As such, the removing pace of such controls should be under the discretion of each country/economy. Current status of each country/economy is shown in Appendix 7 which needs to be regularly updated.

[Omnibus Account]

Account structure of each CSD is different market by market and CSD by CSD mainly because of regulatory differences including tax. Omnibus account structure may be more convenient than segregated account structure from cross-border trade and settlement perspective. But, at the same time, there is a trend adopting segregated account considering transparency of the market. Account structure is one of the most important remaining challenges which shall be discussed by experts in this field (from transaction flow perspective).

8. Policy Recommendations

ABMF SF2 has been promoting to adopt international standard related to bond market infrastructures in the region and supported by ABMI TF3. ABMF SF2 members and experts really appreciate the understanding of the authorities. Followings are policy recommendations in line with the Joint Statement of the 17th ASEAN+3 Finance Ministers and Central Bank Governors' Meeting in May 2014 as well as the ABMI objectives.

1) Harmonization of Message Flow

DVP Model 1 of BIS definition shall be adopted for bond settlement in ASEAN+3, whenever the market infrastructures (such as CSD and RTGS systems) in each country/economy reach the period of reconstruction of the systems.

2) Adoption of International Standards

International standards shall be adopted when the market infrastructures (CSD and RTGS systems) reach the period of reconstruction and/or total refurbishment. Followings are the examples of the international standards to be adopted.

Message standard: ISO 20022

Financial Institution Identifier: ISO 9362 (BICFI)

Securities Numbering: ISO 6166 (ISIN)

Country Code: ISO 3166-1

Currency Code: ISO 4217

3) Standardization of Message Items

Essential (minimum) message items to effect DVP settlement shall be standardized based on ISO 20022. Following messages and their items are proposed as preliminary basis for further discussions of standard message items.

Bond settlement instruction: sese.023

Matched results: sese.024

Bond settlement confirmation: sese.025

Cash settlement information/instruction: pacs.009

Cash settlement confirmation: camt.054

4) Facilitating Standard Evaluation Groups

It is advised that each country/economy which does not have ISO 20022 Securities Standard Evaluation Group (SSEG) and Payment Standard Evaluation Group (PSEG) start survey how to

establish the groups by joining to Technical Committee 68 (TC68) as a participating member when the country/economy becomes ready to contribute to the decision making processes related to ISO 20022.

5) Establishing National Numbering Agency (NNA)

ABMF SF2 has been promoting International Securities Identification Number (ISIN) as the standard securities numbering in ASEAN+3. Also, considering the importance of the standardization of securities numbering for cross-border STP, it is advised that each country/economy which doesn't have National Numbering Agency (NNA) yet shall establish it when the country becomes the stage to issue significant amount of bonds.

6) Repo

ABMF SF2 recommends adopting sell / buy back type (repurchase agreement) repo which is a standard of repo transaction in line with Global Master Repurchase Agreement (GMRA). It is also recommended that transaction flows related to collateral and repo services be surveyed.

9. Roadmap Including Next Step Forward

9.1. Roadmap

1) 2015-2016: Standardization phase

- Agreeing reference model of DVP flow and essential (minimum) message items for DVP settlement in the region as preliminary basis for discussions
- Promoting ISIN and BICFI as standard securities numbering and financial institution identifier in the region, respectively
- Promoting awareness of international standards in particular TC68 national mirror group related issues including RMG, SSEG, and PSEG as well as NNA
- Discussing on market practice groups with national level and regional level if possible
- Supporting CSIF

2) 2017-2018: Implementation phase

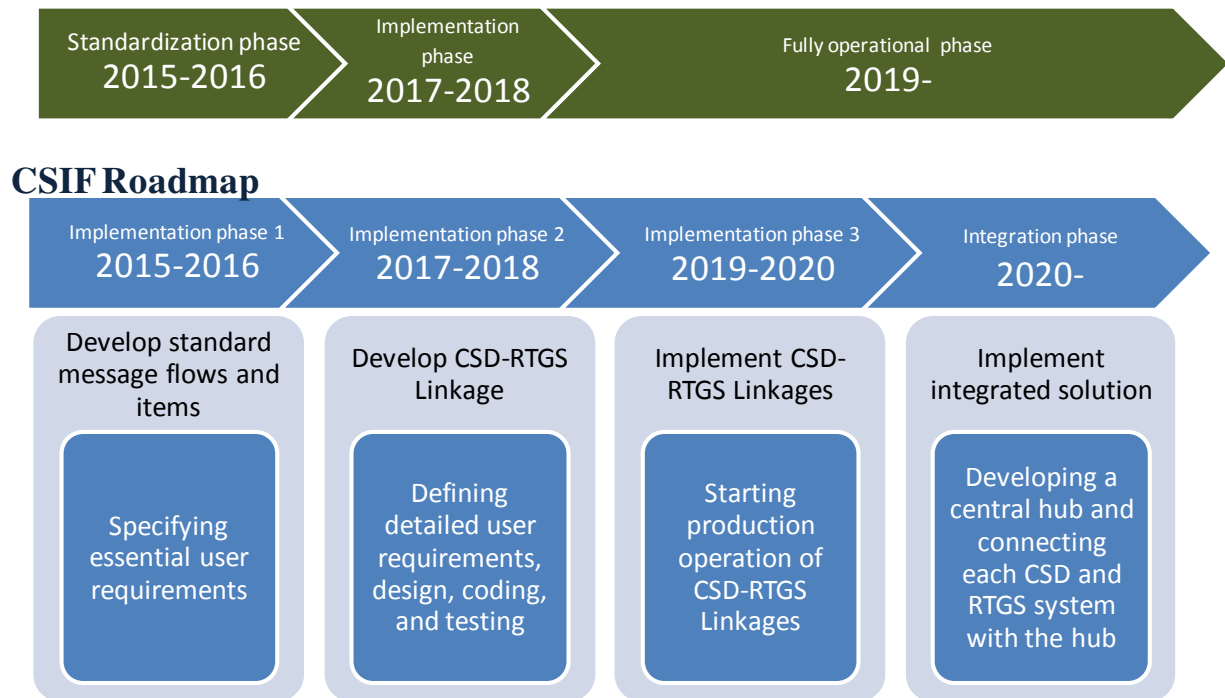
- Establishing TC68 national mirror groups including SSEG and PSEG in the countries/economies which become ready to support such activities.
- Implementing standard in countries/economies where adoption and migration to international standard are ready
- Reviewing the reference model and standard message items by the group members and experts
- Operating and coordinating the regional activities of harmonization and standardization in countries/economies which are ready to contribute to such activities

3) 2019-later: Full operational phase

- Fully contribute to TC68 activities establishing related committee and groups in all ASEAN+3 countries/economies
- Establishing national mirror groups including SSEG and PSEG in all countries/economies in ASEAN+3
- Implementing international standards in all countries/economies in ASEAN+3
- Promoting regional activities of harmonization and standardization in ASEAN+3
- Reviewing the reference model and standard message items by the group members and experts
- Operating and coordinating the regional activities of harmonization and standardization in ASEAN+3

Outline of the Roadmap is shown in Figure.14.

Figure.14: Outline of Roadmap



9.2. Next Step Forward

Following activities will be conducted during the rest of Phase 3;

- (i) draft reference DVP flow will be agreed by ABMF SF2 members;
- (ii) draft message items based on ISO 20022 will be agreed,
- (iii) ISIN will be adopted as common standard of securities numbering in ASEAN+3 and tried to be allocated in line with the ANNA's recommendation in each country/economy,
- (iv) harmonization of market practices including collateral and repo practices in ASEAN+3 will be further surveyed;
- (v) the four countries developing bond market infrastructures will be supported by other countries/economies in ASEAN+3 with the support of ADB; and
- (vi) Phase 3 Report will be completed.

10. Acknowledgements

The members and experts kindly provided inputs by answering to questionnaires and commenting to diagrams during the market visits and thorough review to the draft.

The International Experts very kindly provided input into the report topics and freely shared their requirements and assessments, often from proprietary sources. In addition, the team thanks all interviewees who gave useful comments and responses during the Phase3 market visits. Therefore, the report should be regarded as a crystallization of regional collaborative efforts and knowledge towards more harmonized and integrated ASEAN+3 bond markets.

ADB consultant also appreciated general advice of a variety of stakeholders in particular impeccable support of ADB Regional and Sustainable Development Department (RSDD) team.

The Report could not have been published without such strong support and cooperation from the ABMF members and experts in the region.

The team also thanks the National Members and Experts of Hong Kong Special Administrative Region for hosting the ABMF meetings in Phase3. Smooth organization of the meetings made possible the conduct of intensive discussions through multiple sessions at each meeting.

Finally, it should be noted that no part of the Report represents the official views of any of the institutions, which participated as ABMF Members and Experts, and the ADB consultant for ABMF SF2 is responsible for the contents of the Report.

Reference and list of information session are shown in Appendix 8 and 9, respectively.

Appendixes

Appendix 1: Members and Experts including Observers and ADB Secretariat

Table A.1: National Members and Experts

		Institution	Name
BN	NM	Autoriti Monetari Brunei Darussalam (AMBD)	Mardini HJ Eddie Lim Shaw Fhen
CN	NM	China Security Regulatory Commission (CSRC)	Lu Dabiao
	NE	China Central Depository and Clearing Co. Ltd. (CCDC)	ZONG Jun DING Yahua
		Shanghai Clearing House (SHCH)	Pi Jianping
		China Foreign Exchange Trade System / National Interbank Funding Center(CFETS)	Cui Wei
HK	NM	Hong Kong Monetary Authority (HKMA)	LI Shu-Pui
	NE	Bank of China (Hong Kong)	Michael Dai Zhihuan E
ID	NM	Ministry of Finance, Indonesia	Agung Galih Satwiko
		Financial Services Authority (OJK), Ministry of Finance	Bayu Samodro
	NE	Indonesian Central Securities Depository (ICSD)	Margeret Mutiara Tang
		Indonesia Clearing and Guarantee Corporation (ICGC)	Indriani Darmawati
		Indonesia Stock Exchange (IDX)	Urip Budhi Prasetyo
JP	NM	Japan Securities Depository Center, Inc. (JASDEC)	Yuji Sato
	NE	Bank of Japan (BOJ)	Akira Yokoya Takahito Yamada Megumi Takei Misa Takada
			Akihiko Mitani
KH	NM	Securities & Exchange Commission of Cambodia (SECC)	Va Sovy
KR	NM	Korea Securities Depository (KSD)	Lee, Jong Hyung
		Korea Exchange (KRX)	YoonHo Cho
KR	NE	KOSCOM	JaeMoon So
LA	NM	Ministry of Finance	Boualith KHOUNSY Bounthum Lomany
		Securities and Exchange Commission Office, Bank of the Lao PDR	Saysamone Chantachack
MM	NM	Central Bank of Myanmar	Daw May Maung Gyi
MY	NM	Bond Pricing Agency Malaysia (BPAM)	Mohd Shaharul Zain Meor Amri bin Meor Ayob
			Simon Ng Sean Cho
PH	NM	Philippine Dealing System Holdings Corp/PDS Group (PDS)	Cesar Criisol
		Bankers Association of the Philippines (BAP)	Rafael S. Algarra, Jr. Cesar O. Virtusio
	NE	Omgeo	Cornelia C. Dagdag
SG	NM	Singapore Exchange (SGX)	Kok Leong Lai
TH	NM	The Stock Exchange of Thailand (SET)	Chanisa Chutipat
VN	NM	Vietnam Securities Depository (VSD)	Duong Ngoc Tuan Tran Thi Thu Huyen Nguyen Thi Thanh Thao
		Hanoi Stock Exchange (HNX)	Tran Tuan

NM: National Membership NE: National Expert

Table A.2: International Experts

Institution	Name
Citibank	Rudy Ingkiriwang
BNP Paribas	Patrick Vanderbeck
Clearstream	Fei Tang
Deutsche Bank AG	Boon-Hiong Chan Hannah-Vina Nunez
Euroclear	Gaetan Gosset
HSBC	Patrick Edmond Cichy
J.P Morgan	Masayuki Tagai Danny Tan
State Street Bank and Trust	Steven Chan
State Street Global Advisors	Hon CHEUNG
SWIFT	Alexandre Kech Usama Delorenzo Mireia Guisado Parra
The Bank of New York Mellon	Eric Chng
The Bank of Tokyo Mitsubishi UFJ Ltd	Taketoshi Mori

Table A.3: Observers

	Institution	Name
BN	Autoriti Monetari Brunei Darussalam	Mohd Zul Azmi Haji Mohd Ali
		Hafizuddin Hassanuddin
		Shaw Fen Lim
CN	China Central Depository & Clearing Co., Ltd	Yan Jia
		Lei Huang
	China Securities Depository and Clearing Corporation	Zi Zheng
		Zepeng Hong
		Yang Liu
		Xi Zheng
		Liang Xia
	National Association of Financial Market Institutional Investors (NAFMII)	Xiaotian Mu
		Tailei Wan
		Peng Sun
		Mingzheng Gao
		Ke Sun
HK	Asia Securities Industry and Financial Markets Association	Rebecca Turner Lentchner
	Citibank, N.A. Hong Kong	Cindy Chen
	Clearstream Banking S.A	Victor Wing Tai Ng
		Stefan Lepp
		Gerd Hartung
		Fabrice Tomenko
		Davin Cheung
	Euroclear Bank	Sherry Wang
		Olivier Grimonpont
		Fennie Kwok
		Dan Kuhnelt
		Carlo Minieri

	Institution	Name
HK	Hong Kong Monetary Authority	Shu-pui Li
		Flora Wong
		Esmond Lee
		Kwok Hung Lee
	Omgeo / DTCC	Jean-Remi Lopez
	State Street Asia Limited	Steven Chan
ID	Bank of Indonesia	Devi Riyante
	Fiscal Policy Agency, Ministry of Finance Indonesia	Vincentius Krisna Juli Wicaksono
	Indonesia Central Securities Depository	Delonika Yuki Eka Putra
	Indonesia Financial Services Authority (OJK)	Rezza Frisma Prisandy Jd
		Eko Rizanoordibyo
		Arif Budiman
	Indonesian Central Securities Depository	Gusrinaldy Akhyar
	Ministry of Finance	PARJIONO
		DALYONO
	PT Kliring Penjaminan Efek Indonesia (KPEI)	Iding Pardi
JP	ADB consultant for SF1 (Waseda University)	Shigehito Inukai
	Bank of Japan	Yuya Ueda
	Daiwa Securities Co. Ltd.	Yutaka Yokoyama
	Japan Securities Dealers Association	Tomohiko Kamimae
		Ryuichi Shiina
	Ministry of Finance Japan	Katsuyuki Tomizawa
	Mizuho Bank, Ltd.	Yasuhiro Ono
		Koji Kawase
		Daisuke Ogawa
	Mori Hamada & Matsumoto	Toru Ishiguro
	Nomura International (Hong Kong) Limited	Tatsuya Yasuda
	Nomura Securities Co., Ltd.	Reiko Nobuhiro
	NTT DATA Corporation	Takahiro Yanagisawa
	NTT DATA Institute of Management Consulting	Miho Nishimura
		Masahiro Nishihara
	NTTData Getronics Corporation	Toshio Kawakami
	Sumitomo Mitsui Banking Corporation	Hiroshi Kawagoe
		Haruyuki Takano
		Takeshi Taniguchi
		Marl Lee
		Koji Ito
KH	Ministry of Economy and Finance, Cambodia	Marina Doi
		Sopheap Chan
		Lida Noh
		Chantha Chhoeng
		Vanny But
	Securities and Exchange Commission of Cambodia	Samnang Kan
		Likea Hor
		Leakhena Song

	Institution	Name
KR	Bank of Communication (Seoul Branch)	WOONG RYEOL Kim
	Bank of Korea	Sungwoo Shin
		Byoung Mok Lee
		Jeeyoung Jung
	Financial Supervisory Service	Hyun-Ju Choi
	Jeonju University	Heejoon Jeong
	Korea Capital Market Institute (KCMI)	Suk Hyun
		Hyun Suk
	Korea Exchange	Seokho Han
		In-ug Ryu
	Korea Financial Investment Association (KOFIA)	Han Jo Kim
	Korea Securities Depository(KSD)	Suju Kwon
		Mandy Ku
		Jong Hyung Lee
		Eujin Kwon
	KOSCOM	Yunhak Lee
		Young Min Cho
		Wan Sung Kim
		Sun Jin Jang
		Seok Bae Lee
	Ministry of Strategy and Finance	Min Soo Kwon
		Beomseok Kim
LA	Ministry of Finance, Lao PDR	Chanpasith Sengphaathith
		Visada Sipaseuth
MY	Bank Negara Malaysia	Zainal Hasfi Hashim
		LAILATUL AKMA MOHD SHUKOR
		Aden Nadia Jabbari
	CIMB Investment Bank Berhad	Thomas Meow
		Loong Yeow Boon
PH	Asian Development Bank (ADB)	Kuei-Hua Wu
		Hsiao Chink Tang
		Kelly Raquel Borres
		Sheila Sombillo
		Shigeto Inukai
		Matthias Schmidt
	Bangko Sentral ng Pilipinas	Remedios Macapinlac
		Eleanor S. Turaray
		Bella Santos
	Bankers Association of the Philippines	Pinky Padronia
	Citibank N.A	Reyes Theresa
	PDS Group	Ma. Theresa Ravalo
		Karen Bahia
		Eleanor Rivera
		Apples Francisco
		Antonio Nakpil
	Securities & Exchange Commission	Vicente Graciano Felizmenio, Jr.
		Jose Vermon Filio
		Ephyro Luis Amatong
	The Bureau of the Treasury	Erwin Sta. Ana
SG	Omgeo	John Wu
	Singapore Exchange	Qingyang Lim
		Megan Teo
		Jill Hong

	Institution	Name
TH	Bank of Thailand	Chinda Yapanawech
		Ketkeaw Borvornniruttisai
	Ministry of Finance, Thailand	Nadhavudh Dhamasiri
		Sukmeena Bhasavanich
	Securities and Exchange Commission, Thailand	Chortip Svetarundra
		Jomkwan Kongsakul
	The Thai Bond Market Association	Ariya Tiranaprakij
		Pisit Leeahtam
		Tada Phutthitada
VN	Hanoi Stock Exchange	Tran Anh Tuan
		Ngoc Anh Thi Dinh
		Ha Thi Nguyen
	Vietnam Bond Market Association	Thao Ta Thi Bich
AU	ADB consultant for SF1	Matthais Schmidt
UK	Payments Council	James Whittle

Table A.4: ADB Secretariat

Institution	Position	Name
ADB Secretariat	Deputy Head of OREI (RSDD)	Noritaka Akamatsu
	Principal Financial Sector Specialist	Satoru Yamadera
	Senior Financial Sector Specialist (Banking)	Shinji Kawai
	Economics Officer	Raquel Borres
	Officer	Sheila Sombillo
ADB Consultant for SF2	Senior Manager, NTT DATA Corporation	Taiji Inui

Appendix 2: Purposes and Governance Structure of ABMF SF2

1. Purpose of ASEAN +3 Bond Market Forum

The ASEAN+3 Bond Market Forum (ABMF) was established in September 2010 based on the endorsement of the ASEAN+3 Finance Ministers' Meeting¹ as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transaction in the region.

The ABMF is expected to discuss various bond market issues to further develop liquid and well-functioning bond markets to make cross-border bond investment and settlement both smoother and cheaper; hence, the region's abundant savings are channeled more effectively into the region's increasing investment needs.

The ABMF aims to: (i) assess the existing regulatory frameworks and identify 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 promote harmonization, standardization, and integration; and (iii) provide opportunities to exchange knowledge, expertise, and experience between the private and public sectors in the region.

The ABMF took stock of the Group of Experts (GoE) report² on cross-border bond transactions and settlement issues.

Organizational Structure and Governance

The ABMF is organized under Task Force 3 (TF3) of the Asian Bond Markets Initiative (ABMI). The ABMF consults with the co-chairs of TF3 occasionally in undertaking any regional activities, and reports to TF3 on a regular basis regarding the progress of its activities. The organizational structure of ABMF is shown as follows.

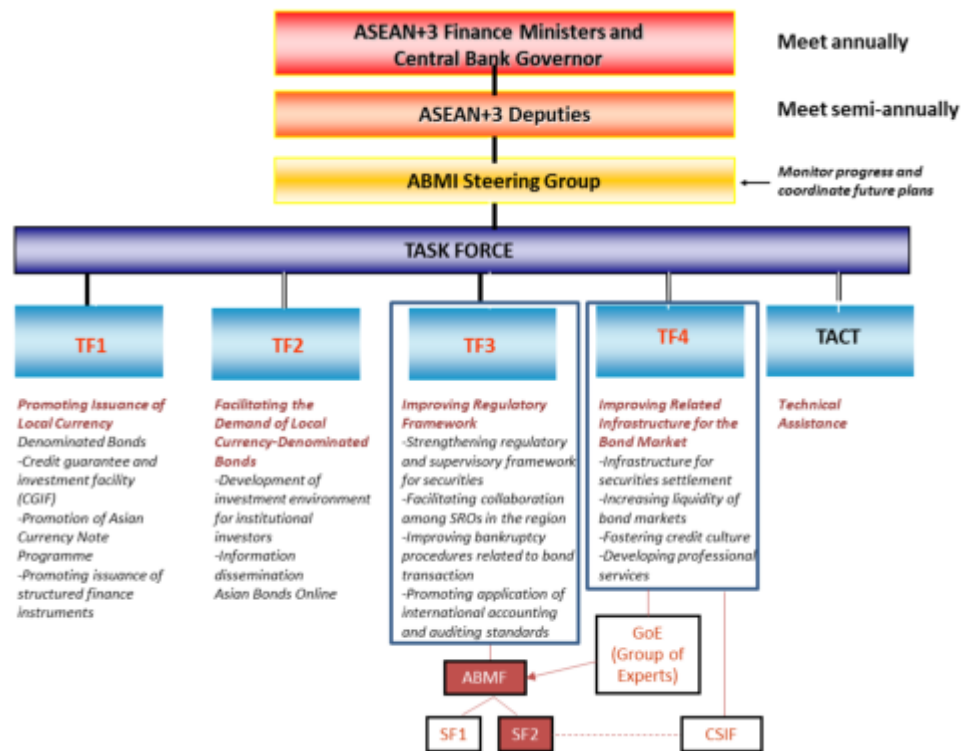
The ABMF consists of two sub-forums: Sub-Forum 1 (SF1) and Sub-Forum 2 (SF2). The objective of SF1 is to close the information gap in regulations, market practices and other areas

¹ The Joint Ministerial Statement of the 13th ASEAN+3 Finance Ministers' Meeting, 2 May 2010, Tashkent, Uzbekistan states that: "We [ASEAN+3 Finance Ministers] took note of the Group of Experts' findings and suggestions on facilitating cross-border bond transactions and settlement, and welcomed the establishment of the technical working group on Regional Settlement Intermediary (RSI) to further evaluate the policy recommendations. We endorsed the establishment of ASEAN+3 Bond Market Forum (ABMF) as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transactions in the region."

² ASEAN+3 Asian Bond Markets Initiatives (ABMI) Task Force 4—Groups of Experts. <http://asean3goe.adb.org>

in the region's bond markets. SF2 focuses on enhancing straight-through-processing (STP) in ASEAN+3. This report is about SF2.

Figure A2-1: Organizational Structure of the ASEAN+3 Bond Market Forum



2. Purpose and Position of ASEAN +3 Bond Market Forum Sub-Forum2

The GoE report identified various settlement barriers related to messaging formats, securities numbering, matching, and settlement cycle. Thus, the ABMF SF2 addresses these problems to enhance regional STP by harmonization of transaction procedures and standardization of messages.

It is desirable to execute cross-border transaction without any manual processes or data conversion among market infrastructures in the region. This ideal situation can be realized if all transactions are operated through a system using common standards and consistent messaging. This is not currently possible because individual economies have their own practices and standards, which is inevitable because certain transaction procedures follow national requirements to account for unique circumstances. In addition, some segments of a market may prefer ways of handling transactions, which creates differences in transaction procedures, hence, requiring additional conversion to international practices. Furthermore, differences in language

remain a significant barrier as some ASEAN+3 economies use their own characters for payment systems and communication. Adopting international standards frameworks such as ISO20022 can mitigate impediments and barriers, which will enhance interoperability in ASEAN+3 bond markets.³

Phase1 studies of ABMF SF2 had mainly discussed business flows by focusing on government bond transactions, which are larger and relatively simpler compared to corporate bond transactions. The studies identified and standardized the procedures in trades and settlements, particularly delivery-versus-payment (DVP) of government bonds. In addition, the ABMF SF2 discussed other settlement-related barriers such as securities numbering, settlement cycle, and matching to improve settlement procedures.

Phase 1 Report is posted on ADB website as follows:

https://wpqr1.adb.org/LotusQuickr/asean3abmf/Main.nsf/h_Toc/3B929170855F3F0E482579D4002E9940/?OpenDocument.

Phase2 studies of ABMF SF2 have succeeded the agenda from GoE report and phase1 studies of SF2. GoE report had pointed out some barriers to promote STP in ASEAN+3 bond markets. Phase2 studies have covered five barriers, which are pointed out by GoE report, messaging format, pre-matching, securities numbering, settlement cycle and physical certificate. Moreover, the studies have treated DVP flows of corporate bond, government bond flows in BCML⁴ countries, flows of interest and redemption payment, message format and items, market practices and FX and cash control to implement STP.

Phase 2 Report is posted on ADB website as follows:

http://asianbondsonline.adb.org/features/abmf_phase_2_report/subforum2_asean+3_information_transaction_flows_settlement_infrastructures.pdf?src=spotlight

³ The International Standard Organization (ISO) is a worldwide federation of national standards bodies. ISO20022 provides the financial industry with a common platform for the development of messages in a standardized Extensible Markup Language (XML) syntax.

⁴ Brunei, Cambodia, Myanmar and Laos

3. Possible Goals of SF2

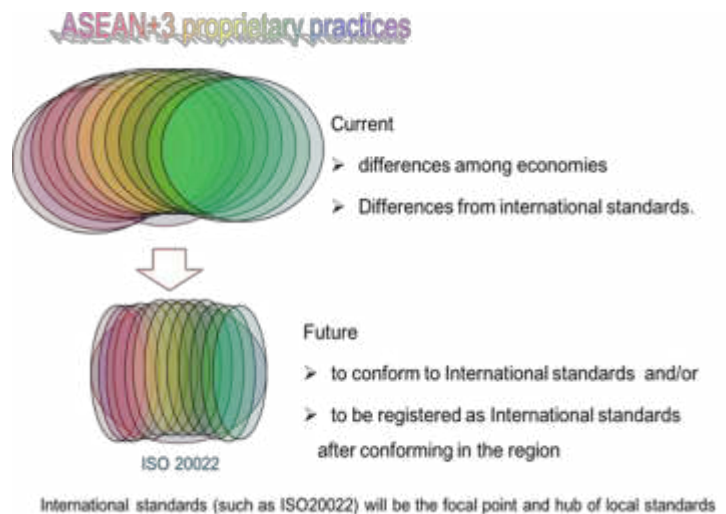
One of possible goals of ABMF SF2 is to promote STP. In order to promote STP, SF2 has clarified differences among ASEAN+3 economies about DVP and interest payment flows, message items and market practices. Moreover, SF2 defines typical DVP and interest payment flows for references by operators of bond market infrastructures. Another goal is to promote ISO 20022 and related international standards in particular ISIN and BIC based on the survey results.

Through the Phase1 and 2 studies, SF2 has revealed that each economy has own DVP flow and market practices. Differences about these matters could be barriers to achieve STP. Not all of ASEAN+3 economies adopt same rules at this moment, since they have unique legal and business requirements respectively. To promote STP, each economy is expected to adopt same DVP and interest payment flows to the extent possible at the timing of replacement of their current bond infrastructures. If all

ASEAN+3 economies comply with typical flows defined by ABMF SF2, barriers against STP among economies will be reduced steadily.

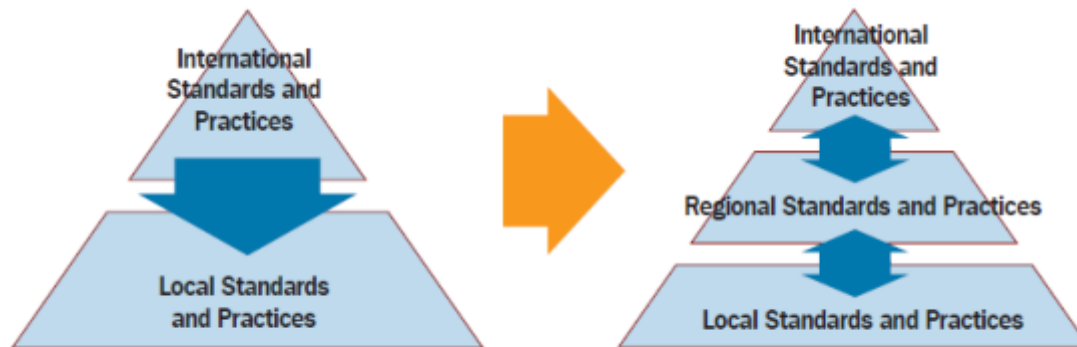
Concerning message format and items, and numberings and coding, ASEAN+3 proprietary practices (local standards) demonstrate differences from international standards, including ISO 20022. Also, proprietary practices of ASEAN+3 are different from country by country and market by market.

Figure A2-2: Possible Goals of Sub-Forum 2



Therefore, proprietary practices of ASEAN+3 could be changed to meet international standards. It is important to harmonize practices in the region to make the differences narrower. International standards (such as ISO 20022) should form the basis of local standards to make harmonization a reality. Also, practices in the ASEAN+3 that have been identified as at par with international standards should be considered as a benchmark as well.

Figure A2-3: Contribution of ASEAN + 3 to International Standard



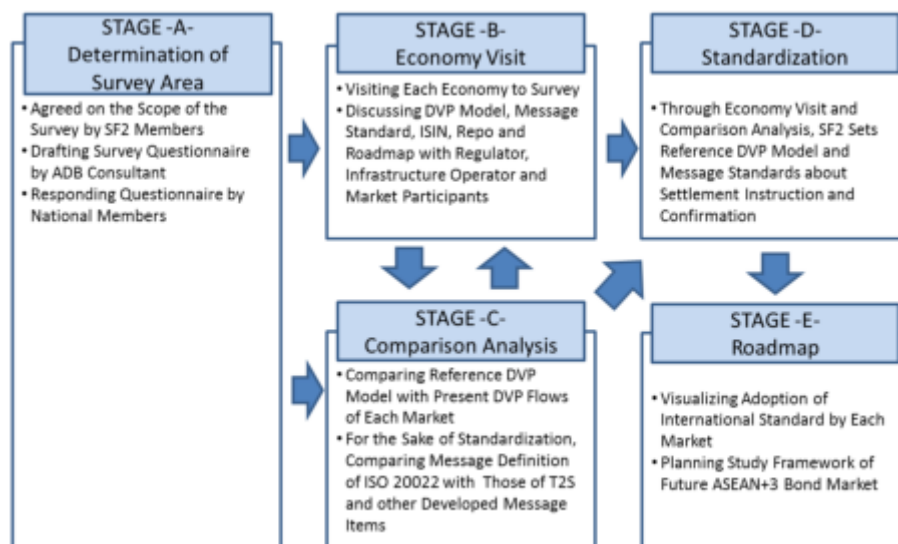
International standards (such as ISO20022) will be the focal point and hub of local standards.

Source: ABMF SF2.

4. Methodology Overview

Phase3 activities of ABMF SF2 are divided into six stages as illustrated below.

Figure A2-4: Phase3 Activities of ABMF SF2



Stage A: Determination of Survey Area

SF2 members agreed on the scope of the research of phase 3 activities. Phase 2 activities covered market practices and DVP flows in corporate bond market and flows related interest payment and redemption in both government and corporate bond market.

In Phase 3, SF2 has studied reference DVP model, message items of settlement instruction and

confirmation, ISIN, Repo and other topics related bond settlement.

The ADB Consultant drafted the survey questionnaire for ASEAN+3 economies. It was then distributed to national members and experts for their responses.

Stage B: Market (Economy) Visit

The ADB Secretariats and Consultant visited each economy to validate the information and data contained in the survey responses. Furthermore, during such visits, discussions with ABMF members and experts were held to collect more information. Topics of the discussion were DVP model, message standard, ISIN, repo , roadmap and so on.

Stage C: Comparison Analysis

ABMF SF2 conducted two types of comparison analysis. One analysis is about DVP model. ABMF SF2 has tried to create DVP model for ASEAN +3 bond market. If each market has each business flow of bond transaction, accomplishment of STP will be difficult. Acceptance of same DVP model will be first step of harmonization of bond settlement. Other analysis is about message standard. SF2 determined key message corresponding with DVP model. That is to say, settlement instruction, matched result, message confirmation, cash settlement instruction and cash settlement confirmation.

Stage D: Standardization

Through the above stages, ABMF SF2 sets reference DVP model and message standards about settlement instruction and confirmation for the sake of cross-border STP in the future.

Stage E: Roadmap

ABMF SF2 has set out a roadmap for the future state of ASEAN+3 bond market infrastructures.

5. Survey Questionnaire

In order to try to reach its goals, ABMF SF2 conducted a survey on the issues related to barriers by sending a questionnaire to national members and international experts. The followings are the primary category of the questionnaire of Phase 3 Study of ABMF SF2:

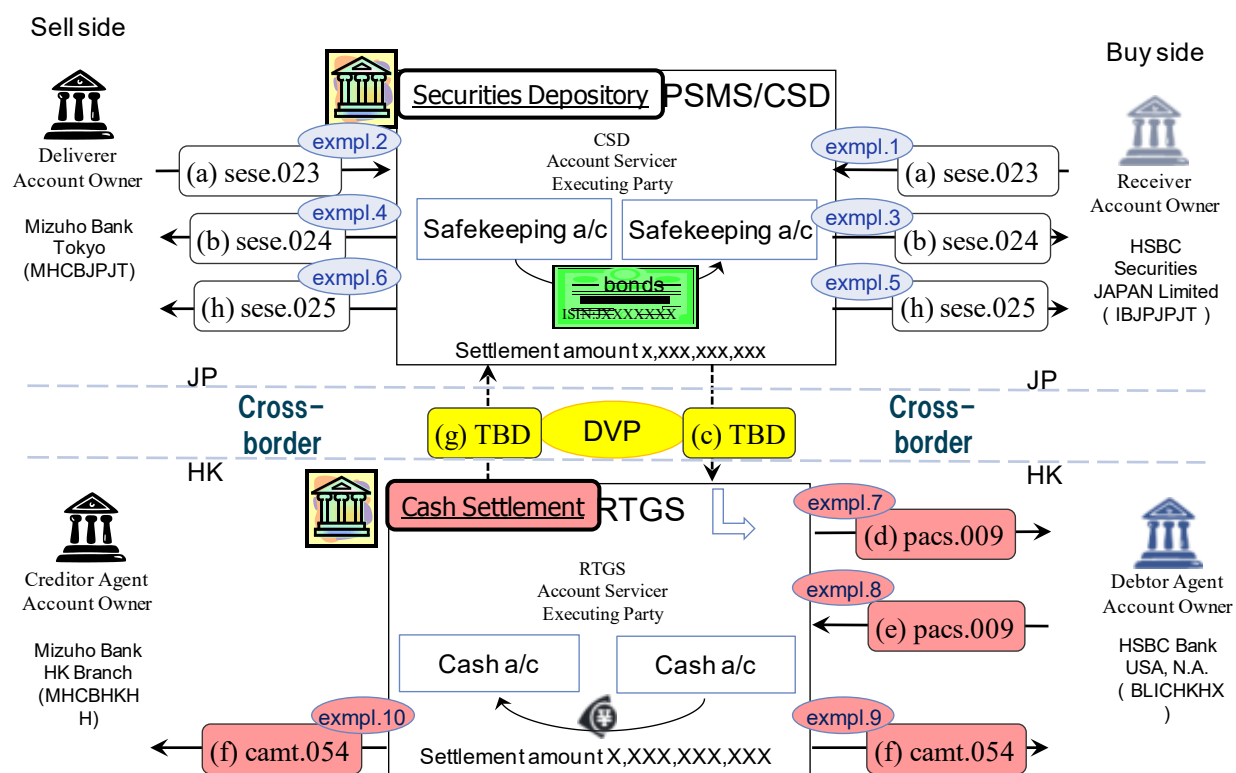
- (1) Reference Model about DVP Settlement,
- (2) Message Items Related to DVP Settlement,
- (3) Settlement Matching,
- (4) ISIN,

- (5) Collateral and Repo,
- (6) Harmonization of Market Practices,
- (7) Roadmap,
- (8) Policy Recommendation, and
- (9) Other Issues

Appendix 3: Message Items for Cross-Currency DVP

Examples of message items and instances to effect cross-currency DVP settlement are shown as a preliminary basis for discussion as follows:

Figure A3-1: Examples of Message Items and Instances to Effect cross-currency DVP Settlement



On 15 July 2014, HSBC Securities Japan Limited (IBJPJPJT), the account owner, instructs the CSD JASDEC (JJSDJPJT) to receive against payment securities. The securities are to be delivered by Mizuho Bank Tokyo (MHCBJPJT). Financial Instrument is JP316570AC61. Quantity is face amount JPY 7,899,300,000. This is done through a SecuritiesSettlementTransactionInstruction (sese.023.001).

Example 1: This instruction contains the following information details

Transaction Identification: HSBCTK005REC02

Securities Movement Type: receive

Payment: against payment

Settlement Date: 15/07/2014

Financial Instrument: JP316570AC61

Quantity: face amount 7,899,300,000
Safekeeping Account: 1272491
Securities Transaction Type: trade
Delivering Depository: JJSDJPJT (JASDEC)
Delivering Party 1: MHCBJPJT (Mizuho Bank Tokyo)
Receiving Settlement Party 1: IBJPJPJT (HSBC Securities Limited)
Debtor Agent: BLICKHX (HSBC Bank USA, N.A.)
Creditor Agent: MHCBHKHH (Mizuho Bank HK Branch)
Settlement Amount HKD 452,000 debit

Message items for, (a) Bond settlement instruction from participants to CSD, (b) matched results from CSD to participants, (h) Bond settlement confirmation from CSD to participants, (d) & (e) Cash settlement instruction from participants to RTGS and vice versa, and (f) Cash settlement confirmation from RTGS to participants are shown in Table A5-1 to A5-7

Figure A.3-1: (a) sese.023 Securities Settlement Transaction Instruction (Bond settlement Instruction from participants to CSD)

Message Element	ISO20022 Multiplicity	<XML Tag>	Type	Definition	Example1: HSBC Securities Limited send RVP message to JASDEC by sese.023.001	Example2: Mizuho Bank Tokyo send DVP message to JASDEC by sese.023.001
Document	[1..1]	<Document>		Document Root		
SecuritiesSettlementTransactionInstructionV05	[1..1]	<ScstSecStlmTxInstr>		Message Root		
TransactionIdentification	[1..1]	<TxId>	Text	Unambiguous identification of the transaction as know by the instructing party.	HSBCTK005REC02	MIZUHOTK0001
SettlementTypeAndAdditionalParameters	[1..1]	<StlmTpAndAddtlParams>		Provides settlement type and identification information.		
SecuritiesMovementType	[1..1]	<ScstSecMvmtTp>	CodeSet	Specifies if the movement on a securities account results from a deliver or a receive instruction.	RECE (receive)	DELI (deliver)
Payment	[1..1]	<Pmt>	CodeSet	Specifies how the transaction is to be settled, for example, against payment.	APMT (against payment)	APMT (against payment)
TradeDetails	[1..1]	<TradDtls>		Details of the trade.		
TradeDate	[0..1]	<TradDt>		Specifies the date/time on which the trade was executed.		
SettlementDate	[1..1]	<StlmDt>		Date and time at which the securities are to be delivered or received.		
Date	[1..1]	<Dt>		Date in ISO format.		
Date	[1..1]	<Dt>		Specified date.	2014-07-15	2014-07-15
FinancialInstrumentIdentification	[1..1]	<FinInstmId>		Financial instrument representing a sum of rights of the investor vis-a-vis the issuer.		
ISIN	[1..1]	<ISIN>	IdentifierSet	International Securities Identification Number (ISIN). A numbering system designed by the United Nation's International Organisation for Standardisation (ISO). The ISIN is composed of a 2-character prefix representing the country of issue, followed by the national security number (if one exists), and a check digit. Each country has a national numbering agency that assigns ISIN numbers for securities in that country.	JP316570AC61 (ISIN: NTT Data Corporation 26th unsecured straight corporate bonds)	JP316570AC61 (ISIN: NTT Data Corporation 26th unsecured straight corporate bonds)
QuantityAndAccountDetails	[1..1]	<QtyAndAcctDtls>		Details related to the account and quantity involved in the transaction.		
SettlementQuantity	[1..1]	<StlmQty>		Total quantity of securities to be settled.		
Quantity	[1..1]	<Qty>		Quantity of financial instrument in units, original face amount or current face amount.		
FaceAmount	[1..1]	<FaceAmt>	Amount	Quantity expressed as an amount representing the face amount, ie, the principal, of a debt instrument.	JPY 7,899,300,000	JPY 7,899,300,000
SafekeepingAccount	[1..1]	<SlkpgAcct>		Account to or from which a securities entry is made.		
Identification	[1..1]	<Id>	Text	Unambiguous identification for the account between the account owner and the account servicer."	1272491	0000100
SettlementParameters	[1..1]	<StlmParams>		Parameters which explicitly state the conditions that must be fulfilled before a particular transaction of a financial instrument can be settled. These parameters are defined by the instructing party in compliance with settlement rules in the market the transaction will settle in.		
SecuritiesTransactionType	[1..1]	<ScstSecTxTp>		Identifies the type of securities transaction.		
Code	[1..1]	<Cd>	CodeSet	Securities transaction type expressed as an ISO20022 code.	TRAD (trade)	TRAD (trade)
CashClearingSystem	[0..1]	<CshClrSys>		constraint: The CashSettlementSystem codes are to be used only by agents directly involved in the settlement process, such as local settlement agents, CSD's and central banks. Specifies the category Cash settlement system expressed as a proprietary code.		
Proprietary	[1..1]	<Prtry>		Proprietary information, often a code, issued by the data source scheme issuer.	HK01 (to be discussed)	HK01 (to be discussed)
Identification	[1..1]	<Id>		Entity that assigns the identification.	CSIF	CSIF
Issuer	[1..1]	<Issr>		Entity that assigns the identification.	CSIF	CSIF
DeliveringSettlementParties	[0..1]	<DlrgStlmPties>		Identifies the chain of delivering settlement parties.		
Depository	[0..1]	<Dpstry>		First party in the settlement chain. In a plain vanilla settlement, it is the Central Securities Depository where the counterparty requests to receive the financial instrument or from where the counterparty delivers the financial instruments.		
Identification	[1..1]	<Id>		Unique and unambiguous way to identify an organisation.		
AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Unique and unambiguous way to identify an organisation.	JJSDJPJT (JASDEC)	JJSDJPJT (JASDEC)
Party1	[0..1]	<Pty1>		Party that, in a settlement chain interacts with the depository.		
Identification	[1..1]	<Id>		Identification of the party.		
AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".	MHCBJPJT(Mizuho Bank Tokyo)	MHCBJPJT(Mizuho Bank)

			ReceivingSettlementParties	[0..1]	<RcvgStlmPties>		Identifies the chain of receiving settlement parties.		
			Depository	[0..1]	<Dpstry>		First party in the settlement chain. In a plain vanilla settlement, it is the Central Securities Depository where the counterparty requests to receive the financial instrument or from where the counterparty delivers the financial instruments.		
			Identification	[1..1]	<Id>		Unique and unambiguous way to identify an organisation.		
			AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Unique and unambiguous way to identify an organisation.	JJSDJPJT (JASDEC)	JJSDJPJT (JASDEC)
			Party1	[0..1]	<Pty1>		Party that, in a settlement chain interacts with the depository.		
			Identification	[1..1]	<Id>		Identification of the party.		
			AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)";	IBJPJPJT (HSBC Securities Limited)	IBJPJPJT (HSBC Securities Limited)
			CashParties	[0..1]	<CshPties>		Cash parties involved in the transaction if different for the securities settlement parties.		
			Debtor	[0..1]	<Dbtr>		Party that owes an amount of money to the (ultimate) creditor.		
			Identification	[1..1]	<Id>		Identification of the party.		
			AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)";		
			DebtorAgent	[0..1]	<DbtrAg>		Financial institution servicing an account for the debtor.		
			Identification	[1..1]	<Id>		Identification of the party.		
			BICFI	[1..1]	<BICFI>	IdentifierSet	Code allocated to a financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)";	BLICHKHX (HSBC Bank USA, N.A.)	BLICHKHX (HSBC Bank USA, N.A.)
			Creditor	[0..1]	<Cdtr>		Party to which an amount of money is due.		
			Identification	[1..1]	<Id>		Identification of the party.		
			AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)";		
			CreditorAgent	[0..1]	<CdtrAg>		Financial institution servicing an account for the creditor.		
			Identification	[1..1]	<Id>		Identification of the party.		
			BICFI	[1..1]	<BICFI>	IdentifierSet	Code allocated to a financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)";	MHCBHKHH(Mizuho Bank HK Branch)	MHCBHKHH(Mizuho Bank HK Branch)
			SettlementAmount	[0..1]	<StlmAmt>		Total amount of money to be paid or received in exchange for the securities.		
			Amount	[1..1]	<Amt>	Amount	Amount of money in the cash entry.	HKD 452,000	HKD 452,000
			CreditDebitIndicator	[1..1]	<CdDbtInd>	CodeSet	Indicates whether an entry is a credit or a debit.	DEBIT	CREDIT

Figure A.3-2: (b) sese.024 Securities Settlement Transaction Status Advice (Matched Results from CSD to participants)

Message Element	ISO20022 Multiplicity	<XML Tag>	Type	Definition	Example3: HSBC Securities Limited receive sese.024.001 as matched status advice.	Example4: Mizuho Bank receive sese.024.001 as matched status advice.
Document	[1..1]	<Document>		Document Root		
SecuritiesSettlementTransactionStatusAdviceV03	[1..1]	<StctiesSttlmTxStsAdv>		Message Root		
TransactionIdentification	[1..1]	<TxId>	Text	Provides unambiguous transaction identification information.		
AccountOwnerTransactionIdentification	[1..1]	<AcctOwnrTxId>	Text	Unambiguous identification of the transaction as known by the account owner (or the instructing party managing the account).	HSBCTK005REC02	MIZUHOTK0001
AccountServicerTransactionIdentification	[0..1]	<AcctSvrTxId>	Text	Unambiguous identification of the transaction as known by the account servicer.	JASDEC0001	JASDEC0001
MatchingStatus	[0..1]	<MchgSts>		Provides the matching status of the instruction.		
Matched	[1..1]	<Mchd>		Status is matched.	MACH (matched)	MACH (matched)
Unmatched	[1..1]	<Umchd>		Status is unmatched.		
NoSpecifiedReason	[1..1]	<NoSpctdRsn>	CodeSet	Indicates that there is no reason available or to report.		
Reason	[1..n]	<Rsn>		Specifies the reason of the UnmatchedStatus.		
Code	[1..1]	<Cd>		Specifies the reason why the instruction has an unmatched status.		
Code	[1..1]	<Cd>	CodeSet	Specifies the reason why the instruction has an unmatched status.		
AdditionalReasonInformation	[0..1]	<AddtlRsnInf>	Text	Provides additional reason information that cannot be provided in a structured field.		
TransactionDetails	[0..1]	<TxDtls>		Identifies the details of the transaction.		
SafekeepingAccount	[1..1]	<StkpgAcct>		Account to or from which a securities entry is made.		
Identification	[1..1]	<Id>	Text	Unambiguous identification for the account between the account owner and the account servicer.*	1272491	0000100
FinancialInstrumentIdentification	[1..1]	<FinInstmId>		Financial instruments representing a sum of rights of the investor vis-a-vis the issuer.		
ISIN	[0..1]	<ISIN>	IdentifierSet	International Securities Identification Number (ISIN). A numbering system designed by the United Nations International Organisation for Standardisation (ISO). The ISIN is composed of a 2-character prefix representing the country of issue, followed by the national security number (if one exists), and a check digit. Each country has a national numbering agency that assigns ISIN numbers for securities in that country.	JP316570AC61 (ISIN: NTT Data Corporation 26th unsecured straight corporate bonds)	JP316570AC61 (ISIN: NTT Data Corporation 26th unsecured straight corporate bonds)
SettlementQuantity	[1..1]	<StlmQty>		Total quantity of securities to be settled.		
Quantity	[1..1]	<Qty>		Quantity of financial instrument in units, original face amount or current face amount.		
FaceAmount	[1..1]	<FaceAmt>	Amount	Quantity expressed as an amount representing the face amount, ie, the principal, of a debt instrument.	JPY 7,899,300,000	JPY 7,899,300,000
SettlementAmount	[0..1]	<StlmAmt>		Total amount of money to be paid or received in exchange for the securities.		
Amount	[1..1]	<Amt>	Amount	Amount of money in the cash entry.	HKD 452,000	HKD 452,000
CreditDebitIndicator	[1..1]	<CdtDbitInd>	CodeSet	Indicates whether an entry is a credit or a debit.	DEBIT	CREDIT
SettlementDate	[1..1]	<StlmDt>		Date and time at which the securities are to be delivered or received.		
Date	[1..1]	<Dt>		Date in ISO format.		
Date	[1..1]	<Dt>	Date	Specified date.	2014-07-15	2014-07-15
DateTime	[1..1]	<DtTm>	DateTime	Specified date and time.		

			SecuritiesMovementType	[1..1]	<SciesMvmtTp>	CodeSet	Specifies if the movement on a securities account results from a deliver or a receive instruction.	RECE (receive)	DELI (deliver)
			Payment	[1..1]	<Pmt>	CodeSet	Specifies how the transaction is to be settled, for example, against payment.		
			SettlementParameters	[1..1]	<SttlmParams>		Parameters applied to the settlement of a security transfer.		
			SecuritiesTransactionType	[1..1]	<SciesTxTp>		Identifies the type of securities transaction.		
			Code	[1..1]	<Cd>	CodeSet	Securities transaction type expressed as an ISO 20022 code.	TRAD (trade)	TRAD (trade)
			ReceivingSettlementParties	[0..1]	<RcvgSttlmPties>		Identifies the chain of receiving settlement parties.		
			Depository	[0..1]	<Dpstry>		First party in the settlement chain. In a plain vanilla settlement, it is the Central Securities Depository where the counterparty requests to receive the financial instrument or from where the counterparty delivers the financial instruments.		
			Identification	[1..1]	<Id>		Identification of the party.		
			AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Unique and unambiguous way to identify an organisation.	JJSDJPJT (JASDEC)	JJSDJPJT (JASDEC)
			Party1	[0..1]	<Pty1>		Party that, in a settlement chain interacts with the depository.		
			Identification	[1..1]	<Id>		Identification of the party.		
			AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".	IBJPJPJT (HSBC Securities Limited)	IBJPJPJT (HSBC Securities Limited)
			DeliveringSettlementParties	[0..1]	<DlrgSttlmPties>		Identifies the chain of delivering settlement parties.		
			Depository	[0..1]	<Dpstry>		First party in the settlement chain. In a plain vanilla settlement, it is the Central Securities Depository where the counterparty requests to receive the financial instrument or from where the counterparty delivers the financial instruments.		
			Identification	[1..1]	<Id>		Identification of the party.		
			AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Unique and unambiguous way to identify an organisation.	JJSDJPJT (JASDEC)	JJSDJPJT (JASDEC)
			Party1	[0..1]	<Pty1>		Party that, in a settlement chain interacts with the depository.		
			Identification	[1..1]	<Id>		Identification of the party.		
			AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".	MHCBJPJT(Mizuho Bank)	MHCBJPJT(Mizuho Bank)

Figure A.3-3: (h) sese.025 Securities Settlement Transaction Confirmation (Bond Settlement Confirmation from CSD to participants)

Message Element	ISO20022 Multiplicity	<XML Tag>	Type	Definition	Example5: HSBC Securities Limited receive SecuritiesSettlementTransactionConfirmation by using sese.025.001	Example6: Mizuho Bank receive SecuritiesSettlementTransactionConfirmation by using sese.025.001
Document	[1..1]	<Document>		Document Root		
SecuritiesSettlementTransactionConfirmationV05	[1..1]	<ScstiesSttlmTxConf>		Message Root		
TransactionIdentificationDetails	[1..1]	<TxIdDtls>		Provides transaction type and identification information.		
AccountOwnerTransactionIdentification	[1..1]	<AcctOwnrTxId>	Text	Unambiguous identification of the transaction as known by the account owner (or the instructing party managing the account).	HSBCTK005REC02	MIZUHOTK0001
AccountServicerTransactionIdentification	[0..1]	<AcctSvcrTxId>	Text	Unambiguous identification of the transaction as known by the account servicer	JASDEC0001	JASDEC0001
SecuritiesMovementType	[1..1]	<ScstiesMvmtTp>	CodeSet	Specifies if the movement on a securities account results from a deliver or a receive instruction.	REDE (receive)	DELI (deliver)
Payment	[1..1]	<Pmt>	CodeSet	Specifies how the transaction is to be settled, for example, against payment.	AGMT (against payment)	AGMT (against payment)
TradeDetails	[1..1]	<TradDtls>		Details of the trade.		
EffectiveSettlementDate	[1..1]	<FctvSttlmDt>		Date and time at which a transaction is completed and cleared, ie, payment is effected and securities are delivered.		
Date	[1..1]	<Dt>		Date in ISO format.		
Date	[1..1]	<Dt>		Specified date.	2014-07-15	2014-07-15
DateTime	[1..1]	<DTtm>		Specified date and time.		
FinancialInstrumentIdentification	[1..1]	<FinInstmrId>		Financial instrument representing a sum of rights of the investor vis-a-vis the issuer.		
ISIN	[0..1]	<ISIN>	IdentifierSet	International Securities Identification Number (ISIN). A numbering system designed by the United Nation's International Organisation for Standardisation (ISO). The ISIN is composed of a 2-character prefix representing the country of issue, followed by the national security number (if one exists), and a check digit. Each country has a national numbering agency that assigns ISIN numbers for securities in that country.	JP316570AC61 (ISIN: NTT Data Corporation 26th unsecured straight corporate bonds)	JP316570AC61 (ISIN: NTT Data Corporation 26th unsecured straight corporate bonds)
QuantityAndAccountDetails	[1..1]	<QtyAndAcctDtls>		Details related to the account and quantity involved in the transaction.		
SettledQuantity	[1..1]	<SttdQty>		Quantity of financial instrument effectively settled.		
Quantity	[1..1]	<Qty>		Quantity of financial instrument in units, original face amount or current face amount.		
FaceAmount	[1..1]	<FaceAmt>	Amount	Quantity expressed as an amount representing the face amount, ie, the principal, of a debt instrument.	JPY 7,899,300,000	JPY 7,899,300,000
SafekeepingAccount	[1..1]	<SfkgAcct>		Account to or from which a securities entry is made.		
Identification	[1..1]	<Id>		Unambiguous identification for the account between the account owner and the account servicer.	1272491	0000100
SettlementParameters	[1..1]	<SttlmParams>		Parameters which explicitly state the conditions that must be fulfilled before a particular transaction of a financial instrument can be settled. These parameters are defined by the instructing party in compliance with settlement rules in the market the transaction will settle in.		
SecuritiesTransactionType	[1..1]	<ScstiesTxTp>		Identifies the type of securities transaction.		
Code	[1..1]	<Cd>	CodeSet	Securities transaction type expressed as an ISO 20022 code.	TRAD (trade)	TRAD (trade)

		DeliveringSettlementParties	[0..1]	<DlrgStlmPties>		Identifies the chain of delivering settlement parties.		
		Depository	[0..1]	<Dpstry>		First party in the settlement chain. In a plain vanilla settlement, it is the Central Securities Depository where the counterparty requests to receive the financial instrument or from where the counterparty delivers the financial instruments.		
		Identification	[1..1]	<Id>		Unique and unambiguous way to identify an organisation.		
		AnyBIC	[1..1]	<AnyBIC>		Unique and unambiguous way to identify an organisation.	JJSDJPJT (JASDEC)	JJSDJPJT (JASDEC)
		Party1	[0..1]	<Pty1>		Party that, in a settlement chain interacts with the depository.		
		Identification	[1..1]	<Id>		Identification of the party.		
		AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".	MHCBJPJT(Mizuho Bank)	MHCBJPJT(Mizuho Bank)
		ReceivingSettlementParties	[0..1]	<RcvgStlmPties>		Identifies the chain of receiving settlement parties.		
		Depository	[0..1]	<Dpstry>		First party in the settlement chain. In a plain vanilla settlement, it is the Central Securities Depository where the counterparty requests to receive the financial instrument or from where the counterparty delivers the financial instruments.		
		Identification	[1..1]	<Id>		Unique and unambiguous way to identify an organisation.		
		AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Unique and unambiguous way to identify an organisation.	JJSDJPJT (JASDEC)	JJSDJPJT (JASDEC)
		Party1	[0..1]	<Pty1>		Party that, in a settlement chain interacts with the depository.		
		Identification	[1..1]	<Id>		Identification of the party.		
		AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".	BJJPJT (HSBC Securities Limited)	BJJPJT (HSBC Securities Limited)
		CashParties	[0..1]	<CshPties>		Cash parties involved in the transaction if different for the securities settlement parties.		
		Debtor	[0..1]	<Dptr>		Party that owes an amount of money to the (ultimate) creditor.		
		Identification	[1..1]	<Id>		Identification of the party.		
		AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".		
		DebtorAgent	[0..1]	<DptrAg>		Financial institution servicing an account for the debtor.		
		Identification	[1..1]	<Id>		Identification of the party.		
		BICFI	[1..1]	<BICFI>	IdentifierSet	Code allocated to a financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".	BLCHKHX (HSBC Bank USA, N.A.)	BLCHKHX (HSBC Bank USA, N.A.)
		Creditor	[0..1]	<Cdtr>		Party to which an amount of money is due.		
		Identification	[1..1]	<Id>		Identification of the party.		
		AnyBIC	[1..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial or non-financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".		
		CreditorAgent	[0..1]	<CdtrAg>		Financial institution servicing an account for the creditor.		
		Identification	[1..1]	<Id>		Identification of the party.		
		BICFI	[1..1]	<BICFI>	IdentifierSet	Code allocated to a financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".	MHCBHKHH(Mizuho Bank HK Branch)	MHCBHKHH(Mizuho Bank HK Branch)
		Intermediary	[0..1]	<Intrmy>		Financial institution through which the transaction must pass to reach the account with institution.		
		Identification	[1..1]	<Id>		Identification of the party.		
		BICFI	[1..1]	<BICFI>	IdentifierSet	Code allocated to a financial institution by the ISO 9362 Registration Authority, as described in ISO 9362 "Banking - Banking telecommunication messages - Business identifier code (BIC)".	HKMAHKHC(DVP settlement is done by through HKD RTGS CHATS)	HKMAHKHC(DVP settlement is done by through HKD RTGS CHATS)
		SettledAmount	[0..1]	<StlmAmt>		Amount effectively settled and which will be credited to/debited from the account owner's cash account. It may differ from the instructed settlement amount based on market tolerance level.		
		Amount	[1..1]	<Amt>	Amount	Amount of money in the cash entry.	HKD 452,000	HKD 452,000
		CreditDebitIndicator	[1..1]	<CdIDbtInd>	CodeSet	Indicates whether an entry is a credit or a debit.	DEBIT	CREDIT

Figure A.3-4: (d) and (e) pacs.009 Financial Institution Credit Transfer (Cash Settlement Instruction)

Message Element	ISO20022 Multiplicity	XML Tag	Type	Definition	example. 7	example. 8
FinancialInstitutionCreditTransferV03(pacs.009.001.03)		<FinInstnCdtTrf>				
GroupHeader	[1..1]	<GrpHdr>		Set of characteristics shared by all individual transactions included in the message.		
MessageIdentification	[1..1]	<MsgId>	Text	Point to point reference, as assigned by the instructing party, and sent to the next party in the chain to unambiguously identify the message.
Usage: The instructing party has to make sure that MessageIdentification is unique per instructed party for a pre-agreed period.	HKMA0001	HSBCHK0001
CreationDateTime	[1..1]	<CreDtTm>	DateTime	Date and time at which the message was created.	2014/7/15T11:30:30	2014/7/15T11:30:30
NumberOfTransactions	[1..1]	<NbOfTx>	Text	Number of individual transactions contained in the message.	1	1
SettlementInformation	[1..1]	<SttlmInf>		Specifies the details on how the settlement of the transaction(s) between the instructing agent and the instructed agent is completed.		
SettlementMethod	[1..1]	<SttlmMtd>	CodeSet	Method used to settle the (batch of) payment instructions.	CLRG	CLRG
CreditTransferTransactionInformation	[1..*]	<CdtTrfTxInf>		Set of elements providing information specific to the individual credit transfer(s).		
PaymentIdentification	[1..1]	<PmtId>		Set of elements used to reference a payment instruction.		
EndToEndIdentification	[1..1]	<EndToEndId>	Text	Unique identification, as assigned by the initiating party, to unambiguously identify the transaction. This identification is passed on, unchanged, throughout the entire end-to-end chain.
Usage: The end-to-end identification can be used for reconciliation or to link tasks relating to the transaction. It can be included in several messages related to the transaction.
Usage: In case there are technical limitations to pass on multiple references, the end-to-end identification must be passed on throughout the entire end-to-end chain.	HSBCTK005REC02	HSBCTK005REC02
TransactionIdentification	[1..1]	<TxId>	Text	Unique identification, as assigned by the first instructing agent, to unambiguously identify the transaction that is passed on, unchanged, throughout the entire interbank chain.
Usage: The transaction identification can be used for reconciliation, tracking or to link tasks relating to the transaction on the interbank level.
Usage: The instructing agent has to make sure that the transaction identification is unique for a pre-agreed period.	HSBCTK005REC02	HSBCTK005REC02
InterbankSettlementAmount	[1..1]	<IntrBkSttlmAmt>	Amount	Amount of money moved between the instructing agent and the instructed agent.	HKD 452,000	HKD 452,000
Debtor	[1..1]	<Dbtr>		Financial institution that owes an amount of money to the (ultimate) financial institutional creditor.		
FinancialInstitutionIdentification	[1..1]	<FinInstnId>		Unique and unambiguous identification of a financial institution, as assigned under an internationally recognised or proprietary identification scheme.		
BICFI	[0..1]	<BICFI>	IdentifierSet	Code allocated to a financial institution by the ISO 9362 Registration Authority as described in ISO 9362 "Banking – Banking telecommunication messages – Business identifier code (BIC)".	IBJPJPJT	IBJPJPJT
DebtorAgent	[0..1]	<DbtrAgt>		Financial institution servicing an account for the creditor.		
FinancialInstitutionIdentification	[1..1]	<FinInstnId>		Unique and unambiguous identification of a financial institution, as assigned under an internationally recognised or proprietary identification scheme.		
BICFI	[0..1]	<BICFI>	IdentifierSet	Code allocated to a financial institution by the ISO 9362 Registration Authority as described in ISO 9362 "Banking – Banking telecommunication messages – Business identifier code (BIC)".	BLCHKHX	BLCHKHX
CreditorAgent	[0..1]	<CdtrAgt>		Financial institution servicing an account for the creditor.		
FinancialInstitutionIdentification	[1..1]	<FinInstnId>		Unique and unambiguous identification of a financial institution, as assigned under an internationally recognised or proprietary identification scheme.		
BICFI	[0..1]	<BICFI>	IdentifierSet	Code allocated to a financial institution by the ISO 9362 Registration Authority as described in ISO 9362 "Banking – Banking telecommunication messages – Business identifier code (BIC)".	MHCBHKHH	MHCBHKHH

		Creditor		[1..1]	<Cdtr>		Financial institution that receives an amount of money from the financial institutional debtor.		
		FinancialInstitutionIdentification		[1..1]	<FinInstnId>		Unique and unambiguous identification of a financial institution, as assigned under an internationally recognised or proprietary identification scheme.		
		BICFI		[0..1]	<BICFI>	IdentifierSet	Code allocated to a financial institution by the ISO 9362 Registration Authority as described in ISO 9362 "Banking – Banking telecommunication messages – Business identifier code (BIC)".	MHCBJPJT	MHCBJPJT

Figure A.3-5: (f) camt.054 Bank to Customer Debit Credit Notification (Cash Settlement Confirmation)

Message Element	ISO20022 Multiplicity	XML Tag	Type	Definition	Example. 9	Example. 10
BankToCustomerDebitCreditNotificationV03(camt.054.001.03)		<BkToCstmrDbtCdtNtfctn>				
GroupHeader	[1..1]	<GrpHdr>		Common information for the message.		
MessageIdentification	[1..1]	<MsgId>	Text	Point to point reference, as assigned by the account servicing institution, and sent to the account owner or the party authorised to receive the message, to unambiguously identify the message.
Usage: The account servicing institution has to make sure that MessageIdentification is unique per account owner for a pre-agreed period.	HKMA0001	HKMA0001
CreationDate Time	[1..1]	<CreDtTm>	Date Time	Date and time at which the message was created.	2014-7-15T11:30:45	2014-7-15T11:30:45
Notification	[1..*]	<Ntfctn>		Notifies debit and credit entries for the account.		
Identification	[1..1]	<Id>	Text	Unique identification, as assigned by the account servicer, to unambiguously identify the account notification.	100001	100001
CreationDate Time	[1..1]	<CreDtTm>	Date Time	Date and time at which the message was created.	2014-7-15T11:30:40	2014-7-15T11:30:40
Account	[1..1]	<Acct>		Unambiguous identification of the account to which credit and debit entries are made.		
Identification	[1..1]	<Id>		Unique and unambiguous identification for the account between the account owner and the account servicer.		
Other	[1..1]	<Othr>		Unique identification of an account, as assigned by the account servicer, using an identification scheme.		
Identification	[1..1]	<Id>	Text	Identification assigned by an institution.	200	100
Entry	[0..*]	<Ntry>		Set of elements used to specify an entry in the debit credit notification.
Usage: At least one reference must be provided to identify the entry and its underlying transaction(s).		
Amount	[1..1]	<Amt>	Amount	Amount of money in the cash entry.	HKD 452,000	HKD 452,000
CreditDebitIndicator	[1..1]	<CdtDbtInd>	CodeSet	Indicates whether the entry is a credit or a debit entry.	CRDT	DBIT
Status	[1..1]	<Sts>	CodeSet	Status of an entry on the books of the account servicer.	BOOK (booked)	BOOK (booked)
BankTransactionCode	[1..1]	<BkTxCd>		Set of elements used to fully identify the type of underlying transaction resulting in an entry.		
Proprietary	[0..1]	<Prtry>		Bank transaction code in a proprietary form, as defined by the issuer.		
Code	[1..1]	<Cd>	CodeSet	Proprietary bank transaction code to identify the underlying transaction.	(to be discussed)	(to be discussed)
EntryDetails	[0..*]	<NtryDtls>		Provides details on the entry.		
TransactionDetails	[0..*]	<TxDtls>		Provides information on the underlying transaction(s).		
CreditDebitIndicator	[1..1]	<CdtDbtInd>	CodeSet	Indicates whether the transaction is a credit or a debit transaction.	CRDT	DBIT
RelatedParties	[0..1]	<RltdPties>		Set of elements used to identify the parties related to the underlying transaction.		
Debtor	[0..1]	<Dbtr>		Party that owes an amount of money to the (ultimate) creditor.		
Identification	[0..1]	<Id>		Unique and unambiguous identification of a party.		
OrganisationIdentification	[1..1]	<OrgId>		Unique and unambiguous way to identify an organisation.		
AnyBIC	[0..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial institution or non financial institution by the ISO 9362 Registration Authority as described in ISO 9362 "Banking – Banking telecommunication messages – Business identifier code (BIC)".	IBJPJPJT	IBJPJPJT
DebtorAgent	[0..1]	<DbtrAgnt>		Financial institution servicing an account for the creditor.		
FinancialInstitutionIdentification	[1..1]	<FinInstnId>		Unique and unambiguous identification of a financial institution, as assigned under an internationally recognised or proprietary		
BICFI	[0..1]	<BICFI>		Code allocated to a financial institution by the ISO 9362 Registration Authority as described in ISO 9362 "Banking – Banking telecommunication messages – Business identifier code (BIC)".	BLCHKHX	BLCHKHX
CreditorAgent	[0..1]	<CdrAgnt>		Financial institution servicing an account for the creditor.		
FinancialInstitutionIdentification	[1..1]	<FinInstnId>		Unique and unambiguous identification of a financial institution, as assigned under an internationally recognised or proprietary		
BICFI	[0..1]	<BICFI>		Code allocated to a financial institution by the ISO 9362 Registration Authority as described in ISO 9362 "Banking – Banking telecommunication messages – Business identifier code (BIC)".	MHCBHKHH	MHCBHKHH
Creditor	[0..1]	<Cdr>		Party that owes an amount of money to the (ultimate) creditor.		
Identification	[0..1]	<Id>		Unique and unambiguous identification of a party.		
OrganisationIdentification	[1..1]	<OrgId>		Unique and unambiguous way to identify an organisation.		
AnyBIC	[0..1]	<AnyBIC>	IdentifierSet	Code allocated to a financial institution or non financial institution by the ISO 9362 Registration Authority as described in ISO 9362 "Banking – Banking telecommunication messages – Business identifier code (BIC)".	MHCBJPJT	MHCBJPJT

Appendix 4: Outline of International Organization for Standardization (ISO)

1. Overview of International Standard

ISO (International Organization for Standardization) is an independent, non-governmental membership organization made up of members from national standards bodies of 165 countries as of January 2015. Members play a vital role in how ISO operates through the General Assembly that decides strategic objectives. There are three member categories (Full member, Subscriber member, and Correspondence member). Central Secretariat in Geneva, Switzerland, coordinates the system directed by the Secretary General.

ISO standards are developed by the people that need them, through a consensus process. Experts from all over the world develop the standards that are required by their sector. These experts are proposed by national members. ISO develops technical standards in many areas including technology, product safety, and energy management. More than 19,000 ISO standards are published. The work is divided between Technical Committees (TC). The development process is carried out through experts participating in committees and working groups. Agreement/approval of a standard reflects a double layer of consensus - first within the industry (market players) and then with the ISO country members.

Figure A4-1: ISO governance structure



2. ISO Technical Committee 68 (TC68) for Financial Services

There are two level of country membership, participating member and observing member. Also, there are liaison organizations which are international or broadly based regional organizations working or interested in similar or related fields. Liaison organizations are categorized into three levels, level A (to participate at the TC or SC levels and their working groups), level B (to receive information about the TCs, SCs

and/or their WGs. Mainly for intergovernmental organizations), and level C (to participate at the WG level only).

TC68 created important financial standards:

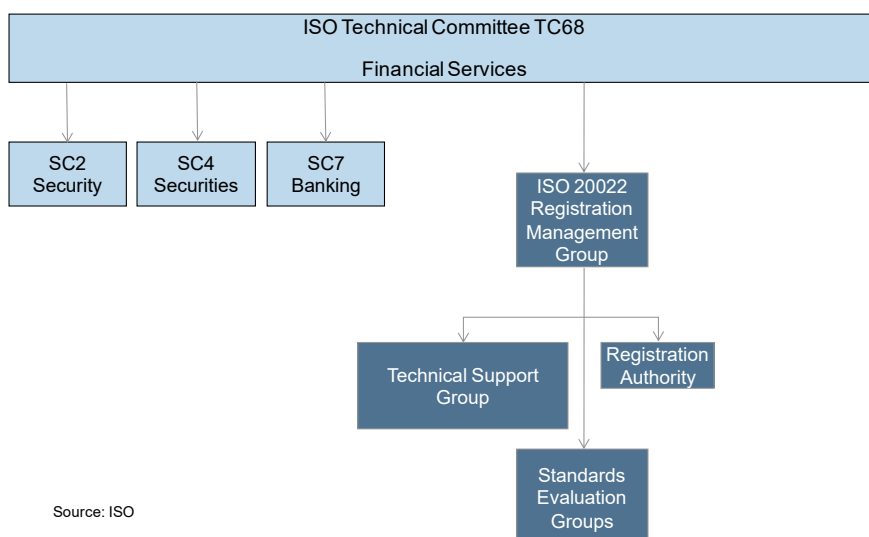
ISO 4217	Codes for The Representation of Currencies and Funds
ISO 6166	International Securities Numbering System (ISIN)
ISO 9362	Business Identifier code (BIC)
ISO 9564	Personal Identification Number (PIN)
ISO 10383	Codes for Exchanges and Market Identification (MIC)
ISO 10962	Classification of Financial Instruments (CFI code)
ISO 13616	International bank Account Number (IBAN)
ISO 15022	Scheme for Messages (Data Field Dictionary)
ISO 20022	Universal Financial Industry Message Scheme
ISO 17442	Legal Entity Identifier (LEI)

Governance and decision making process of ISO TC68 are as follows:

The international standards are developed through worldwide network of national standards bodies. Such development work is performed within Technical Committees (TCs), their subcommittees (SCs) and working groups (WGs). There are 163 National Standards Bodies are represented within the ISO Framework as of January 2015. The ISO standards

development process is carried out through experts participating in committees and working groups. Agreement/approval of a standard reflects a double layer of consensus – first within the industry (market players) and then across ISO member countries.

Figure A4-2: ISO TC68 for Financial Services



Source: ISO

3. Registration Management Group

The Registration Management Group (RMG) is the highest ISO 20022 registration body: it monitors the overall registration process and has oversight of the RA. It reports directly to ISO TC68 and is the umbrella organisation that deals with all matters ISO 20022. The RMG membership is senior industry experts nominated by ISO member countries or category A liaison organizations.

The role of RMG is to promote and support the involvement of financial service actors to facilitate the registration and maintenance of high quality globally relevant ISO 20022 compliant business models for exchange of information for financial services.

Essential activities of the RMG in support of this objective are to:

- (i) oversee the ISO 20022 Registration Authority (RA);
- (ii) ensure the Registration Process operates effectively and responds to technical and business challenges in support of the RA including the set up/disbandment of sub-groups (for example Standards Evaluation Groups);
- (iii) review and approve Business Justifications to manage the business scope of the ISO 20022 repository seeking to achieve full coverage of financial services activities;
- (iv) provide a contact point for any organization wishing to engage with the standard; and
- (v) proactively communicate on all matters ISO 20022.

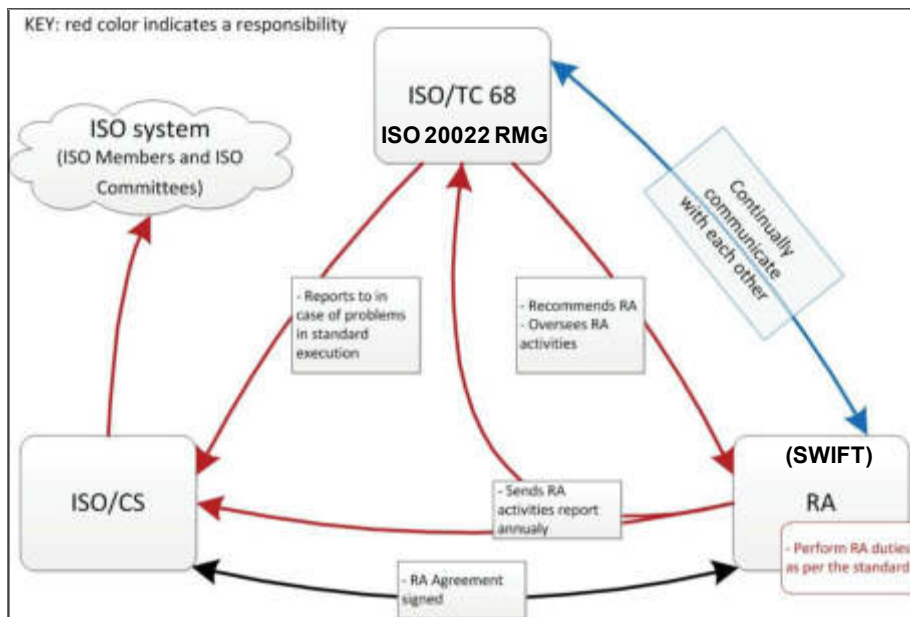
The mission of RMG is to ensure that ISO 20022 is a trusted standard providing high quality business models for exchange of information for financial services.

The key dimensions in support of this mission that the RMG must strive to deliver are:

- (i) Continuous engagement – Trust that the registration process, and the management of that process, is open, accessible and founded on a fair, reasonable, and non-discriminatory governance model
- (ii) Effectiveness and efficiency – An efficient registration process that produces high quality ISO 20022 compliant deliverables in a sustainable, timely and accessible manner
- (iii) Delivery – Ensure that the registration process produces deliverables that are relevant to the business needs of financial services.

Relationship including responsibility of RMG is shown as follows:

Figure A4-3: Relationship including responsibility of RMG



ISO 20022 RMG registration and maintenance processes

- (i) The RMG plays a critical role in the registration process, so wide and representative engagement from industry is really important
- (ii) The key document that the RMG focuses on is the Business Justification that describes the scope and need for new ISO 20022 messages
- (iii) These Business Justifications are in fact like a proposal from a community of users who are expressing a need to define ISO 20022 messages
- (iv) The critical role of the RMG membership is to avoid overlapping scope of ISO 20022 messages, and to manage the resources needed for the registration process (1 month)
- (v) The submitting organization retains any intellectual property rights
- (vi) The Standards Evaluation Groups are critical in that they evaluate the ISO 20022 messages from a business perspective. Again wide representative engagement from industry is really important (max. 3 months)
- (vii) Messages become available in the ISO 20022 repository after Evaluation and the status of a submission is fully transparent

Followings show the registration process and maintenance process of ISO 20022.

Figure A4-4: Registration process of ISO 20022.



Figure A4-5: Maintenance process of ISO 20022.



4. Benefits of ISO 20022 financial services standardization

Industry standards are critical to the safe operation of the payments industry. Strategic benefits are as follows:

- (i) Reduced operational cost – improve operational efficiency and reduce indirect costs;
- (ii) Reduced cost of compliance and risk management – reduce indirect costs associated with operational and legal compliance testing and maintenance;
- (iii) Improved Integrity at less cost – interoperability across networks and infrastructure;
- (iv) Greater service provider choice at reduced cost – Open standards will improve the range and choice of service providers;
- (v) Faster cheaper industry innovation – easier to re-use and extend common services, reducing time to market; and
- (vi) End user benefits – common standards for payments aid straight-through-processing and simplification of back office operations

By introducing the ISO 20022 followings can be committed:

- (i) The capability to extend both payment and remittance data in support of emerging requirements, such as enhanced data or fraud intelligence data sharing;
- (ii) Improved industry interoperability between counterparties both within the country/economy and cross-border in other markets/currencies. Reducing the complexity, cost and risk of data manipulation and conversion in the inter-bank space and between banks and end-users;
- (iii) Improved payments resilience via cross scheme interoperability for scheme participants, and easier redirection of payment flows irrespective of payment type for end-users, particularly in times of crisis or during service disruptions; and
- (iv) Reduced barriers to entry to the country/economy payments infrastructure and supply market including banks

5. Standard Evaluation Group (SEG)

SEG - ISO 20022 Standards Evaluation Groups

The ISO 20022 Standards Evaluation Groups (SEGs) are made up of industry experts in specific business domains of the financial industry as defined by the ISO 20022. SEG members are nominated by ISO TC68 member countries and liaison organizations.

The role of a SEG is threefold:

- (i) To ensure that the right industry groups are informed of proposed developments to ensure all business requirements will be addressed;
- (ii) To validate the newly developed message definitions from a business perspective as representative of future users. This is to ensure that what will be posted in the ISO 20022 repository by the RA really addresses the needs of future communities of users as described in the business justification accepted by the RMG in the first place; and
- (iii) To approve changes to existing message definitions.

Payment SEG: The scope of the Payments SEG includes the messages supporting transactions and business processes related to credit transfers, direct debits, and cheques.

Securities SEG: The scope of the Securities SEG includes the messages supporting transactions and business processes related to equities, fixed incomes, funds, and derivatives.

Table A4-6: SEG-ISO 20022 Standards Evaluation Groups

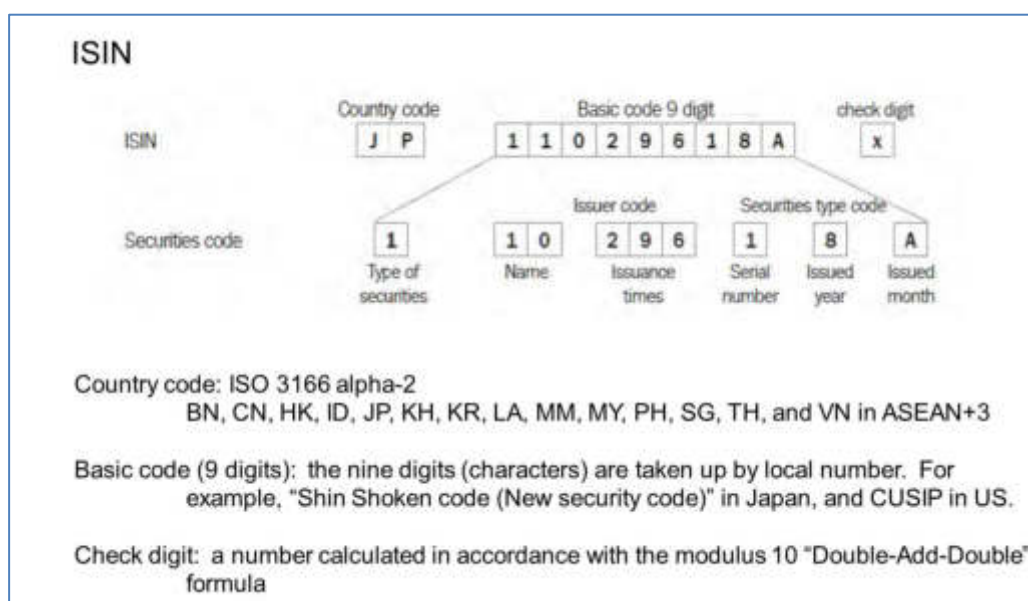
	ISO member	TC68 member	RMG	PSEG	SSEG
BN	Correspondent member (ABCI)				
KH	Correspondent member (ISC)				
CN	Full member (SAC)	Participant member	Member (PBOC)		
HK	Correspondent member (ITCHKSAR)	Observing member			
ID	Full member (BSN)				
JP	Full member (JISC)	Participant member	Member (BOJ)	Member (BOJ, Zenginkyo, NTT Data, JPMC, BTMUFI)	Member (BOJ, JASDEC, Mizuho CB, BTMUFI, NTT Data)
KR	Full member (KATS)	Participant member	Member (KFTC and KATS)	Member (KFTC)	
LA	Subscriber member (DISM)				
MY	Full member (DSM)	Observing member			
MM	Correspondent member (MSTRD)				
PH	Full member (BSP)	Observing member			
SG	Full member (SPRING SG)	Participant member	Member (Standard Chartered Bank, Deutsch Bank)	Member	Member (Standard Chartered Bank)
TH	Full member (TISI)	Observing member			
VN	Full member (STAMEQ)				

Appendix 5: Outline of ISIN

1. Outline of ISIN

The ISO 6166, International Securities Identification Numbering System (ISIN), provides a uniform structure for a number, known as the ISIN that uniquely identifies securities (bonds). The latest version of the ISO Standard 6166 was adopted and implemented effective 1 August 2014. The ISIN consists of a prefix using the alpha-2 country code, the basic number which is nine characters in length, and a check digit. Following is an example of ISIN.

Figure A5-1: ISIN Code Structure of Government Bonds (example)



(Source: NTT DATA Corporation)

Issuing country of a bond is determined by a country/economy where the bond is registered in a depository of the country/economy regardless the country of issuer and currency of denomination. ISIN is allocated by the NNA of the country/economy.

By adopting ISIN, local markets will gain more visibility in the global financial marketplace enabling stronger cross-border flows both in and out.

Due to agreements amongst all ANNA members, each NNA has unrestricted access to all other member's ISINs and defined data elements.

2. Outline of ANNA and NNA

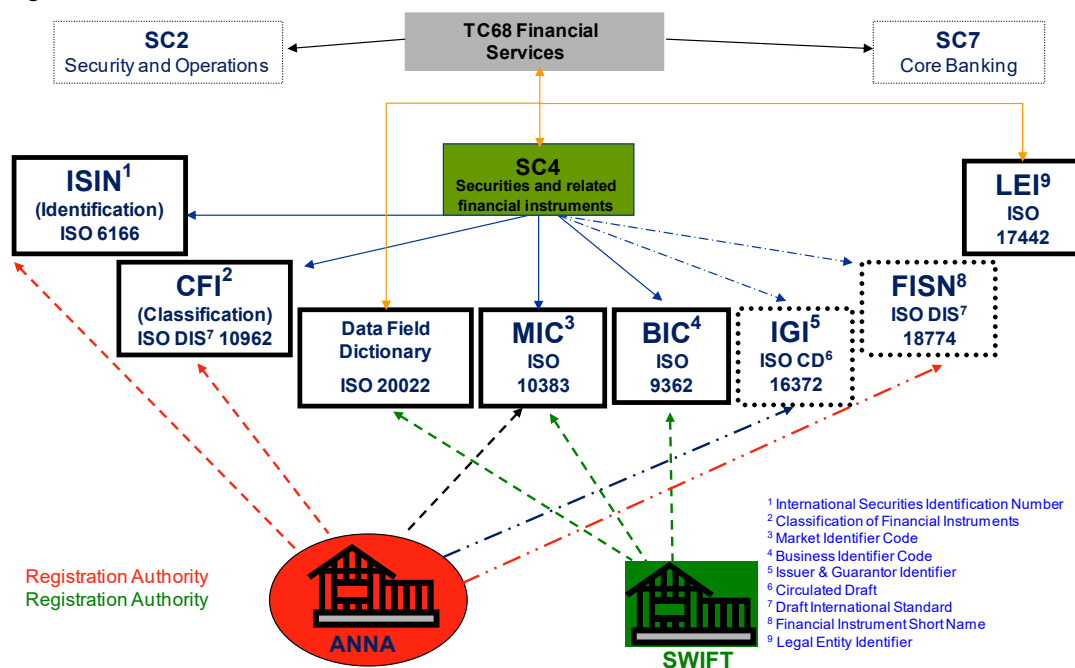
Association of National Numbering Agency (ANNA) is a Belgian co-operative (srl) incorporated in 1992 and Registration Authority (RA) for ISO 6166 (ISIN). As of August 2014, ANNA has 115 National Numbering Agencies (NNAs), consists of 85 full members and 30 partners, representing ISIN adoption/usage in more than 118 countries worldwide. ANNA doesn't appoint entities to act as NNAs. Steps to establishing a NNA is described later.

The objectives of ANNA are as follows:

- (i) Globally develop and promote standards under ANNA's control
- (ii) Commit to work for the benefit of the financial industry
- (iii) Codify, classify and make data accessible and available to industry participants
- (iv) Contribute to ISO Standards development process
- (v) Ensure timeliness, accuracy and quality in the application of standards

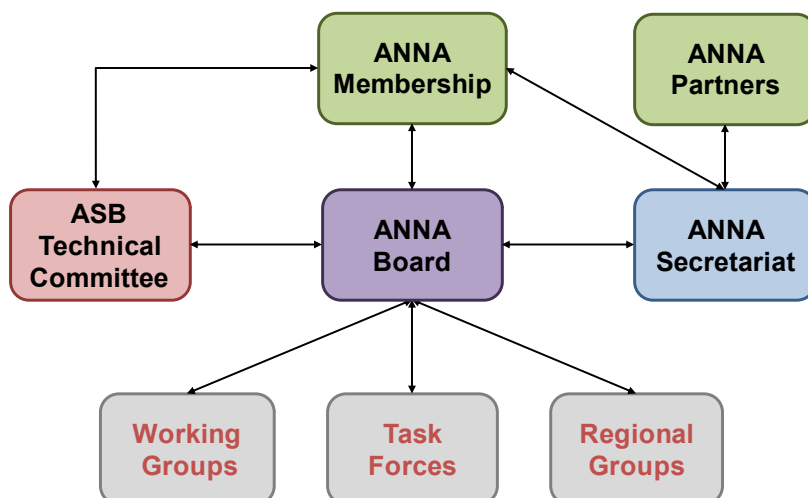
Overview of ANNA related international standards are as follows:

Figure A5-2: Overview of ANNA related international standards



Also, ANNA related organizations are shown as follows:

Figure A5-3: ANNA related organizations



In ASEAN+3, 10 countries/economies (where bond markets already exist) have already established NNAs in each country/economy though NNA in PH is now transitional phase from PDEX to possibly SEC. Following table shows NNAs in ASEAN+3.

Table A5-1: NNAs in ASEAN+3

ASEAN+3 (existing)			
Country Code	National Numbering Agency	Market Segment	Total ISINs allocated (July 2014)
CN	China Securities Regulatory Commission	Regulator	17,778
HK	Hong Kong Exchanges and Clearing Ltd	Stock Exchange	20,404
ID	KSEI - Indonesian Central Securities Depository	CSD	6,117
JP	Tokyo Stock Exchange	Stock Exchange	37,094
KR	Korean Exchange - KRX	Stock Exchange	499,074
MY	Bursa Malaysia	Stock Exchange	8,627
PH	Transitional phase - currently covered by the U.S. NNA	Regulator (Q2/Q3 2015)	1,555
SG	Singapore Exchange Limited	Stock Exchange	2,627
TH	Thailand Securities Depository	CSD	21,068
VN	Vietnam Securities Depository	CSD	2,622
ASEAN+3 economies (pending NNA appointment)			
Country Code	National Numbering Agency	Substitute NNA	ISINs assigned (July 2014)
BN	Brunei Darussalam	Germany	3
KH	Cambodia	Germany	1
LA	Lao People's Democratic Republic	Germany	1
MM	Myanmar	Germany	1

Source: ANNA

3. Steps to Establishing a National Numbering Agency (NNA)

There are some steps to establish a National Numbering Agency as follows:

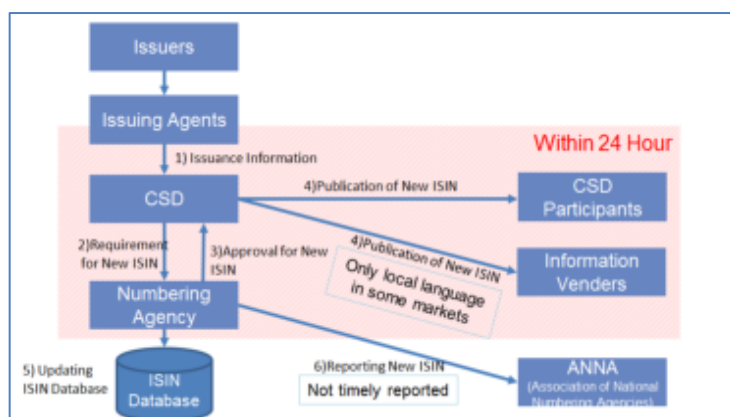
- (i) Jurisdiction's Capital Market endorses the move to adopted ISO standards for financial instruments;
- (ii) Regulator or market supervisory body appoint the entity to act as the NNA for that jurisdiction;
 - ANNA recommends only one entity is appointed
- (iii) Application to ANNA when entity is in a position to start allocating ISIN.
- (iv) Upon successful adherence to Partnership requirements – application for full membership can be made; and
 - Application is voted on by full members of ANNA
- (v) Documents/Agreements to be executed.
 - ANNA's Articles of Incorporation
 - Partnership Agreement (only applicable for Partnership)
 - Application for membership (only applicable for Full membership)
 - Letter of Understanding (only applicable for Full membership)
 - Membership Guidelines (for Full members and Partners)

*Membership Guidelines are regularly updated and approved at General Meetings

4. Allocation of ISIN

NNA in each country/economy is responsible for issuing the ISIN of bonds issued in each country/economy. NNAs are coordinated through the ANNA. One of the ANNA recommendations states that the NNAs should allocate ISINs within 24 hours following the request and also making the ISIN available to users at the same time.

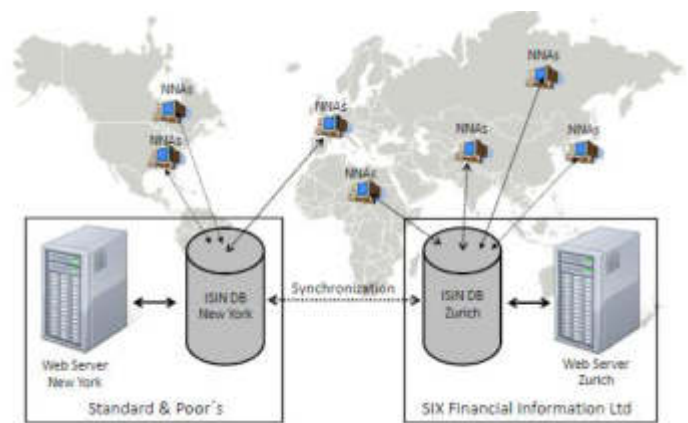
Figure A5-4: Typical Flow of ISIN Allocation



5. Global ISIN database and ANNA Service Bureau (ASB)

ANNA developed the ANNA Service Bureau (ASB) to collect and disseminate ISIN information via a common platform to meet the needs of its members. ANNA Service Bureau's services are also available to external market participating parties via subscription. This development emphasizes ANNA's commitment to moving the industry toward straight-through-processing (STP). Working in conjunction with the global numbering agencies, the ASB assists with improving all aspects of the timely, accurate and standardized identification of financial instruments, as well as equitable distribution of this information. The ASB and its partners, Swiss Infrastructure and Exchange (SIX) Financial (Switzerland) and Committee on Uniform Securities Identification Procedures (CUSIP) Global Services (United States), operate as a central hub to receive and consolidate ISIN data from all the ANNA members and partners, and assists in the dissemination of this information to global market participants. Below is the image of ANNA Service Bureau System.

Figure A5-5: ANNA Service Bureau System



(Source: ANNA)

6. Key Issues Related to ISIN

Universal acceptance of ISIN is important in meeting the goal of cross-border STP, which is the electronic handling of the trade clearing and settlement without manual intervention. ISINs are used by share custodians to track holdings of institutional investors in a format which is consistent across markets worldwide.

SF2 raises three issues related ISIN:

- ISIN to be available within 24 hour following the request of issuance,
- Information sharing of ISIN code with investors in other markets, and
- Information is written in English.

Appendix 6: Cross-border Use of Collateral and Repo¹²

The ASEAN+3 Bond Market Forum Sub-forum2 (ABMF SF2) has entered into Phase 3. This phase includes a survey on the cross-border use of collateral. This issue has many facets such as for example: key factors influencing the demand for cross-border use of collateral; the current environment with central banks, internationally active banks, markets and infrastructures; policy considerations; arrangements for the use of foreign collateral; and potential central bank actions. The mandate of the ABMF SF2 in this respect is interpreted in such a manner that this survey should not result in empirical research with regard to market developments in the area of cross-border use of collateral, but rather in an overview of the legal and logistical complexities requiring further attention and resolution in order to facilitate such use. It starts with the situation domestically on a country-by-country basis. From there, it turns to cross-border use of collateral. Indeed, the complexities of the cross-border use of collateral can only be properly analyzed based on a thorough understanding of collateralization in a national context.

1. Eligible collateral

Theoretically, most tangible and non-tangible assets may be used as collateral in order to ensure the fulfillment of obligations. For example, in the Settlement Finality Directive (SFD) of the European Union (EU)¹³, collateral security is defined as follows: “all realizable assets provided under a pledge (including money provided under a pledge), a repurchase or similar agreement, or otherwise, for the purpose of securing rights and obligations potentially arising in connection with a system, or provided to central banks of the Member States or to the future European central bank¹⁴.” However, in the financial markets collateral consists usually of bonds, shares, or other debt instruments. This is also called financial collateral. In the Financial Collateral Arrangements Directive (FCAD) of the EU¹⁵, this notion is under financial instruments defined as follows: “shares in companies and other

¹² The original of this document was drafted by Mr. Erwin Nierop (currently ECB) when he was attached to ADB. ADB secretariat team really appreciated his contribution including insightful comments and advice on this initiative.

¹³ Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems.

¹⁴ Article 2(m) of the SFD.

¹⁵ Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements.

securities equivalent to shares in companies and bonds and other forms of debt instruments if these are negotiable on the capital market, and any other securities which are normally dealt in and which give the right to acquire any such shares, bonds or other securities by subscription, purchase or exchange or which give rise to a cash settlement (excluding instruments of payment) including units in collective investment undertakings, money market instruments and claims relating to or rights in or in respect of any of the foregoing¹⁶.”

Theoretically, the bonds may be in the form of individual or global certificates or in the form of book entry rights. Individual certificates may be held individually and may be held in, for example, bank safes. Global certificates may be co-owned by different owners and are usually deposited with central securities depositories. In the FCAD, book entry rights are under book entry securities collateral defined as follows: “financial collateral provided under a financial collateral arrangement which consists of financial instruments, title to which is evidenced by entries in a register or account maintained by or on behalf of an intermediary¹⁷.” As in the case of payments with scriptural money, transfers of book entry securities are relatively easy in that they do not require physical transfers of certificates or, alternatively, documents proving the transfer of rights. Such transfers may be made to an own account of the collateral taker (in the case of repos) or to a pledge account (in the case of pledge).

Collateralization of physical certificates is of course nothing new; in fact, it used to be practice before the introduction of book entry securities. However, both in the case of repos as well as pledge, it raises a number of issues which are less important in dematerialized systems with book entry rights. For example, in a repo transaction, the owner of the physical certificate could become temporarily the holder (in Latin: *traditio brevi manu*). If the physical security is held in the vaults of a bank, this bank could become from holder for the original owner holder for the new temporary owner (in Latin: *traditio longa manu*). In pledge constructions, it is usually necessary to bring the pledged assets out of the sphere of control of the collateral provider, which means in the case of physical assets that they have to be deposited somewhere else or, in the case of keeping by a third party, that they would have to be earmarked as having been pledged.

¹⁶ Article 2.1(e) of the FCAD.

¹⁷ Article 2.1(g) of the FCAD.

2. Repurchase agreements (repos)

As far as relevant here, repos are transactions where parties agree to buy and sell bonds and reverse these transactions at a certain date against a certain price. In essence, this entails a (temporary) transfer of full ownership from the seller to the buyer. In the FCAD, this is under title transfer financial collateral arrangement defined as follows: “an arrangement including repurchase agreements, under which a collateral provider transfers full ownership of financial collateral to a collateral taker for the purpose of securing or otherwise covering the performance of relevant obligations¹⁸.”

Repos are an attractive method for collateralization. First, they make the collateral taker independent of the collateral provider in case of the latter’s insolvency. Second, the collateral taker may stipulate that he may resell the collateral and, instead of returning the original securities, return securities of the same type. Third, statutory provisions allowing, the collateral taker may appropriate the securities and hold or sell at his discretion. In certain jurisdictions, the problem though with repos may be that they may be considered as sham constructions hiding under the veil of an outright transaction that its actual purpose is only a temporary transfer of ownership for collateralization thus avoiding statutory provisions on pledge, which are usually more cumbersome for the collateral taker. This could lead to invalidity and unenforceability of repos. Another challenge may be that repos in certain jurisdictions may be considered as contracts of speculation or gambling, which may for example be the case in jurisdictions applying Shariah law.

In view of the importance of repos for the smooth functioning of the financial markets and collateralization in particular, the above uncertainties have led the EU to adopt in the SFD and the FCAD the principle that repos are legally valid and enforceable and EU Member States had to implement this principle in their national legislation. In addition, the International Swaps Dealers Association (ISDA) took up on this topic and it developed a Master Repurchase Agreement, which is multi-jurisdictional, multi-product, and multi-lingual. It is intended to be legally valid and enforceable in all relevant jurisdictions. It covers a number of financial products in separate annexes to the body of the agreement, and it is available in a number of different languages. In order to ensure the point of legal validity and

¹⁸ Article 2.1(b) of the FCAD.

enforceability, the ISDA has submitted the Master Repurchase Agreement to legal counsel in the relevant jurisdictions in order to seek confirmation that it is legally valid and enforceable in these jurisdictions with generally positive replies.

3. Pledge agreements (pledge)

Pledge agreements are transactions where the pledger/collateral provider agrees to establish a priority right in favor of the pledgee/collateral taker in case the collateral provider does not fulfil its financial obligations. In the FCAD, this is under security financial collateral arrangement defined as follows: “an arrangement under which a collateral provider provides financial collateral by way of security in favor of, or to, a collateral taker, and where the full ownership of the financial collateral remains with the collateral provider when the security right is established¹⁹.” Thus, in contrast to the situation in the case of repos where there is a full transfer of ownership from the collateral provider to the collateral taker, in the case of pledge there is no such transfer of full ownership but merely the establishment of a priority right.

This usually raises a number of questions. First, are there any specific formalities to establish a pledge? Second, are there any other parties with priority rights, possibly of a higher ranking, which may cover the pledged assets as well? These may, for example, be tax authorities on the basis of statutory provisions or other counterparties of the collateral provider on the basis of concurrent contracts. Third, in case of non-fulfilment of contractual obligations by the collateral provider, may the collateral taker – although he does not have the full ownership of the collateral – nevertheless realize the collateral? If the non-fulfilment is due to insolvency, could the liquidating authority postpone the realization of the collateral and for how long? If the waiting period is very long, this may hamper the smooth functioning of the financial markets. Fourth, is the collateral taker authorized to use the collateral during the duration of the pledge agreement? Indeed, immobilization of collateral for the duration of the pledge agreement may hamper the smooth functioning of the financial markets. Fifth, how can the collateral taker be protected against a situation where the collateral provider pledges the assets more than once at the same time? Obviously, answers to these questions may usually be found in statutory provisions and case law, but it is important to identify the relevant issues at stake. Indeed, the more and the heavier the conditions for pledge, the less

¹⁹ Article 2.1(c0) of the FCAD.

suitable the instrument becomes for financial collateral, where eventually considerations of financial stability impose the possibility of the fast realization of collateral. That said, many systems are pledge based and this is in itself not prohibitive for financial collateral, but it is important to (1) achieve clarity on the situation and (2) identify those impediments which are so grave that they may hamper the smooth functioning of the financial markets, pose a threat to financial stability, and thus require contractual or statutory solutions.

Comparing repos and pledge, it is clear that from a perspective of the security of the collateral taker repos achieve the stronger protection (provided of course that they are valid and enforceable). The collateral taker obtains full ownership, may use the collateral without restrictions, and can realize it immediately (also through appropriation) whenever relevant. Repos may therefore be the preferred option for collateral taking. However, there may be other considerations which may rather support the use of pledge for collateral taking. As indicated above, the most important consideration may be that there are already pledge based systems in place and that they seem to work well, which reduces the business case to switch over to pledge based systems.

4. Other techniques

There are other techniques for the establishment of collateral such as the creation of pools of collateral. For example, whilst repos are nowadays widely used for the taking of collateral, there may be other types of agreements being used for the collateralization of financial obligations. Furthermore, in certain countries collateral pools are established, which are governed by specific statutory provisions.

5. Cherry-picking

In case of insolvency, many jurisdictions allow a liquidating authority to pick and choose which obligations will be fulfilled (the transactions in-the-money) and which ones will not (the transactions out-of-the-money). In the first case, the collateral taker will usually not have to fulfill his obligations as long as the collateral provider does not do so from his side (in Latin: the *exceptio non adimpleti contractus*). In the latter case, the collateral taker will one way or another have to realize the collateral and after realization file a claim as a general creditor in the bankrupt estate in case of any losses.

6. Netting

The notion of netting was introduced in the financial markets in the late 1980's in order to diminish systemic or Herstatt risk²⁰. It was intended to provide for the possibility of compensation or set-off of mutual rights and obligations between counterparties in transactions leading to a situation where only the net (hence "netting") debt had to be paid without a possibility for cherry picking. Netting may be bilateral between two parties or multilateral (between more than two parties). In the SFD, the notion of netting is defined as follows: "the conversion into one net claim or one net obligation of claims and obligations resulting from transfer orders which a participant or participants either issue to, or receive from, one or more other participants with the result that only a net claim can be demanded or a net obligation be owed²¹." The most advanced form of netting is close-out netting. In the FCAD, under close-out netting provision this is defined as "a provision of a financial collateral arrangement, or of an arrangement of which a financial collateral arrangement forms part, or, in the absence of any such provision, any statutory rule by which, on the occurrence of an enforcement event, whether through the operation of netting or set-off or otherwise:

- the obligations of parties are accelerated so as to be immediately due and expressed as an obligation to pay an amount representing their estimated current value, or are terminated and replaced by an obligation to pay such an amount; and/or
- an account is taken of what is due from each party to the other in respect of such obligations, and a net sum equal to the balance of the account is payable by the party from whom the larger amount is due to the other party²²."

7. Cross-border use of collateral

In a cross-border context, there is an additional element to the financial collateral: it is denominated in a foreign currency or located in a foreign jurisdiction.

Apart from logistical challenges, the main challenge from a legal point of view is the fact that in principle two legal systems become relevant. The first one is the law

²⁰ Herstatt was a relatively small commercial bank established in Cologne, Germany, which went bankrupt in 1984. Since it was relatively small, normally the contagion or spill-over effect of this bankruptcy to the financial markets as a whole would have been limited. However, it appeared that a number of other banks had exposures to Herstatt and that they had hedged these exposures in the financial markets with other counterparties, leading to the risk of a domino effect of the Herstatt bankruptcy in that other banks would also fail to fulfil their obligations and thus be drawn into insolvency as well.

²¹ Article 2(k) of the SFD.

²² Article 2.1(n).

governing the credit operation. The second one is the law governing the collateral. In dematerialized book entry right systems, the latter is usually the law of the country where the book entry system is located. These two legal systems may differ as far as the establishment, administration, and realization of collateral are concerned and it would have to be explored whether these differences are so grave that they are prohibitive for the cross-border use of collateral.

As far as relevant here, there are several instruments to foster cross-border use of collateral, namely through International Central Securities Depositories (ICSDs), links between Securities Settlement Systems (SSS), remote access to SSSs, and Correspondent Bank Models (CBMs). In the ICSD variant, the collateral is deposited in the ICSD and the collateral provider and the collateral taker both keep accounts with the ICSD, thus allowing them to transfer the collateral from one account to another. In the links between SSS option, the interconnected SSSs would provide for the possibility that an SSS in country A (the country where the credit operation takes place and the collateral taker is located) would keep collateral located in country B at an SSS in country B. In the third construction, the collateral taker in country A would have remote access to an SSS in country B. In the fourth approach, the credit operation would take place in country A and the collateral would be established, administered, and where appropriate realized in country B on behalf of the collateral taker located in country A. These models are further elaborated in a report on cross-border collateral arrangements prepared by the Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) and published by the BIS in January 2006.

8. Standards

In the EU, the SFD was adopted in order to foster the smooth operation of payment systems at a time when national payment systems were interconnected through the Trans-European Real-Time Gross Settlement Payment System (TARGET) in order to facilitate the free flow of the EU's single currency, the euro, throughout the euro area. In addition, since SSS resemble payment systems, the SFD was also declared applicable to SSS. More in particular, the SFD provides for the following:

- application to designated funds transfer systems and their participants;
- irrevocability of transfer orders once entered into a system;
- validity and enforceability of bilateral and multilateral netting arrangements;
- irrevocability of payments entered into a system before a bankruptcy declaration is published (no retro-active effect of bankruptcies, no so-called

zero hour rules, whereby the effects of a bankruptcy work back to 0:00 hour of the day of the bankruptcy leading to the possible unwinding of transactions after that time, but before the bankruptcy declaration);

- the law governing the system determines the rights and obligations of an insolvent participant; and
- insulation of collateral provided in the framework of participation in a system from the insolvency of the provider, whereby the law applicable to book entry securities provided as collateral is the law of the jurisdiction where the relevant register, account or centralized deposit system is located.

In the same vein, the FCAD was adopted in order to create an EU regime for the provision of securities and cash as collateral under both security interest and title transfers structures including repos. This was intended to contribute to the integration and cost-efficiency of the financial markets as well as to the stability of the financial system in the EU, thereby supporting the freedom to provide services and the free movement of capital in the single market in financial services. The FCAD focuses on bilateral financial collateral arrangements. In order to ensure the legal certainty of financial collateral arrangements, Member States had to ensure that certain provisions of insolvency law would not apply to such arrangements, in particular those that would inhibit the effective realization of financial collateral or cast doubt on the validity of techniques such as bilateral close-out netting, the provision of additional collateral in the form of top-up collateral and substitution of collateral. More in particular, the FCAD provides for the following:

- application of effective, simple regimes for the creation of collateral under title transfer (repo) or pledge structures (“twin track”);
- abolition of formalities and procedures to create and enforce financial collateral (financial instruments and cash);
- recognition of the right to re-use pledged collateral;
- protection of collateral from certain insolvency effects (through recognition of substitution, top-up collateral, and close out netting); and
- creation of legal certainty on applicable law regarding book entry securities by extending the above SFD principle).

Both Directives therefore support financial stability but, admittedly, to the detriment of those general creditors of a bankrupt institution, who cannot claim this privileged position. This has sometimes led to differences of opinion between representatives of ministries of finance (and central banks) focusing on financial stability on the one

hand and ministries of justice defending the interest of general creditors as protected in general provisions of bankruptcy law on the other hand. The two Directives therefore attempt to strike a balance between the different interests at stake. They are binding on EU Member States and they require implementation at a national level. The question may be raised if and to what extent the two Directives could be used as examples for countries and regions in other parts of the world if and when they adopt rules on collateral. In this context, it is acknowledged that the two Directives are in their presentation obviously determined by EU specificities. However, on the substance they address issues, which are relevant for collateral issues around the globe, and this in a concise fashion (the SFD consist of only 14 and the FCAD of only 13 Articles). In addition to the EU's SFD and FCAD, there are several other initiatives, which are relevant to collateralization and cross-border use of collateral.

- The Hague Convention on the law applicable to certain rights in respect of securities held with an intermediary. This is an International Convention with 53 members, adopted on 13 December 2002 in the Hague, the Netherlands, which determines which countries' laws apply with regard to book-entry securities.
- The Standards of the Committee on Payment and Settlement Systems (CPSS) of the Bank for International Settlements (BIS) and the International Organization of Securities Regulators (IOSCO). These are nineteen standards and Standard 1 on the legal framework reads as follows: "Securities clearing and settlement systems should have a well-founded, clear, and transparent basis in the relevant jurisdictions."
- Unidroit Project on Harmonised Substantive Rules regarding Indirectly Held Securities. This is an international initiative supported by countries such as Australia, Canada, the EU, and Japan in order to adopt an international convention with regard to book-entry securities.

Appendix 7: FX and Cash Control

	CN	HK	ID	JP	KR	MY	PH	SG	TH	VN	Summary	Observation
FX Trades with Underlying Investment	Yes. Funds maintained in the QFII's foreign currency accounts and special renminbi accounts cannot be used for the purposes other than onshore securities investment.	No. Foreign investors are not subject to any restrictions.	Yes. All FX forward value transactions must match with the underlying securities transactions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	Yes. Non-residents buy or sell MYR must confirm that it is in relation to a firm underlying commitment, which may include buy or sales on Bursa Malaysia Securities.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	Yes and No. The Thai Baht (THB) is freely convertible for SPOT value. FX against THB for all other value dates requires proper underlying transactions.	Yes. Custodians may be able to provide foreign investors with both foreign currency and VND cash accounts for the purpose of facilitating the funding of securities transactions and repatriation of proceeds.	China, Indonesia, Malaysia, Thailand and Vietnam have a regulation about FX trades with underlying investment.	Investors need to consider the timing of local currency arrangement.
Prohibition of Offshore FX Trading for Investment	Yes. Offshore foreign exchanges are not permitted.	No. Foreign investors are not subject to any restrictions.	Yes. IDR cannot be transferred offshore.	No. Foreign investors are not subject to any restrictions.	No.	Yes. MYR can only be traded onshore.	No.	No.	No.	Yes. VND must be performed onshore with an authorized financial institution.	China and Indonesia prohibit offshore FX trading for non-residents.	Investors may not be able to obtain local currency when needed.
Pre-funding	Yes. Pre-funding for securities settlement.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	Yes. FX should be completed, at the latest, for value one day before the settlement date to fund purchases. Market practice requires all securities transactions to be 100 percent pre-funded	China and Vietnam have the regulation about pre-funding.	Investors need to make fund available before sending trade orders.
Prohibition of Third-party FX	Yes. Although there is no explicit regulation prohibiting third-party foreign exchanges to obtain CNY, the China Securities Regulatory Commission (CSRC) regulations require a subcustodian to execute foreign exchanges for its QFIIs. Therefore, it is effectively not possible to execute third-party foreign exchanges to obtain CNY.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	No. Foreign investors are not subject to any restrictions.	Only China prohibit third-party FX.	

	CN	HK	ID	JP	KR	MY	PH	SG	TH	VN	Summary	Observation
FX Reporting	Yes. Upon approval of investment license and quota, QFIIs must remit the investment fund within six months and no overdue remittance shall be made without approval. Total inbound remittances should not exceed the approved investment amount. If the principal is not fully remitted, but it is more than the equivalent of USD20 million within the prescribed deadline, the investment quota is reduced to the actual remitted-in amount.	No. Foreign investors are not subject to any restrictions.	Yes. Regulation does require documentation of an underlying transaction to support the credit of IDR into investor accounts. Documentation can be in the form of buy / RVP settlement instructions through SWIFT, tested telex, tested fax, or Reuters Monitor Dealing System (RMDS). Purchase of foreign currency (ies) against IDR above United States Dollar (USD) 100,000 or equivalent per month/legal entity, across all banks in Indonesia, must be supported by underlying documents and a yearly statement confirming non-speculative nature of the transactions.	No. Foreign investors are not subject to any restrictions.	Yes. For providing Loans. -Amounts up to KRW1 billion: no declaration required. -Amounts of more than KRW1 billion to 30 billion: Non-residents are required to make a pre-declaration to the FX bank. -Borrowing more than KRW30 billion: Non-residents are required to make a pre-declaration to the Governor of the Bank of Korea, stating the purpose of the loan.	No. Foreign investors are not subject to any restrictions.	Yes. The Consolidated Foreign Exchange Rules and regulations by the Bangko Sentral Ng Pilipinas (BSP), under Circular 1389, requires foreign investments to be registered with the BSP in order to obtain a BSRD which is required if foreign exchange will be purchased from the banking system to service future remittances of profits and earnings and/or capital repatriation.	No. Foreign investors are not subject to any restrictions.	Yes. Any payments made from or received into accounts from a residents THB account requires proper documentation support.	Yes. The purchase of foreign currency against VND is subject to strict conditions and documentation requirements. The documents may include: the client's incoming remittance instructions, foreign exchange (FX) conversion instructions, securities sales proceeds advice and settlement instructions	China, Indonesia, Korea, Philippines, Thailand and Vietnam impose FX reporting for foreign investors.	Reporting makes investors and custodians impose extra paper works to create the documents.
Control of Overdraft and Cash Balance for Non-residents	Yes. Overdrafts are not permitted.	No. Overdrafts are permitted for foreign investors.	Yes. Cash accounts of foreign investors are not allowed to be overdrawn.	No. Overdrafts are permitted for foreign investors.	Yes. Overdrafts are not permitted for foreign investors currently.	Yes. Overdrafts are not allowed for non-residents.	Yes. Overdrafts are not allowed under local regulations.	No. Overdrafts up to SGD 5 million are permitted for foreign investors, unless the overdrafts are backed by economic activity.	Yes. Foreign Investors have an end-of-day limit of THB 300 million for each type of account (NRBS and NRBA). Overdrafts for non-residents are allowed, but the Bank of Thailand does require the foreign investor to sign an overdraft agreement with the onshore commercial bank prior to having the credit facility in	Yes. Overdrafts are not allowed for foreign investors.	China, Indonesia, Malaysia and Vietnam do not permit overdraft for non-residents. Thailand regulate the amount of cash balance for foreign investors.	These limitations restrict for efficient use of local currency for non-residents.

	CN	HK	ID	JP	KR	MY	PH	SG	TH	VN	Summary	Observation
Limitation on Repatriation	Yes. For defined open-ended funds, after-tax profits and principle can be repatriated once per month after a 3-month lock-up period (from the initial USD20 million remittance). Repatriation above USD50 million requires SAFE' s prior approval. For other investor types, SAFE approval is always required to repatriate after-tax profits or any part of the principle after the 1-year lock-up period (starts from full amount remittance). After-tax profits can be repatriated once each fiscal year (31 December), while the principle can be repatriated with SAFE pre-approvals. Repatriation of principle reduces the quota correspondingly.	No. Non-resident investors freely fund trades and/or repatriate funds.	Yes. Indonesian Rupiah cannot be repatriated offshore.	No. Non-resident investors freely fund trades and/or repatriate funds.	No. There are no restrictions on repatriations of sales proceeds or income collection.	No. There are no restrictions on the repatriation of capital, profits, and income.	Yes. The Consolidated Foreign Exchange Rules and regulations by the Bangko Sentral Ng Pilipinas (BSP), under Circular 1389, requires foreign investments to be registered with the BSP in order to obtain a BSRD which is required if foreign exchange will be purchased from the banking system to service future remittances of profits and earnings and/or capital repatriation.	No. Non-resident investors freely fund trades and/or repatriate funds.	No.	Yes. Interest income and capital gains can be freely repatriated with the provision of supporting documents indicating that the money had been remitted and invested in the Vietnam market and evidence/clearance from the tax office that all tax obligations have been fulfilled.	Indonesia prohibit repatriation. China has some limitation for repatriation. Philippines and Vietnam require non-residents to submit appropriate documents.	Limitation on repatriation is the barrier for foregin investors, when they try to do efficient fund management.

Appendix 8: Reference

Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (the SFD).

Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements (the FCAD).

Cross-border collateral arrangements, Bank for International Settlements, Committee on Payment and Settlement Systems, January 2006.

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Website

http://www.mof.go.jp/english/jgbs/publication/debt_management_report/2014/saimu2-1-2.pdf

Homepage of ANNA <http://www.anna-web.org/index.php>

Homepage of ANNA Service Bureau <http://www.anna-web.org/files/ASB.pdf>

ISO website http://www.iso20022.org/standards_evaluation_groups.page

ISO website http://www.iso20022.org/payments_standards_evaluation_group.page

ISO website http://www.iso20022.org/securities_standards_evaluation_group.page

ISO 20022, Settlement and Reconciliation Maintenance 2013 – 2014, Message Definition Report - Part 2, Approved by the Securities SEG on 30 January 2014,

ISO 20022, Payments Clearing and Settlement August 2013, Message Definition Report (MDR)

ISO 20022, Bank-to-Customer Cash Management May 2013, Approved by the Payments SEG on 28 January 2013, Message Definition Report - Part 2

Appendix 9: Information Sessions of ABMF SF2

16th ABMF SF2 on 2 September in Hong Kong

- A pioneering industry approach based on partnership by Mr. Stefan Lepp, Chief Executive Officer, Clearstream.
- Securities numbering including allocation of ISIN by Mr. Dan Kuhnel, Chairman – Association of National Numbering Agencies(ANNA).
- Linking the Asian capital markets with the international eco system by Olivier Grimonpont, General Manager, Regional Head, Asia-Pacific, Euroclear.

17th ABMF SF2 in Manila, Philippines

- ISO 20022 management process and governance by Mr. James Whittle, UK Payments Council.
- Function and importance of National Market Practice Group by Mr. Taketoshi Mori, Bank of Mitsubishi-Tokyo UFJ.

Appendix 10: Abbreviations

ABCI	–	The Authority for Building Control and Construction Industry
ABMF	–	Asian Bond Markets Forum
ABMF SF2	–	ASEAN+3 Bond Market Forum Sub-forum2
ABMI	–	Asian Bond Market Initiative
ADB	–	Asian Development Bank
AMA	–	Account Management Agent
AMBD	–	Autoriti Monetari Brunei Darussalam
ANNA	–	Association of National Numbering Agency
ASB	–	ANNA Service Bureau
ASEAN	–	Association of South-East Asian Nations
ASIEG	–	ASEAN+3 Standards Implementation and Evaluation Group
ASIFMA	–	Asia Securities Industry & Financial Markets
BAP	–	Bankers Association of the Philippines
BCML	–	Brunei, Cambodia, Myanmar and Laos
BI	–	Bank Indonesia
BICFI	–	Business Identifier Code Financial Institution
BIDV	–	Bank for Investment and Development of Vietnam
BIS	–	the Bank for International Settlements
BJ	–	Business Justification
BM	–	Bursa Malaysia
BMS	–	Bursa Malaysia Securities
BN	–	Brunei
BNM	–	Bank Negara Malaysia
BOJ	–	Bank of Japan
BOK	–	Bank of Korea
BOL	–	Bank of the Lao PDR
BOT	–	Bank of Thailand
BPAM	–	Bond Pricing Agency Malaysia
BSN	–	Badan Standardisasi Nasional
BSP	–	Bangko Sentral ng Pilipinas
BSP	–	Bangko Sentral ng Pilipinas
BTr	–	Bureau of Treasury
CBM	–	Correspondent Bank Model
CCDC	–	China Central Depository & Clearing Co., Ltd
CCP	–	Central Counterparty Clearing House
CDP	–	Central Depository (Pte.) Ltd.,
CFETS	–	China Foreign Exchange Trade System
CFI	–	Classification of Financial Instrument
CIMB	–	Commerce International Merchant Bankers
CMB	–	Central Bank of Myanmar
CN	–	China
CPSS	–	Committee on Payment and Settlement Systems
CR	–	Change Request
CSD	–	Central Securities Depository
CSDC	–	China Securities Depository and Clearing Corporation
CSIF	–	Cross-border Settlement Infrastructure Forum
CSISC	–	China Securities International Standards Committee
CSRC	–	China Securities Regulatory Commission
CSX	–	Cambodia Securities Exchange
CUSIP	–	Committee on Uniform Securities Identification Procedures
DISM	–	Department of Intellectual Property, Standardisation and Metrology
DSM	–	Department of Standards Malaysia
DVP	–	Delivery Versus Payment
EU	–	European Union
FCAD	–	Financial Collateral Arrangements Directive
GMRA	–	Global Master Repurchase Agreement
GOE	–	Group of Experts

HK	-	Hong Kong
HKEx	-	Hong Kong Exchanges and Clearing Ltd
HKIFA	-	Hong Kong Investment Funds Association
HKMA	-	Hong Kong Monetary Authority
HNX	-	Hanoi Stock Exchange
IBAN	-	International bank account number
ICGC	-	Indonesia Central Securities Depository
ICMA	-	International Capital Market Association
ICSD	-	Indonesian Central Securities Depository
ICSDs	-	International Central Securities Depositories
ID	-	Indonesia
IDX	-	Indonesia Stock Exchange
IOSCO	-	International Organisation of Securities Regulators
IP	-	Information Platform
ISC	-	Internet System Consortium
ISDA	-	International Swaps Dealers Association
ISIN	-	International Securities Identification Number
ISO	-	International Organization for Standardization
ITCHKSAR	-	Innovation and Technology Commission of the Government of the Hong Kong Special Administrative Region
JASDEC	-	Japan Securities Depository Center, Inc.
JISC	-	Japanese Industrial Standards Committee
JP	-	Japan
JSCC	-	Japan Securities Clearing Corporation
KATS	-	Korean Agency for Technology and Standards
KFTC	-	Korea Fair Trade Commission
KH	-	Kanbodia
KPEI	-	Kliring Penjaminan Efek Indonesia
KR	-	Korea
KRX	-	Korean Exchange
KSD	-	Korea Securities Depository
KSEI	-	Kustodian Sentral Efek Indonesia
LA	-	Laos
LCY	-	Local Currency
LEI	-	Legal Entity Identifier
LSX	-	Lao Securities Exchange
MAS	-	Monetary Authority of Singapore
MEF	-	Ministry of Economy and Finance
MM	-	Myanmar
MSEC	-	Myanmar Securities Exchange Centre
MSTRD	-	Myanmar Scientific and Technological Research Department
MY	-	Malaysia
NBC	-	National Bank of Cambodia
NMPG	-	National Market Practice Group
NNA	-	National Numbering Agency
OJK	-	Otoritas Jasa Keuangan
PA	-	Paying Agent
PBOC	-	People's Bank of China
PDEx	-	Philippine Dealing Exchange
PDS	-	Philippine Dealing System Holdings Corp
PDTC	-	Philippine Depository & Trust Corp.
PH	-	Philippine
PSE	-	Philippines Stock Exchange
PSEG	-	Payment Standard Evaluation Group
PSMS	-	Pre-Settlement Matching System

RA	-	Registration Authority
RMG	-	Registration Management Group
RSI	-	Regional Settlement Intermediary
RTGS	-	Real Time Gross Settlement
SAC	-	Standardization Administration of the People's Republic of China
SBV	-	State Bank of Vietnam
SECC	-	Securities&Exchange Commission of Cambodia
SET	-	Stock Exchange of Thailand
SF1	-	Sub-Forum 1
SF2	-	Sub-Forum 2
SFD	-	Settlement Finality Directive
SG	-	Singapore
SGX	-	Singapore Exchange Ltd.,
SHCH	-	Shanghai Clearing House
SICC	-	Securities Identification Code Committee
SIX	-	Swiss Infrastructure and Exchange
SSE	-	Shanghai Stock Exchange
SSEG	-	Securities Standard Evaluation Group
SSS	-	Securities Settlement Systems
STAMEQ	-	Standards, Metrology and Quality
STP	-	Straight Through Processing
SWIFT	-	Society for Worldwide Interbank Financial Telecommunication
SZSE	-	Shenzhen Stock Exchange
TARGET	-	Trans-European Real-Time Gross Settlement Payment System
TC	-	Technical Committee
TC68	-	Technical Committee 68
TF3	-	Task Force 3
TH	-	Thailand
TISI	-	Thai Industrial Standards Institute
TR	-	Trade Repository
TS	-	Trading System
TS	-	Technical Subcommittee
TSD	-	Thailand Securities Depository Co.,Ltd
TSE	-	Tokyo Stock Exchange
TWA	-	Tax Withholding Agent
VN	-	Vietnam
VSD	-	Vietnam Securities Depository
WC-PSS	-	Working Committee on Payment and Settlement System
WG	-	Technical Working Group

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Typical Flow of International Securities Identification Number (ISIN) Allocation for Government Bond and Corporate Bond

1

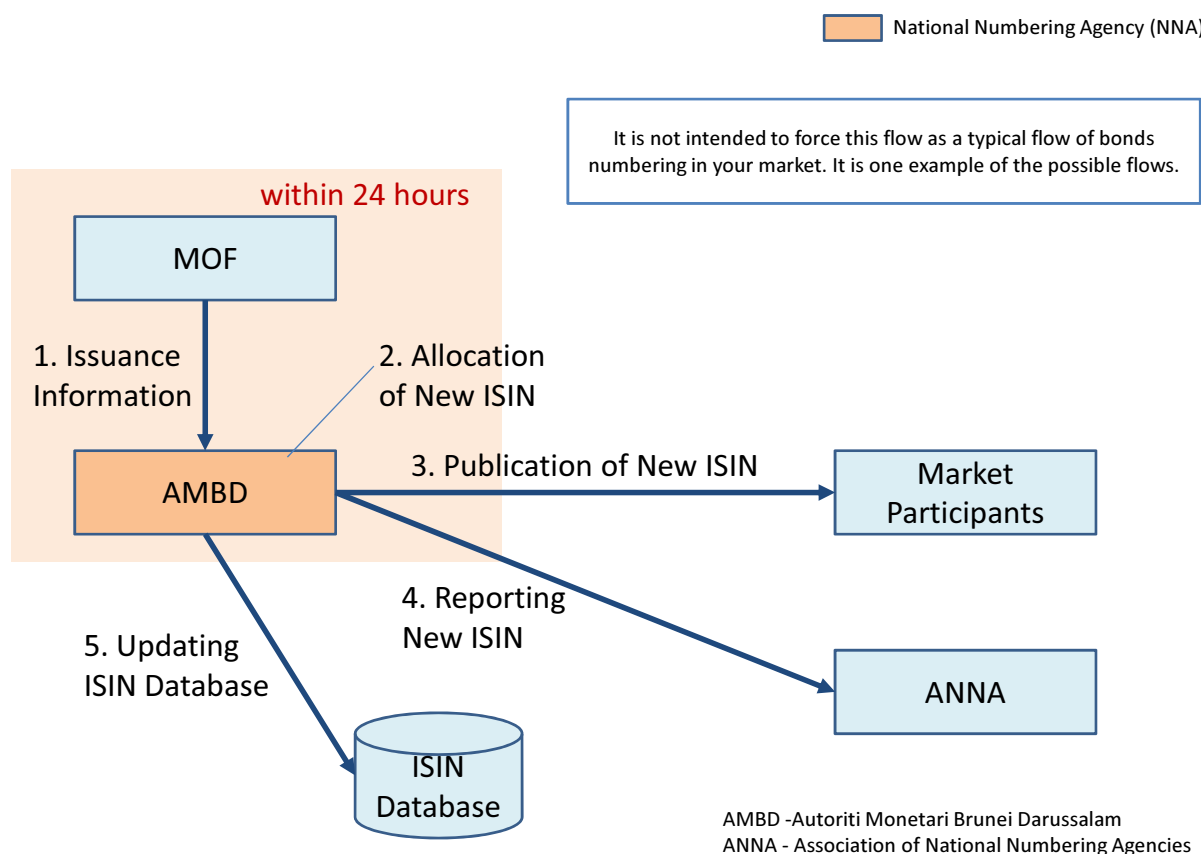
Contents

□ BN	3	□ LA	31
□ CN	7	□ MM	35
□ HK	11	□ MY	39
□ ID	15	□ PH	43
□ JP	19	□ SG	47
□ KH	23	□ TH	51
□ KR	27	□ VN	55

This is based on information collected through Market Visit and answer from Questionnaire.

2

BN: (Government Bond)Possible Example of Bonds Numbering



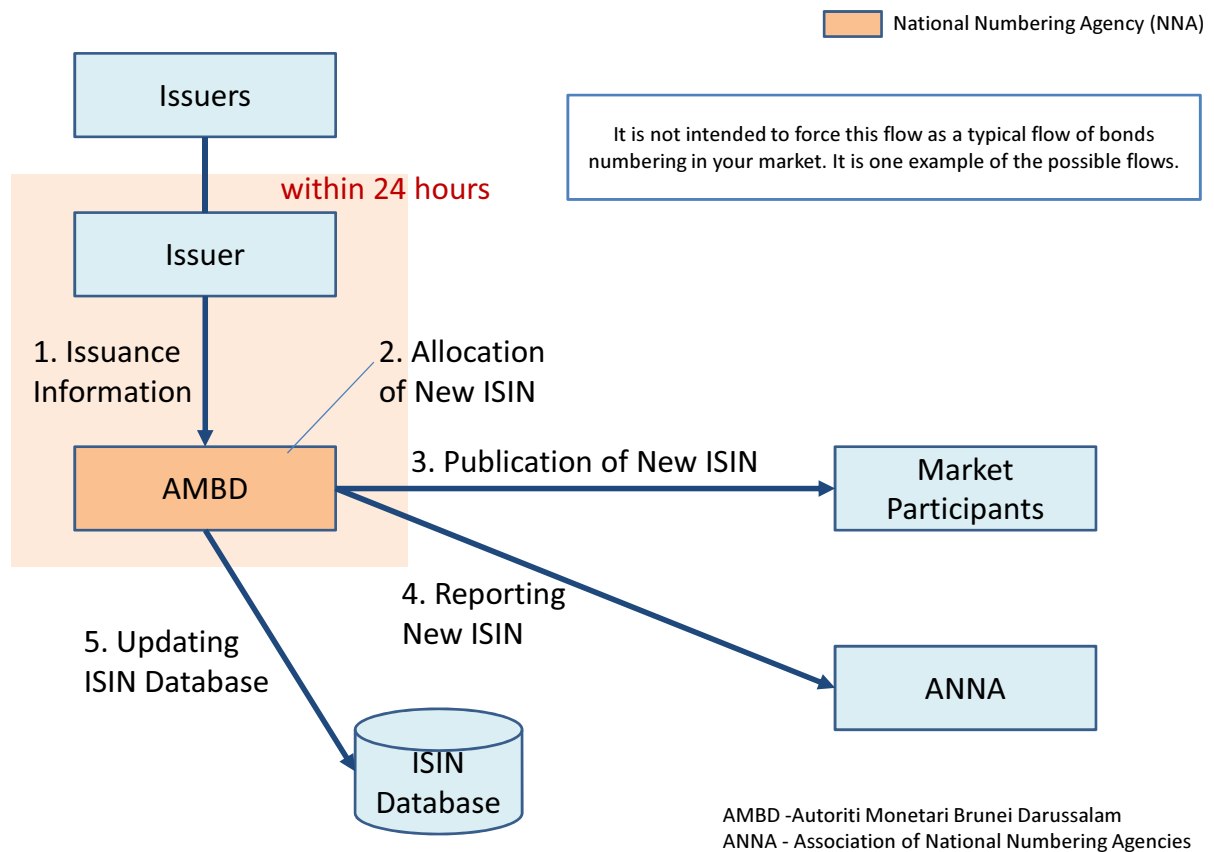
3

BN: (Government Bond)Possible Example of Bonds Numbering

1. MOF sends issuance information to AMBD.
2. AMBD allocates ISIN within 24 hours.
3. AMBD announces new ISIN to market participants.
4. AMBD reports new ISIN to ANNA.
5. AMBD updates ISIN database.

4

BN: (Corporate Bond)Possible Example of Bonds Numbering



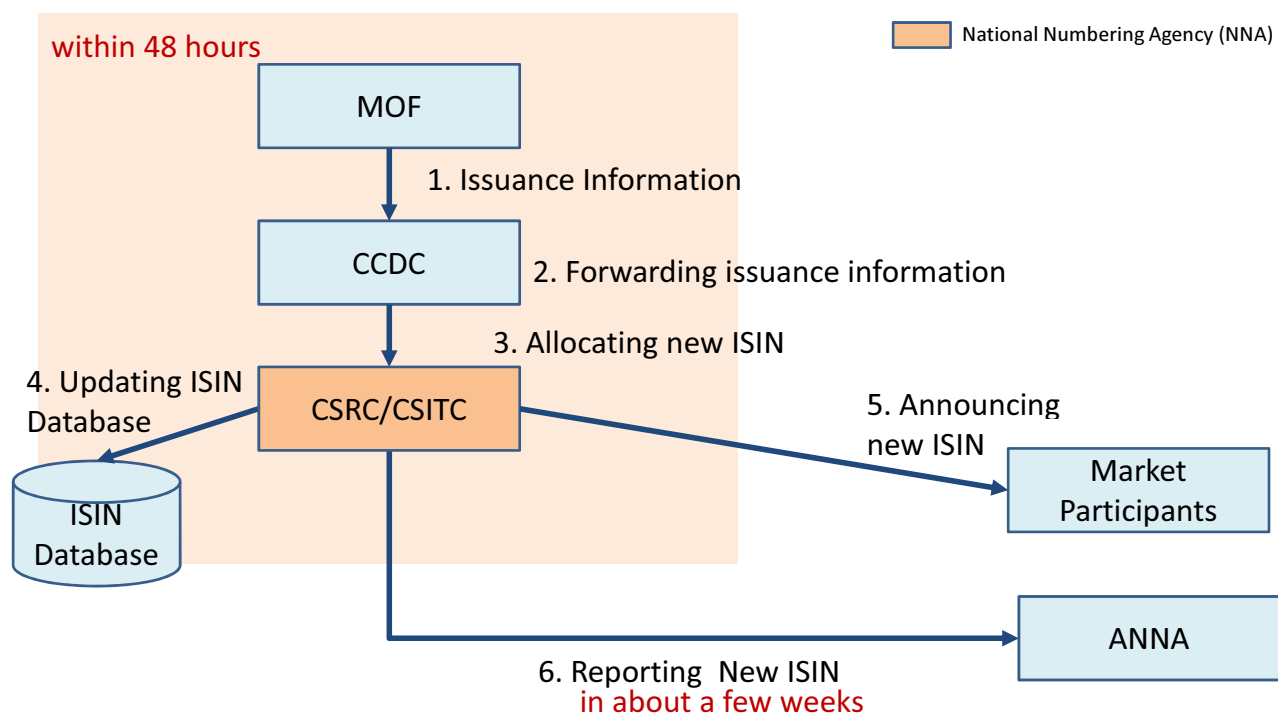
5

BN: (Corporate Bond)Possible Example of Bonds Numbering

1. Issuance agent sends issuance information to AMBD.
2. AMBD allocates ISIN within 24 hours.
3. AMBD announces new ISIN to market participants.
4. AMBD reports new ISIN to ANNA.
5. AMBD updates ISIN database.

6

CN:(Government Bond)Typical Flow of Bonds Numbering



CCDC - China Central Depository & Clearing Co., Ltd
CSITC: China Securities International Standards Committee
CSRC - China Securities Regulatory Commission
ANNA - Association of National Numbering Agencies

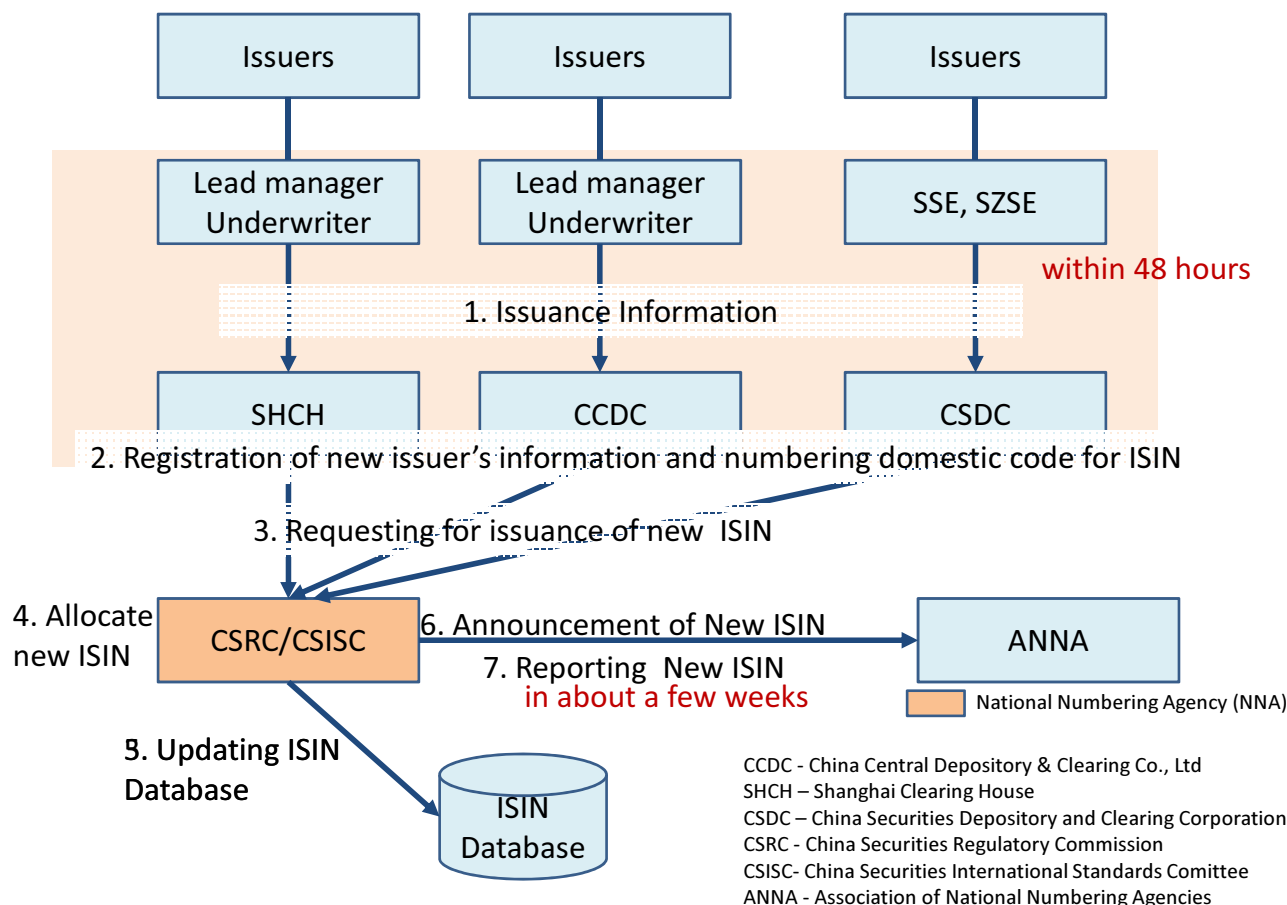
7

CN: (Government Bond)Typical Flow of Numbering

1. MOF as the directly issuer sends issuance information to CCDC.
2. CCDC forwards the information of the bond to CSISC to allocate new ISIN.
3. CSRC/CSITS allocates ISIN within 48 hours for CSRC.
4. CSRC/CSITS updates ISIN database.
5. CSRC/CSITS publishes to market participants.
6. CSRC/CSITS reports new ISIN to ANNA (in a few weeks).

8

CN: (Corporate Bond) Typical Flow of Numbering




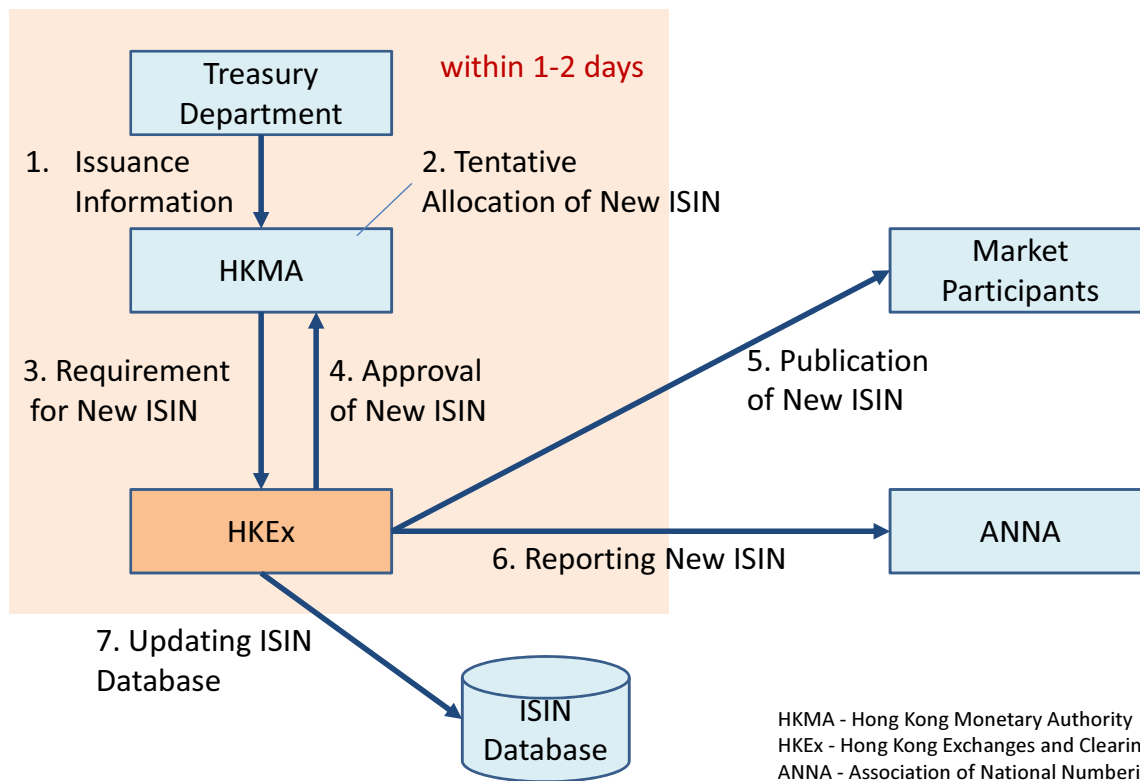
9

CN: (Corporate Bond) Typical Flow of Numbering

1. Lead manager (underwriter) which is issuance agent sends issuance information to one of CSDS (SHCH, CCDC, or CSDC) depending on the type of the bond.
2. Each CSD registers new issuer's information and numbering domestic code for ISIN.
3. Each CSD requests to issue new ISIN to CSRC as the National Numbering Agency (NNA) in China. Each CSD also forwards the information of the bond to China Securities Information Technology Services (CSITS) to allocate new ISIN on behalf of CSRC (NNA).
4. CSRC/CSISC allocates ISIN within 48 hours for CSRC.
5. CSRC/CSISC updates ISIN database.
6. CSRC/CSISC announces new ISIN on its website.
7. CSRC/CSISC reports new ISIN to ANNA (in a few weeks).

HK: (Government Bond)Typical Flow of Bonds Numbering

 National Numbering Agency (NNA)



11

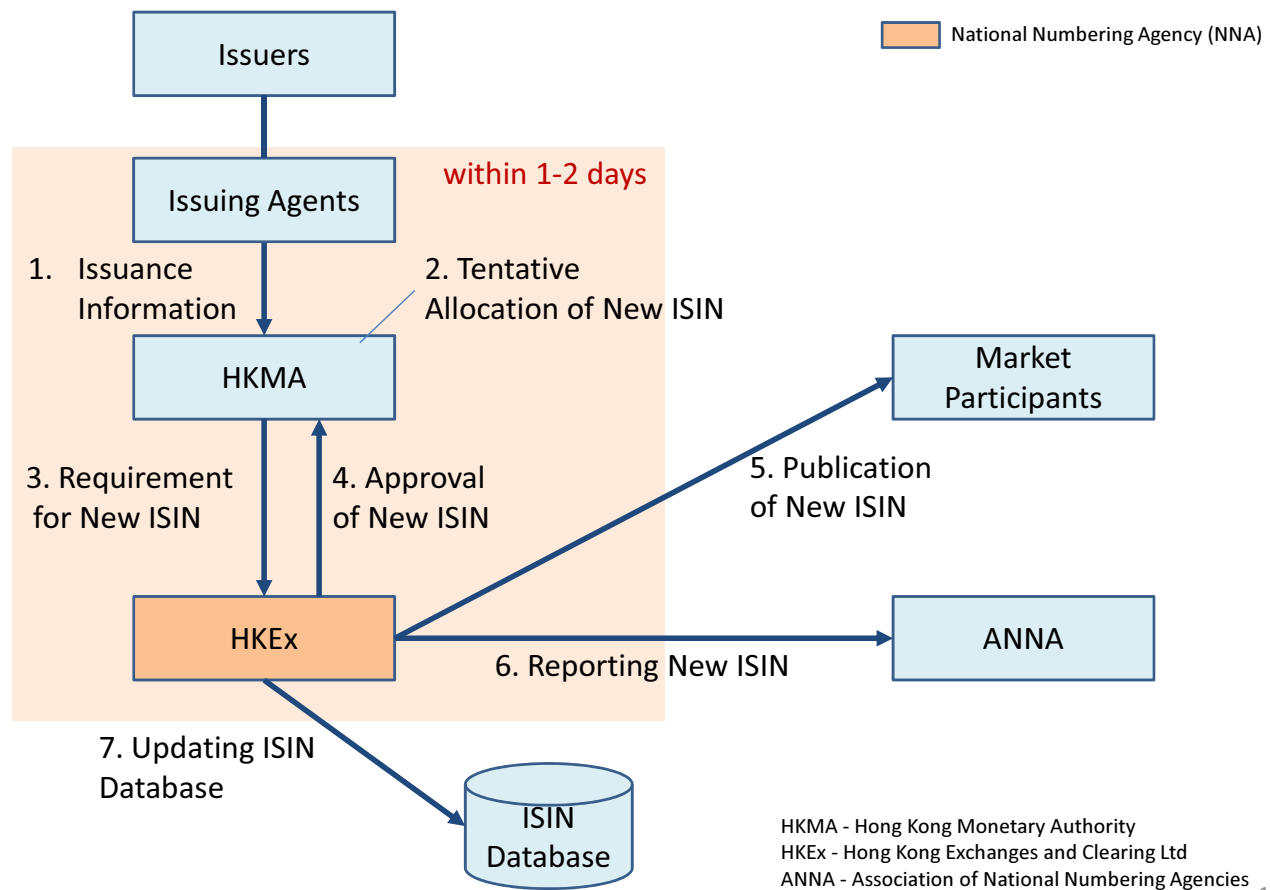
HK: (Government Bond)Typical Flow of Bonds Numbering

1. Treasury Department sends issuance information to HKMA.
2. HKMA tentatively allocates new ISIN.
3. HKMA requests an approval of new ISIN to HKEx.
4. HKEx approves ISIN within 1-2 days.
5. HKEx posts new ISIN on HKEx website on the third preceding evening of listing day.
6. HKEx reports new ISIN to ANNA.
7. HKEx updates ISIN database.

[note]

- ❑ Market participants in other economies can identify the relevant ISIN from the ISIN database published in the HKEx and ANNA Service Bureau websites. Then the market participants can obtain the exact information from the prospectus and terms sheet of the corresponding ISIN from the HKEx website.

HK: (Corporate Bond) Typical Flow of Bonds Numbering



13


HK: (Corporate Bond) Typical Flow of Bonds Numbering

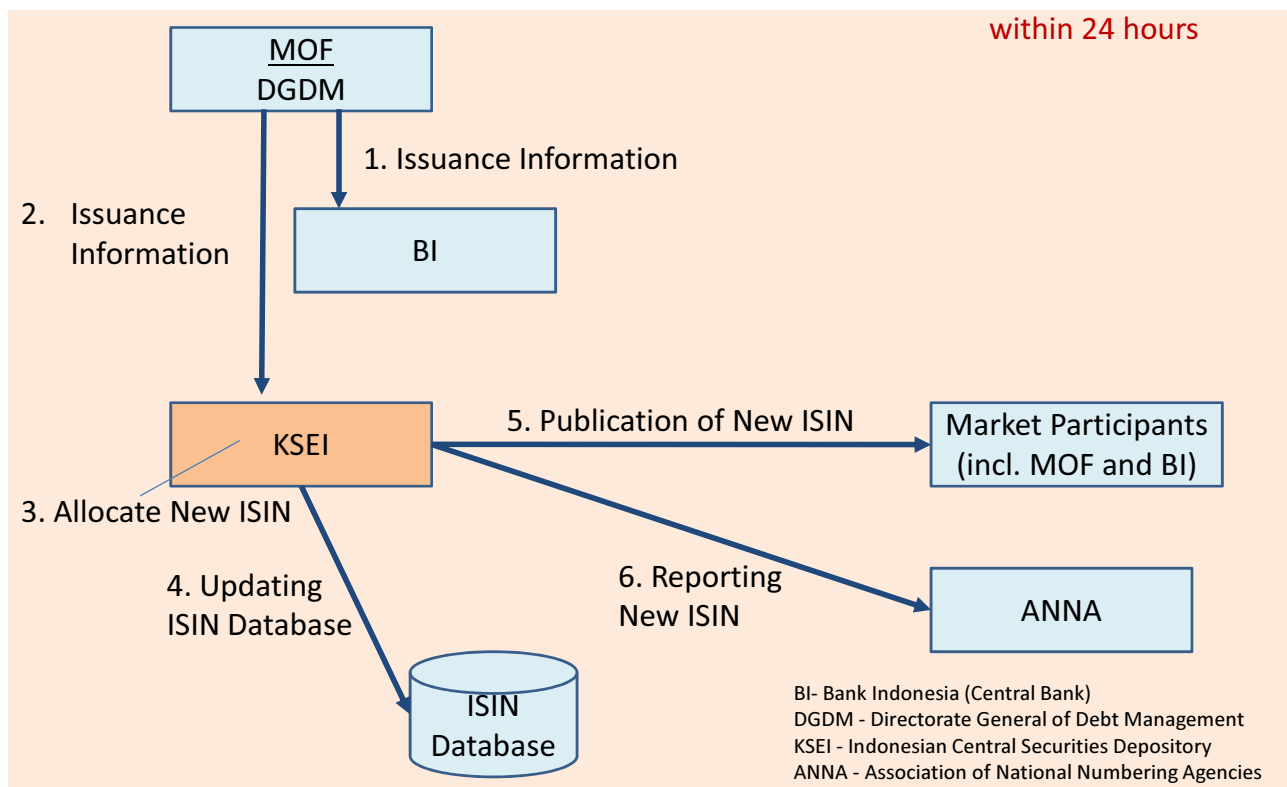
1. Treasury Department sends issuance information to HKMA.
2. HKMA tentatively allocates new ISIN.
3. HKMA requests an approval of new ISIN to HKEx.
4. HKEx approves ISIN within 1-2 days.
5. HKEx posts new ISIN on HKEx website on the third preceding evening of listing day.
6. HKEx reports new ISIN to ANNA.
7. HKEx updates ISIN database.

[note]

- ❑ Market participants in other economies can identify the relevant ISIN from the ISIN database published in the HKEx and ANNA Service Bureau websites. Then the market participants can obtain the exact information from the prospectus and terms sheet of the corresponding ISIN from the HKEx website.

ID: (Government Bond) Typical Flow of Bonds Numbering

 National Numbering Agency (NNA)



15

ID: (Government Bond) Typical Flow of Bonds Numbering

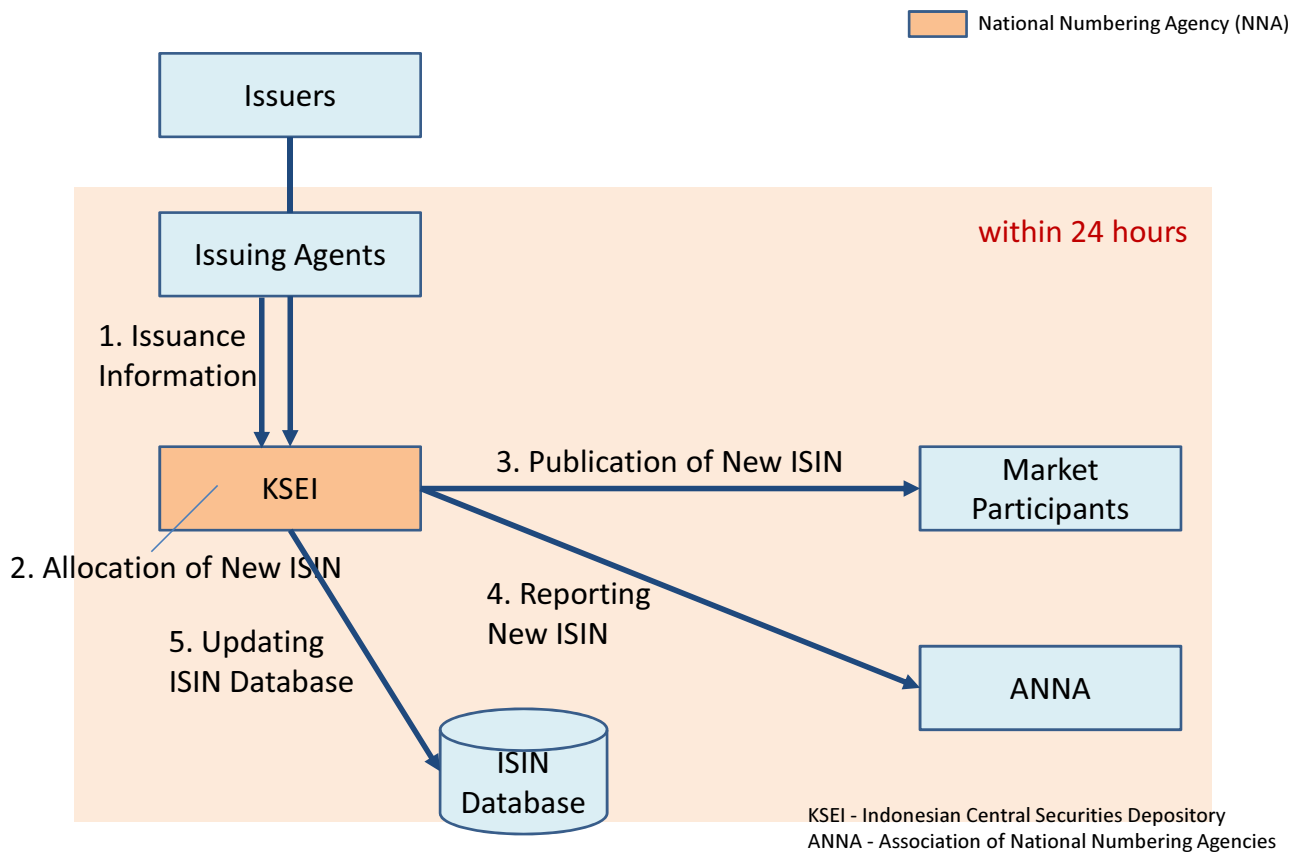
1. MOF (via - Directorate General of Debt Management-DGDM) sends issuance information to BI and KSEI.
2. KSEI allocates and releases new ISIN within 24 hours.
3. KSEI announces new ISIN to KSEI's members (securities companies and custodian banks) and DGDM by e-mail and posts on KSEI website.
4. KSEI reports new ISIN to ANNA every day.
5. KSEI updates ISIN database (automatically)

[note]

- ❑ KSEI provides ISIN information on KSEI's website. Non-resident investors can get ISIN information from this website. The information is provided in dual languages (Domestic and English).

16

ID: (Corporate Bond)Typical Flow of Bonds Numbering



17

ID: (Corporate Bond) Typical Flow of Bonds Numbering

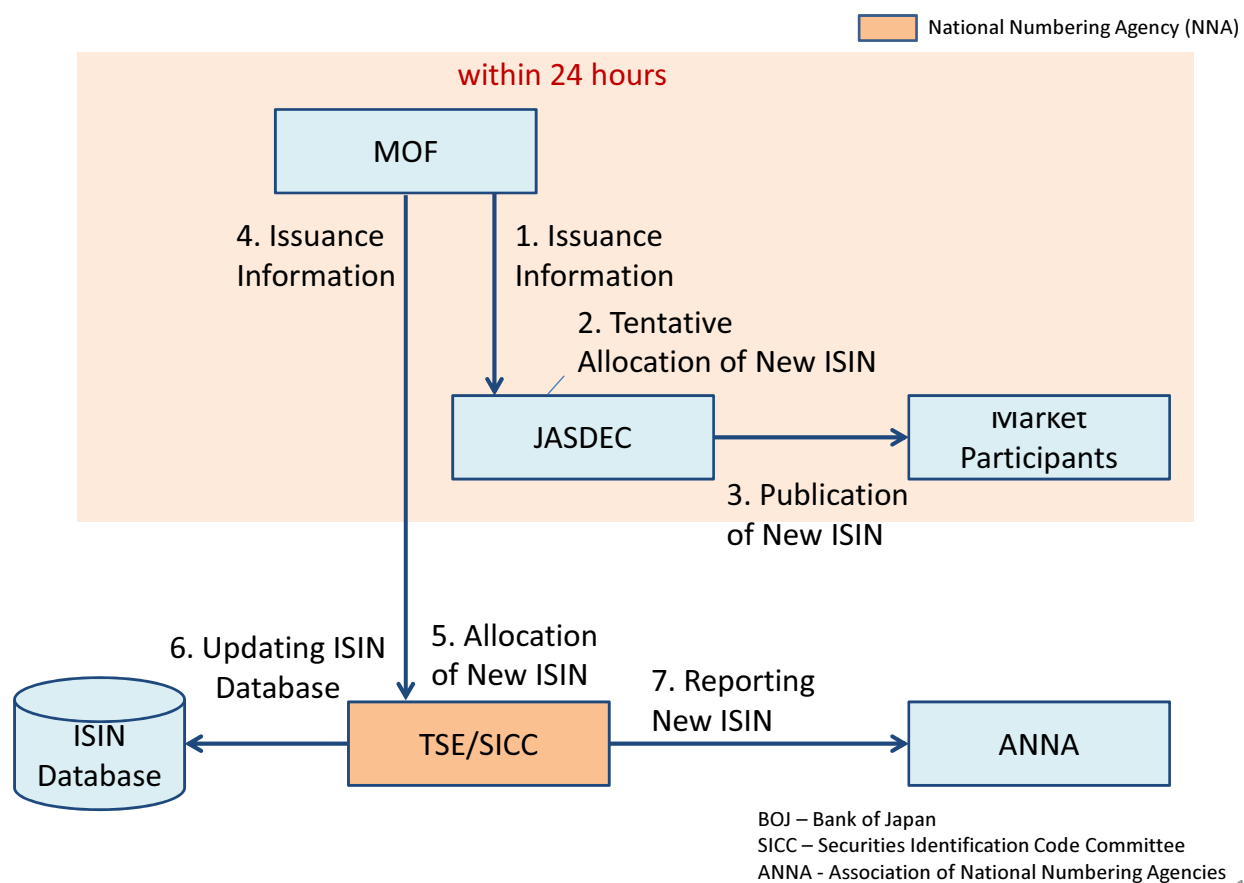
1. Issuance agent of Issuer sends issuance information to KSEI.
2. KSEI allocates ISIN within 24 hours.
3. KSEI announces new ISIN to KSEI's members (securities companies and custodian banks) and Issuer by e-mail and posts on KSEI website.
4. KSEI reports new ISIN to ANNA every day.
5. KSEI updates ISIN database (automatically).

[note]

- ❑ KSEI provides ISIN information on KSEI's website. Non-resident investors can get ISIN information from this website. The information is provided in dual languages (Domestic and English).

18

JP: (Government Bond) Typical Flow of Bonds Numbering



19

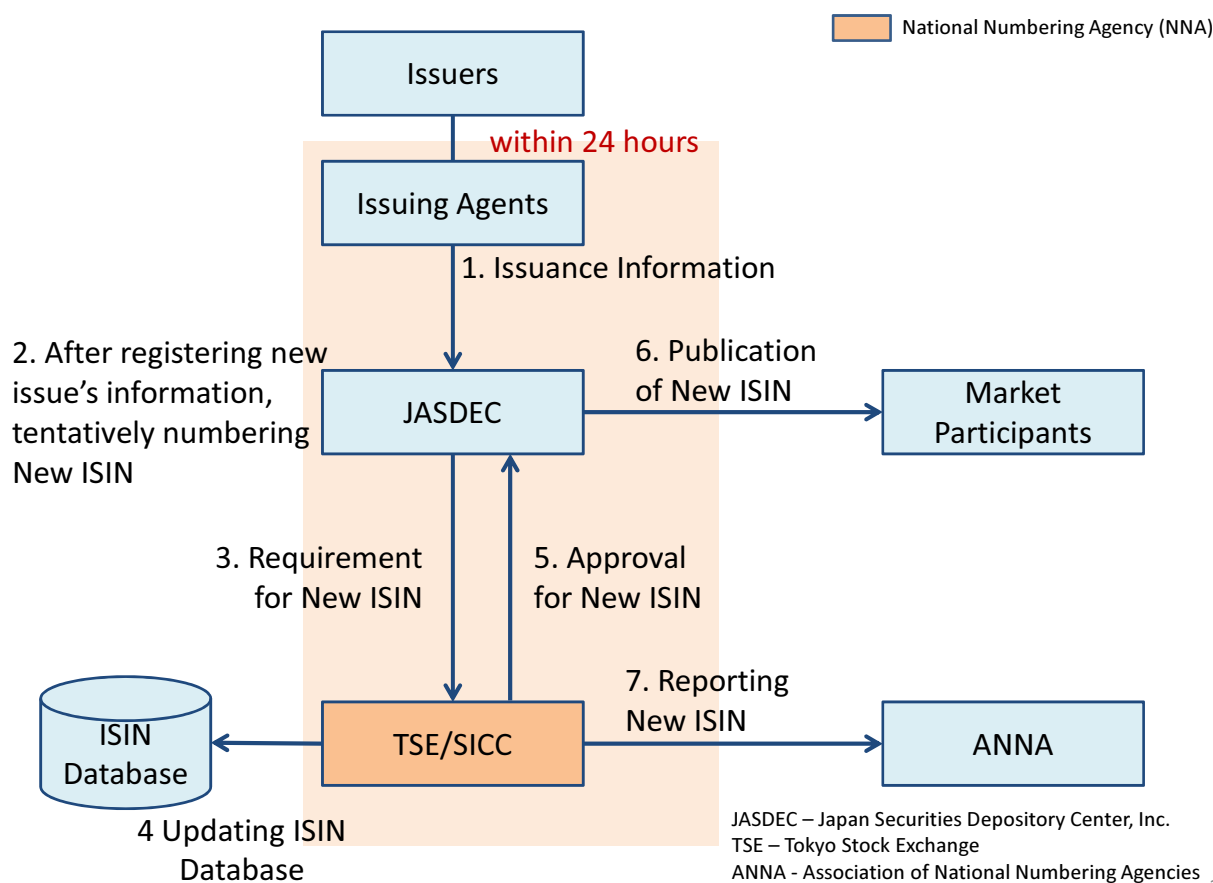
JP: (Government Bond) Typical Flow of Bonds Numbering

1. JASDEC obtains issuance information from MOF.
2. JASDEC tentatively allocates new ISIN.
3. JASDEC announces new ISIN to market participants.
4. TSE/SICC obtains issuance information from MOF.
5. TSE/SICC allocates new ISIN.
6. TSE/SICC updates ISIN database.
7. TSE/SICC reports new ISIN to ANNA.

[note]

Government bonds will adopt ISIN on October 2015. Business flow of numbering may change.

JP: (Corporate Bond) Typical Flow of Bonds Numbering



21

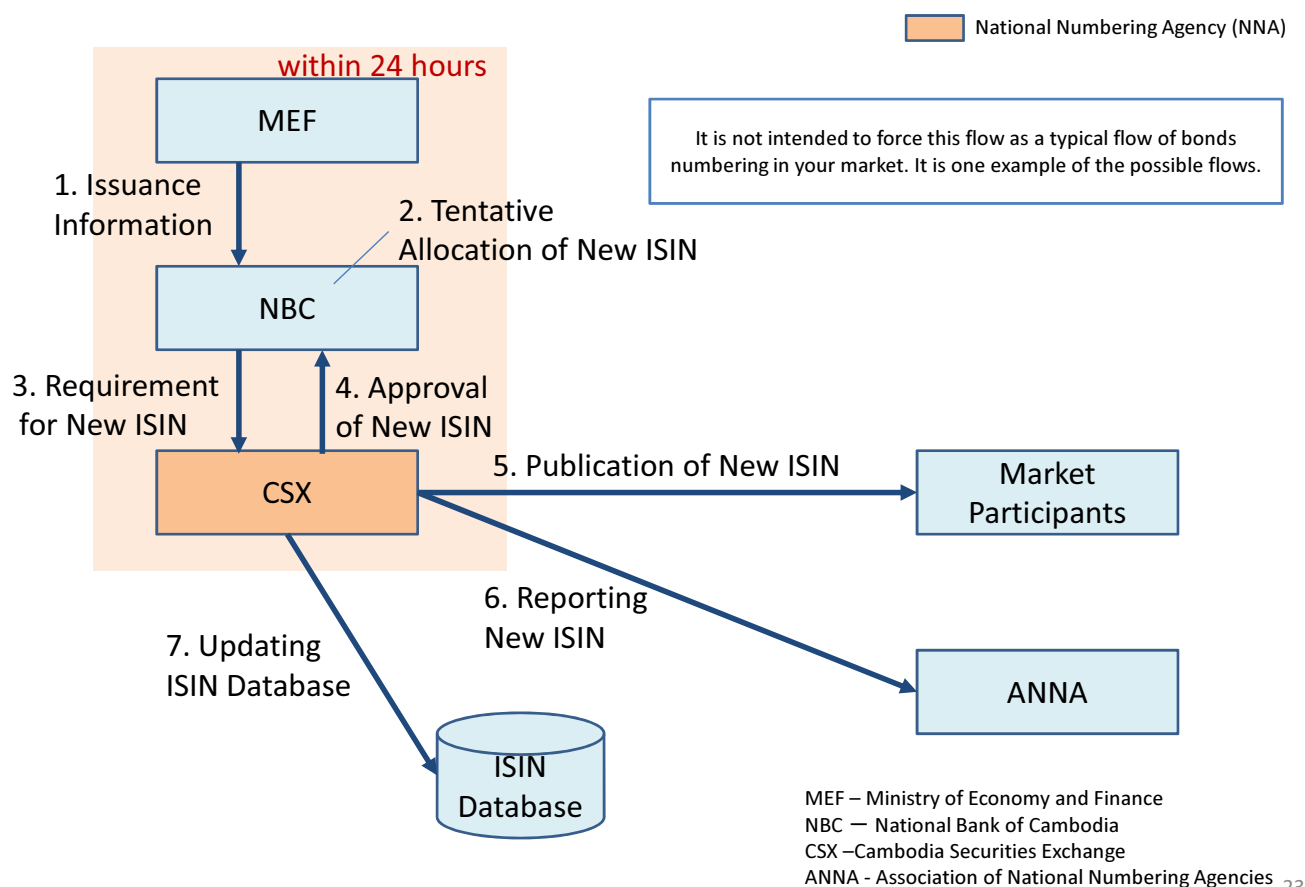
JP: (Corporate Bond) Typical Flow of Bonds Numbering

1. Issuance agent sends issuance information to JASDEC.
2. After registering new issue's information, tentatively numbering New ISIN
3. JASDEC requests new ISIN to SICC.
4. TSE/SICC updates ISIN database.
5. TSE/SICC approves for new ISIN within 24 hours.
6. JASDEC announces new ISIN to market participants 4 times in a day and posts new ISIN on the JASDEC website once in a day.
7. TSE/SICC reports new ISIN to ANNA.

[note]

Corporate bonds has already adopted ISIN.

KH: (Government Bond)Possible Example of Bonds Numbering

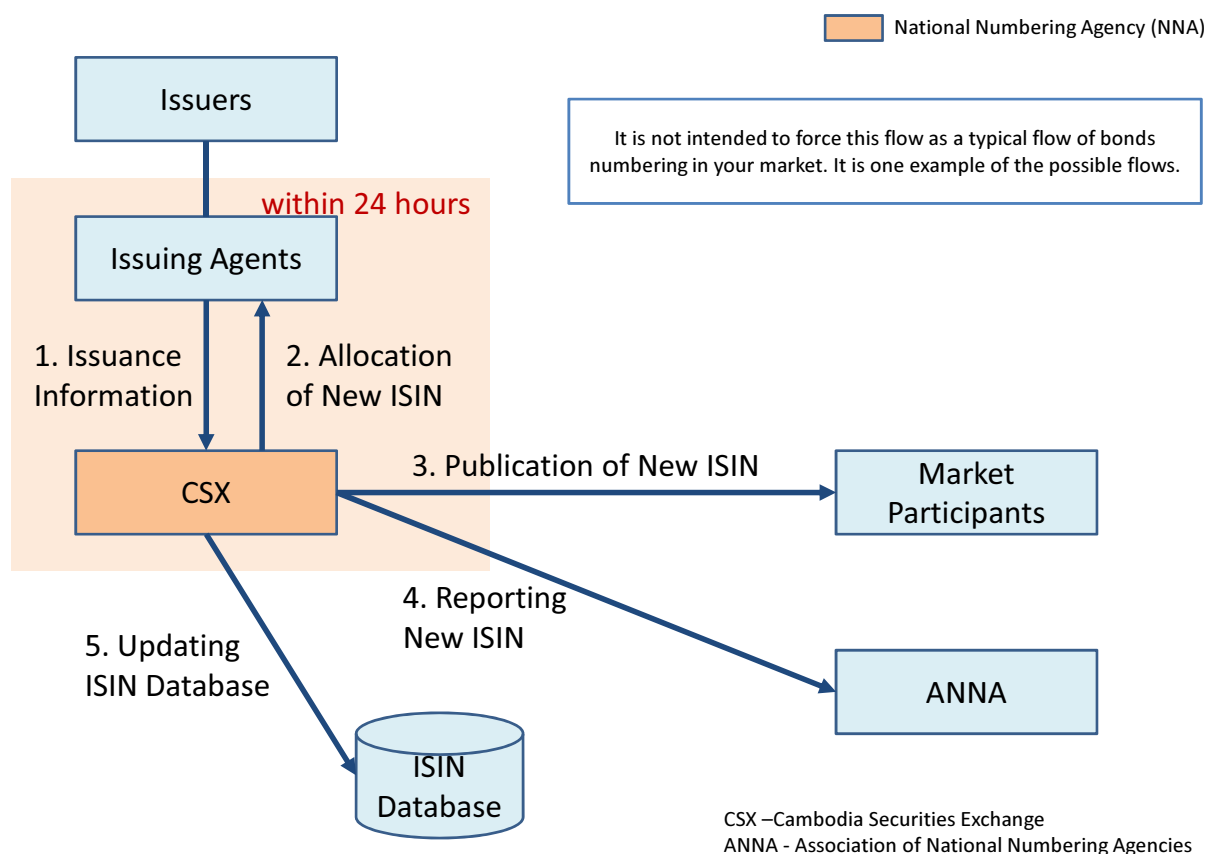


23

KH: (Government Bond)Possible Example of Bonds Numbering

1. MEF sends issuance information to NBC.
2. NBC tentatively allocates new ISIN.
3. NBC requests an approval of new ISIN to CSX.
4. CSX approves ISIN within 24 hours.
5. CSX announces new ISIN to market participants.
6. CSX reports new ISIN to ANNA.
7. CSX updates ISIN database.

KH: (Corporate Bond) Possible Example of Bonds Numbering



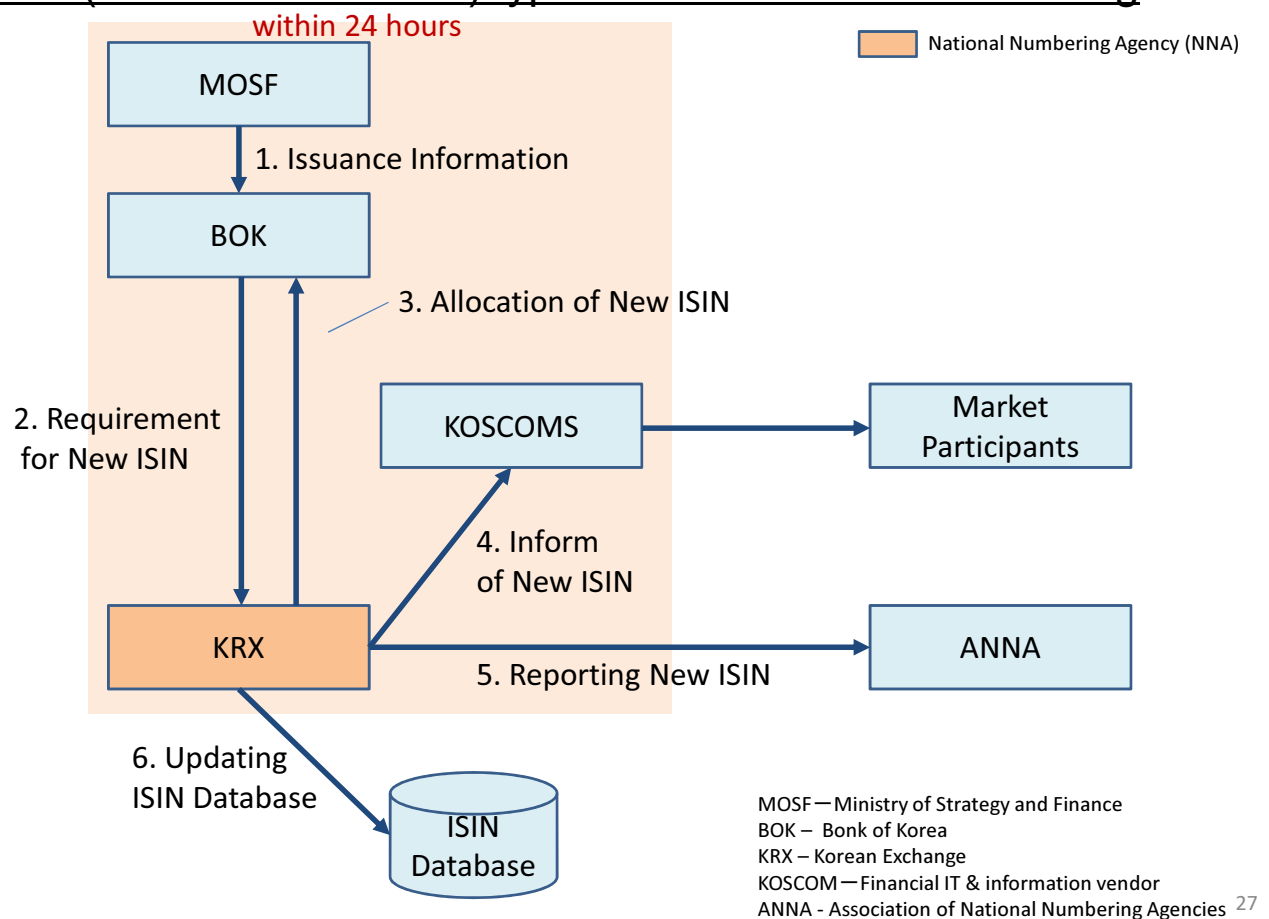
25

KH: (Corporate Bond) Possible Example of Bonds Numbering

1. Issuance agent sends issuance information to CSX.
2. CSX allocates ISIN within 24 hours.
3. CSX announces new ISIN to market participants.
4. CSX reports new ISIN to ANNA.
5. CSX updates ISIN database.

26

KR: (Government Bond) Typical Flow of Bonds Numbering



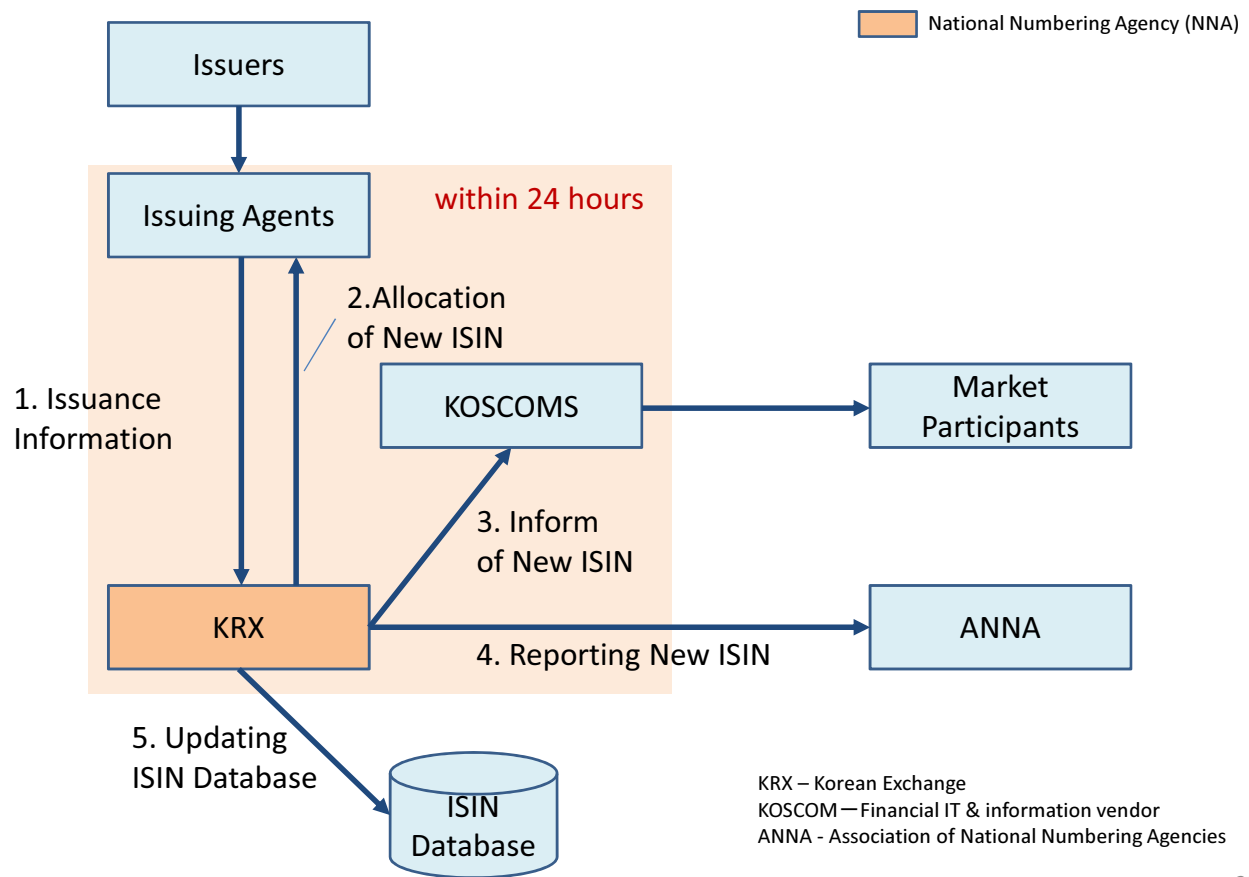
KR: (Government Bond) Typical Flow of Bonds Numbering

1. MOSF sends issuance information to BOK.
2. BOK requests an allocation of new ISIN to KRX.
3. KRX allocates ISIN within 24 hours.
4. KRX posts the ISIN code on its website and informs to KOSCOM every 30 seconds.
5. KRX reports new ISIN to ANNA.
6. KRX updates ISIN database.

[notes]

- ❑ Provided that all submitted data and documentation is correct, ISIN is allocated within the day of application.

KR: (Corporate Bond) Typical Flow of Bonds Numbering



29

KR: (Corporate Bond) Typical Flow of Bonds Numbering

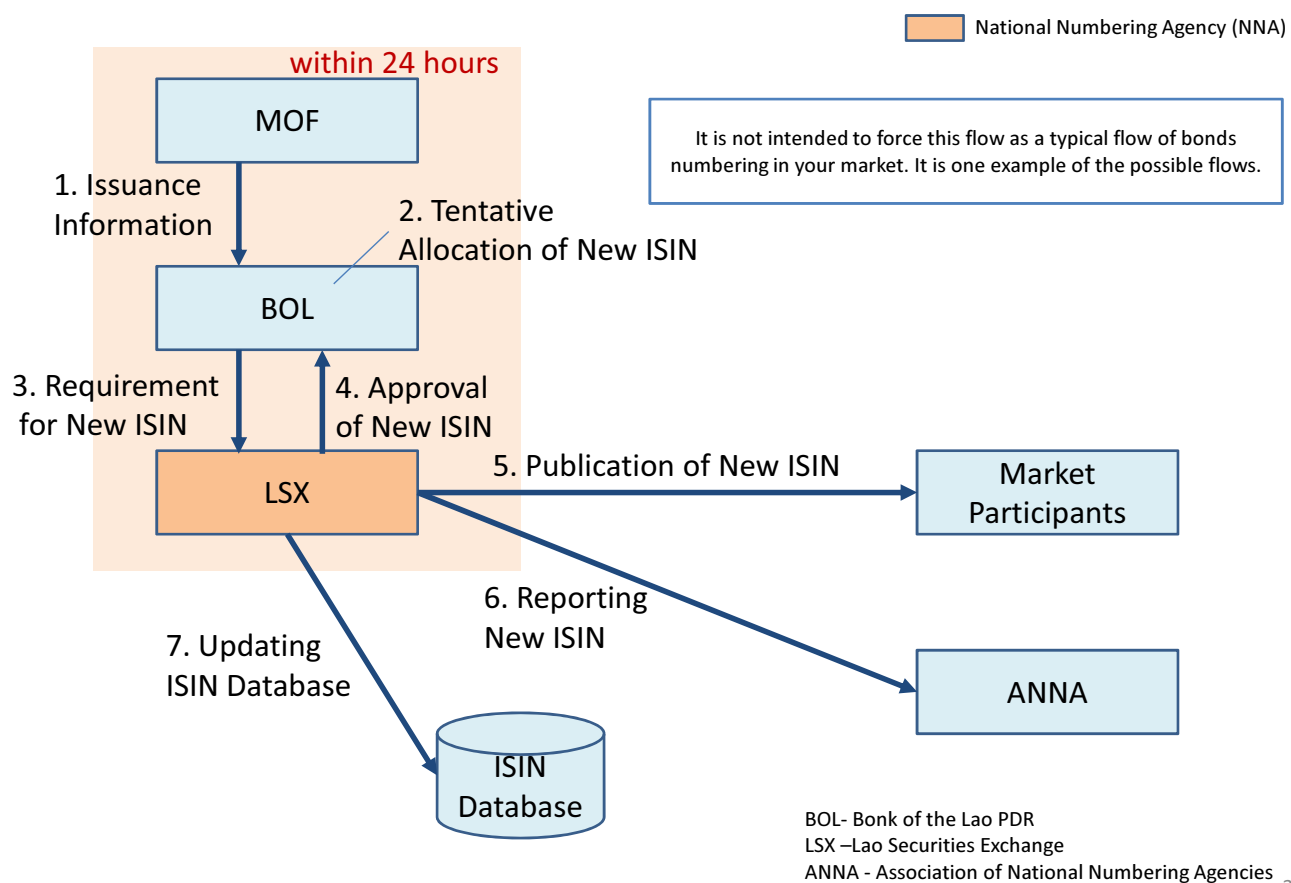
1. Issuance agent sends issuance information to KSD.
2. KRX allocates ISIN within 24 hours.
3. KRX posts the ISIN code on its website and informs to KOSCOM every 30 seconds
4. KRX reports new ISIN to ANNA.
5. KRX updates ISIN database.

[notes]

- ❑ Provided that all submitted data and documentation is correct, ISIN is allocated within the day of application.

30

LA: (Government Bond)Possible Example of Bonds Numbering

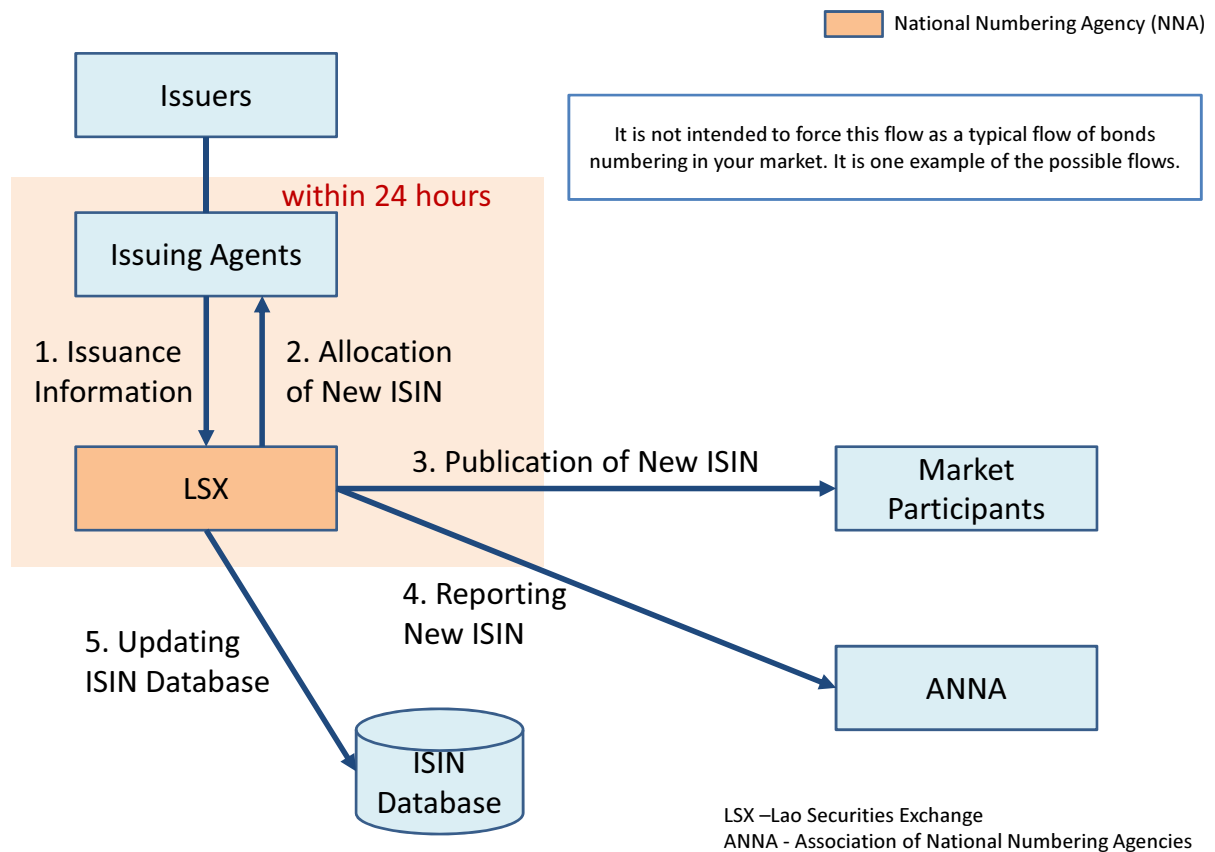


31

LA: (Government Bond)Possible Example of Bonds Numbering

1. MOF sends issuance information to BOL.
2. BOL tentatively allocates new ISIN.
3. BOL requests an approval of new ISIN to LSX.
4. LSX approves ISIN within 24 hours.
5. LSX announces new ISIN to market participants.
6. LSX reports new ISIN to ANNA.
7. LSX updates ISIN database.

LA: (Corporate Bond) Possible Example of Bonds Numbering



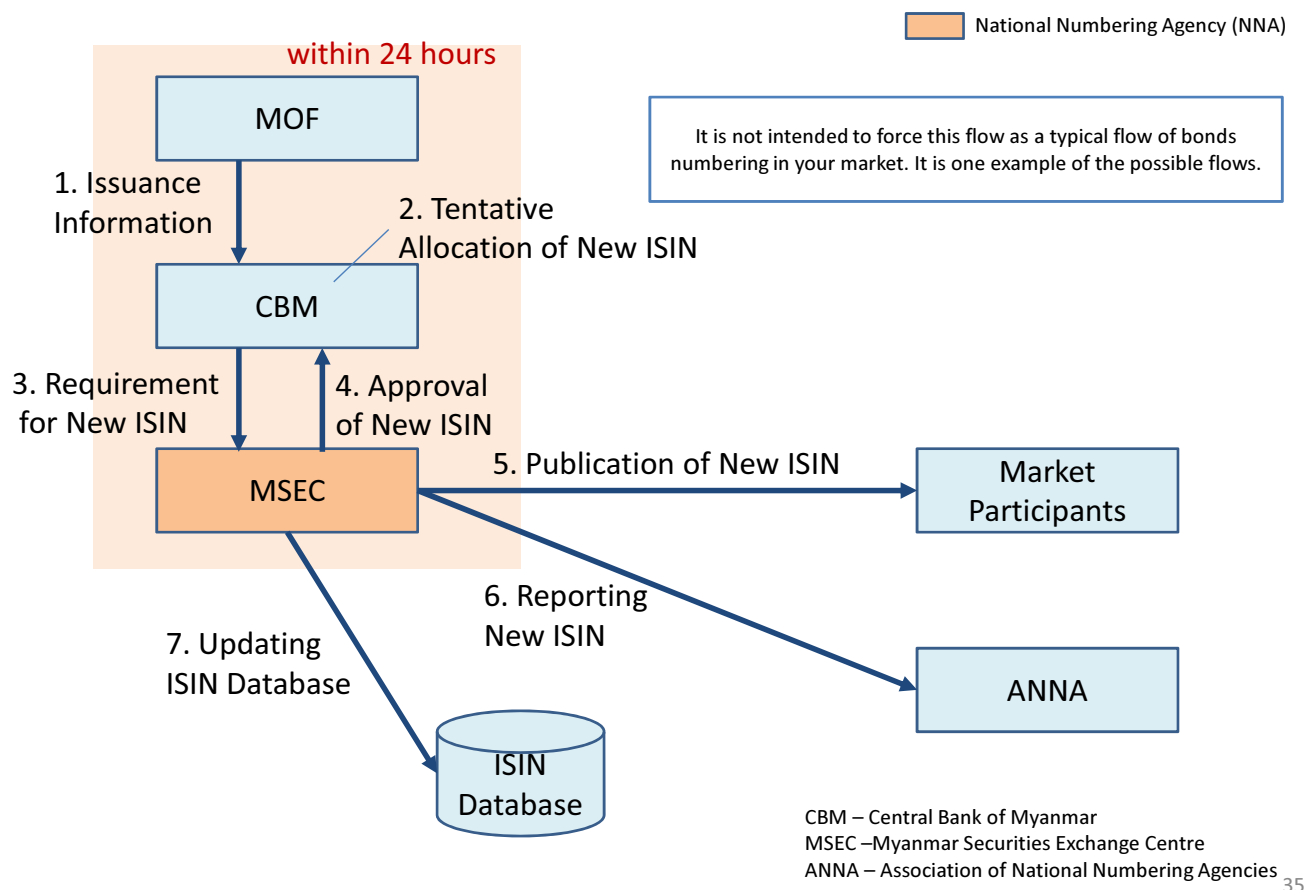
33

LA: (Corporate Bond) Possible Example of Bonds Numbering

1. Issuance agent sends issuance information to LSX.
2. LSX allocates ISIN within 24 hours.
3. LSX announces new ISIN to market participants.
4. LSX reports new ISIN to ANNA.
5. LSX updates ISIN database.

34

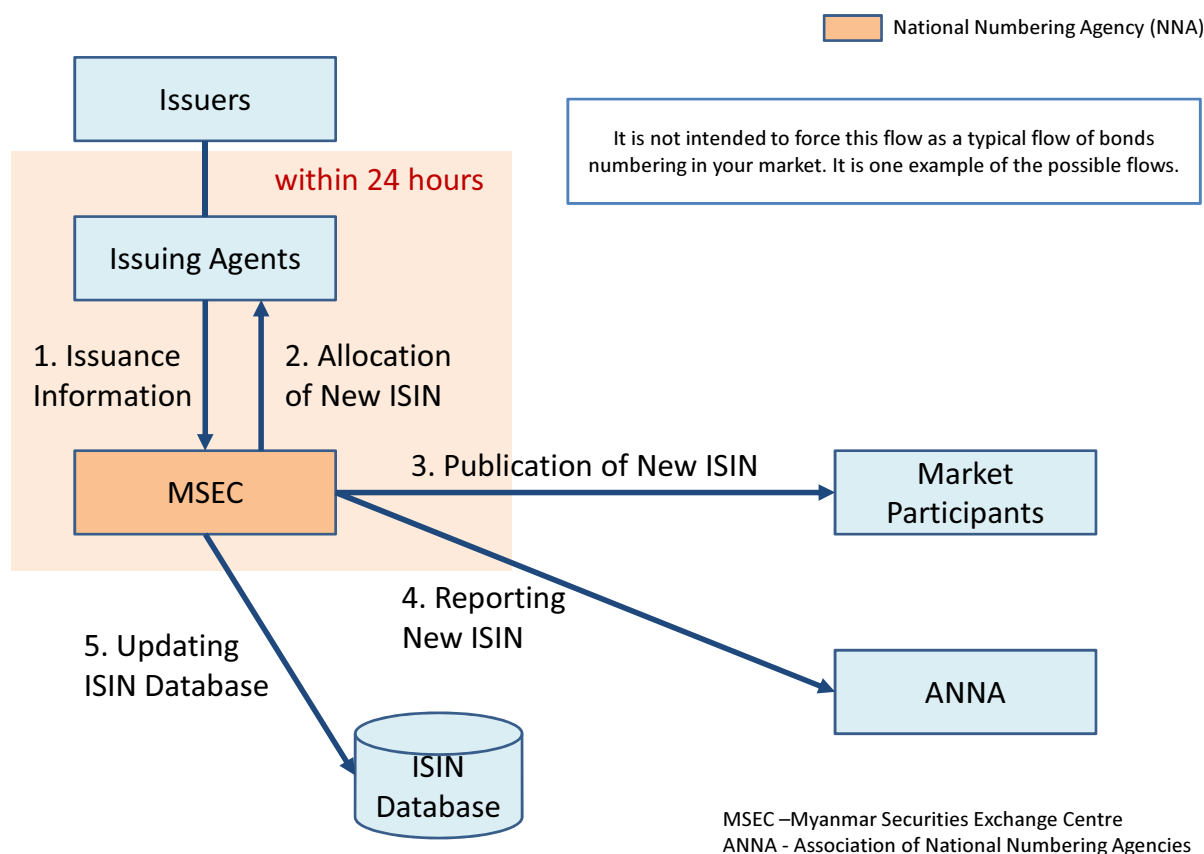
MM: (Government Bond)Possible Example of Bonds Numbering



MM: (Government Bond)Possible Example of Bonds Numbering

1. MOF sends issuance information to CBM.
2. CBM tentatively allocates new ISIN.
3. CBM requests an approval of new ISIN to MSEC.
4. MSEC approves ISIN within 24 hours.
5. MSEC announces new ISIN to market participants.
6. MSEC reports new ISIN to ANNA.
7. MSEC updates ISIN database.

MM: (Corporate Bond) Possible Example of Bonds Numbering



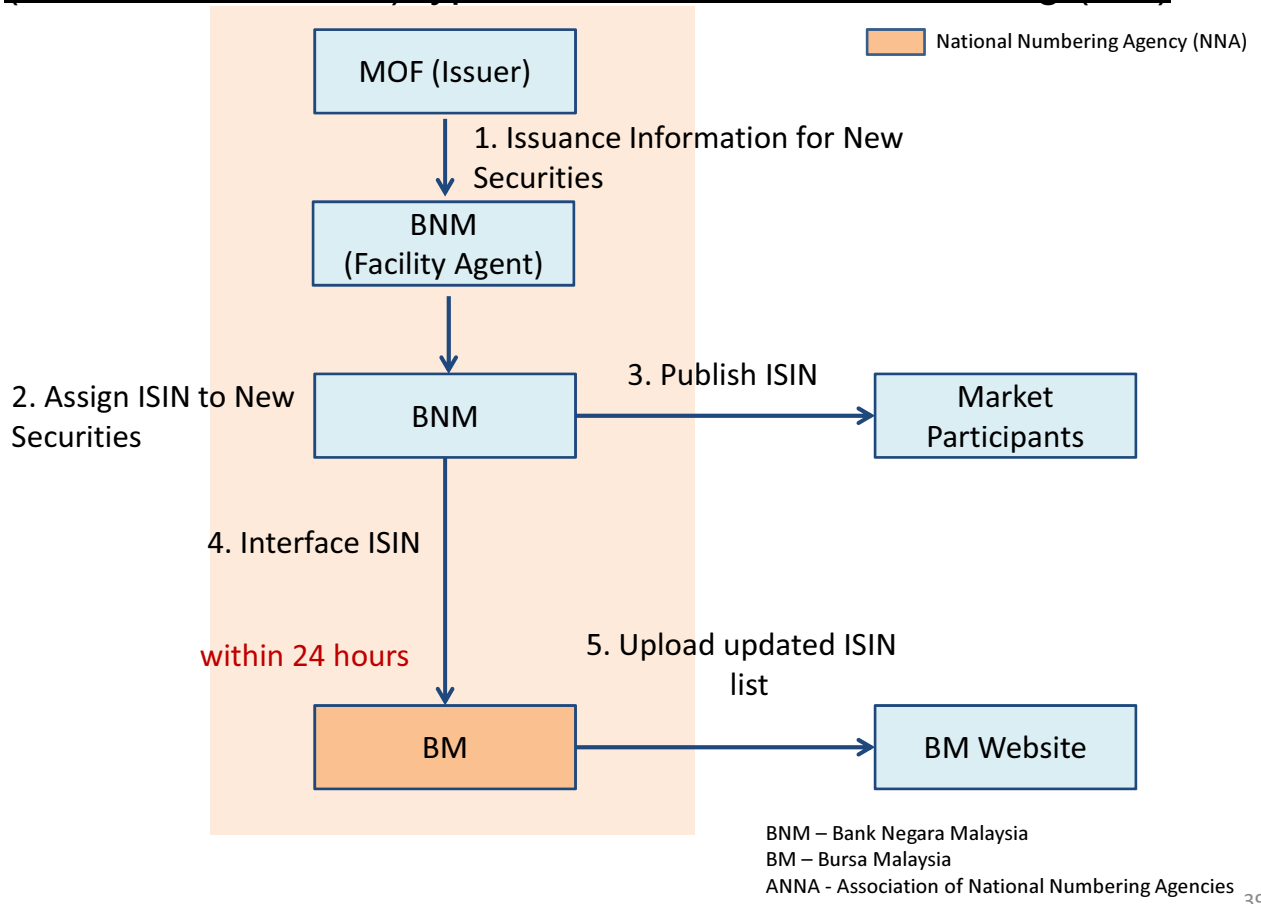
37

MM: (Corporate Bond) Possible Example of Bonds Numbering

1. Issuance agent sends issuance information to MSEC.
2. MSEC allocates ISIN within 24 hours.
3. MSEC announces new ISIN to market participants.
4. MSEC reports new ISIN to ANNA.
5. MSEC updates ISIN database.

38

(Government Bond) Typical Flow of Bonds Numbering (MY)

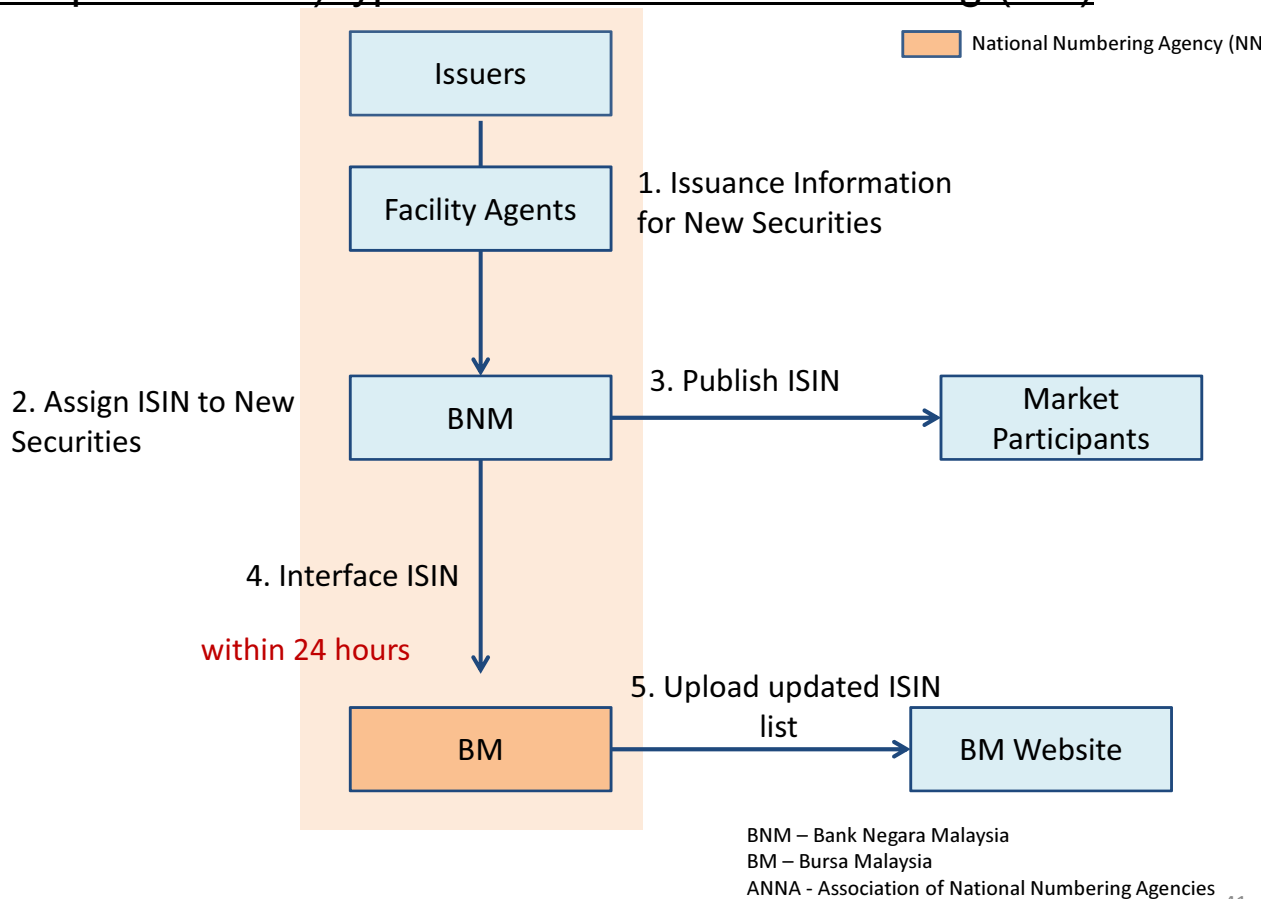


39

(Government Bond) Typical Flow of Bonds Numbering (MY)

1. MOF as the Issuer sends issuance information of New Securities to BNM who assumes the role of Facility Agent.
2. Facility Agent inputs information of New Securities and BNM assigns ISIN to the New Securities.
3. BNM publishes ISIN to market participants.
4. BNM interfaces ISIN to BM.
5. BM to upload updated ISIN list on website on monthly basis

(Corporate Bond) Typical Flow of Bonds Numbering (MY)

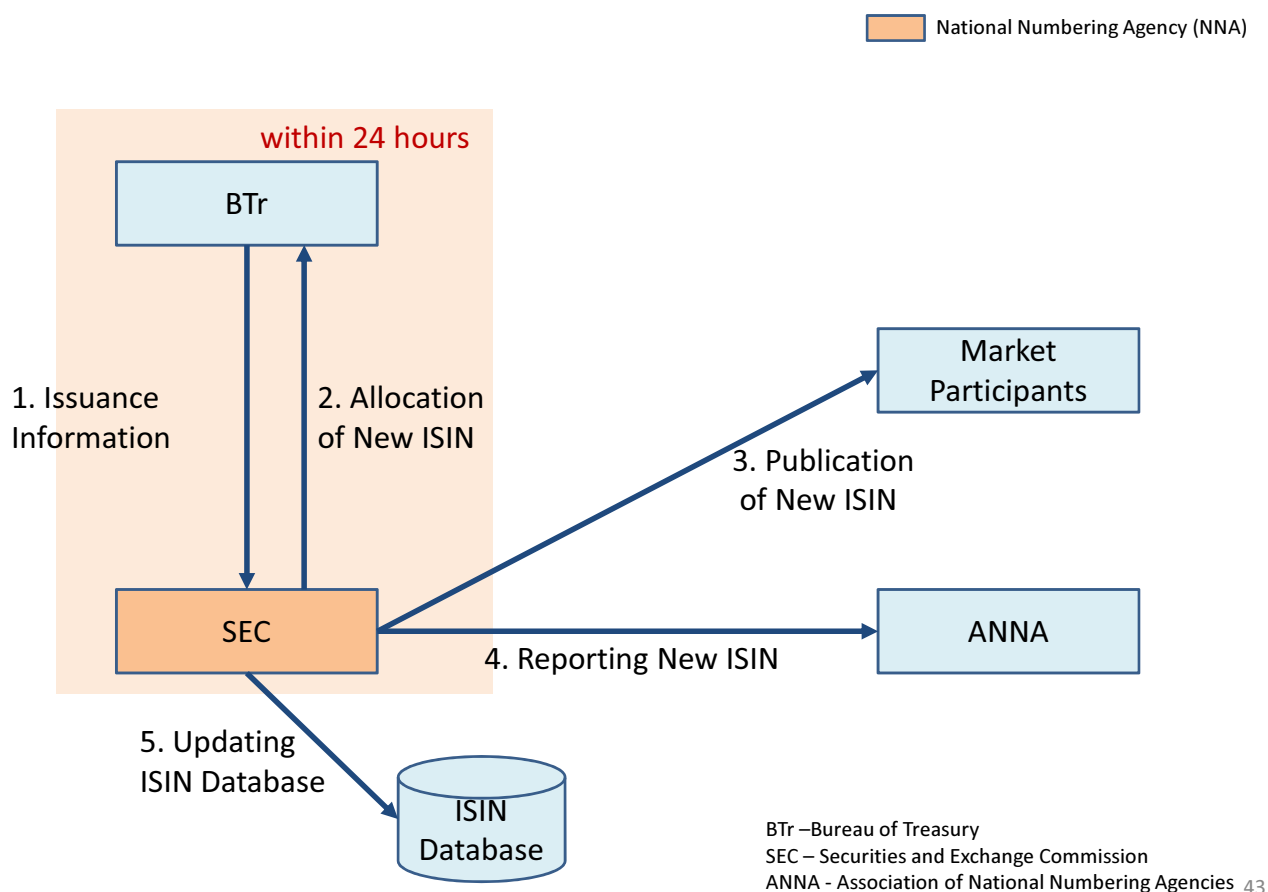


41

(Corporate Bond) Typical Flow of Bonds Numbering (MY)

1. Issuer via Facility Agent sends issuance information of New Securities to BNM.
2. BNM activates the facility upon verification of issuance information. Thereafter, Facility Agent inputs information of New Securities and BNM assigns ISIN to the New Securities.
3. BNM publishes ISIN to market participants.
4. BNM interfaces ISIN to BM.
5. BM to upload updated ISIN list on website on monthly basis

PH: (Government Bond) Typical Flow of Bonds Numbering



PH: (Government Bond) Typical Flow of Bonds Numbering

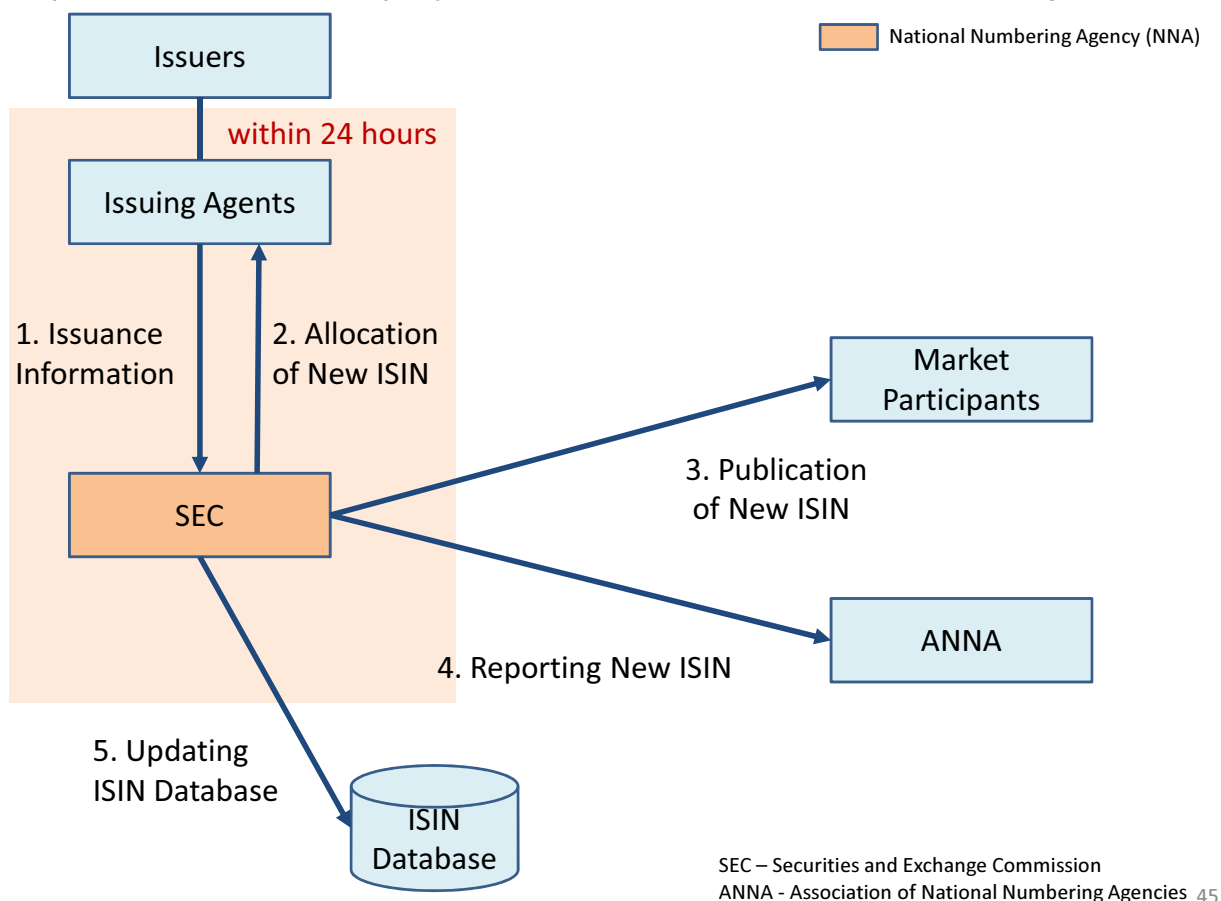
1. BTr sends issuance information to SEC.
2. SEC as NNA allocates ISIN within 24 hours.
3. SEC announces new ISIN to market participants through exchange and SEC website.
4. SEC reports new ISIN to ANNA.
5. SEC updates ISIN database.

[note]

For registered securities, ISIN shall be allocated once registration is approved.

For exempt securities/ transactions, prior ISIN allocation shall be a requirement for listing in an exchange.

PH: (Corporate Bond) Typical Flow of Bonds Numbering



PH: (Corporate Bond) Typical Flow of Bonds Numbering

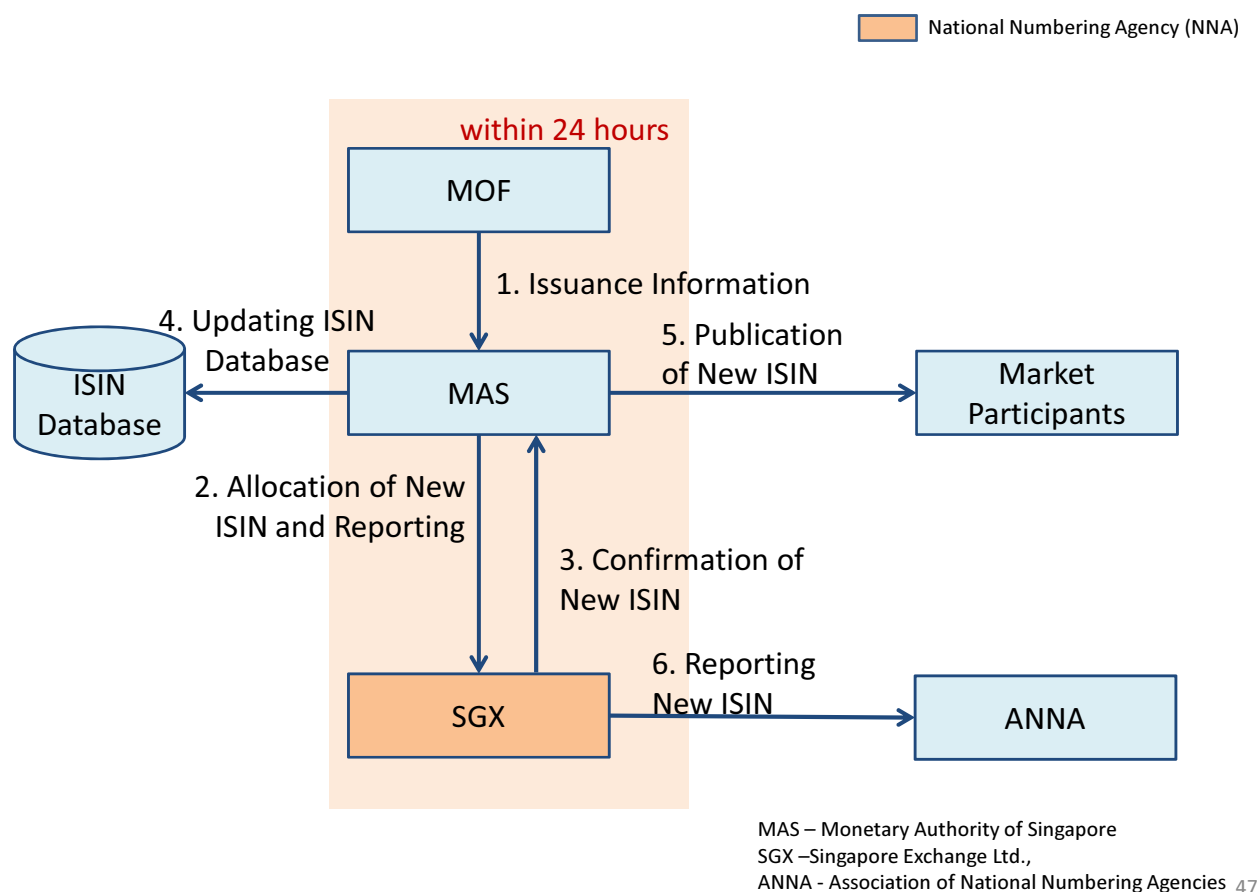
1. Issuance agent sends issuance information to PDTC.
2. SEC as NNA allocates ISIN within 24 hours.
3. SEC announces new ISIN to market participants through exchange and SEC website.
4. SEC reports new ISIN to ANNA.
5. SEC updates ISIN database.

[note]

For registered securities, ISIN shall be allocated once registration is approved.

For exempt securities/ transactions, prior ISIN allocation shall be a requirement for listing in an exchange.

SG: (Government Bond) Typical Flow of Bonds Numbering



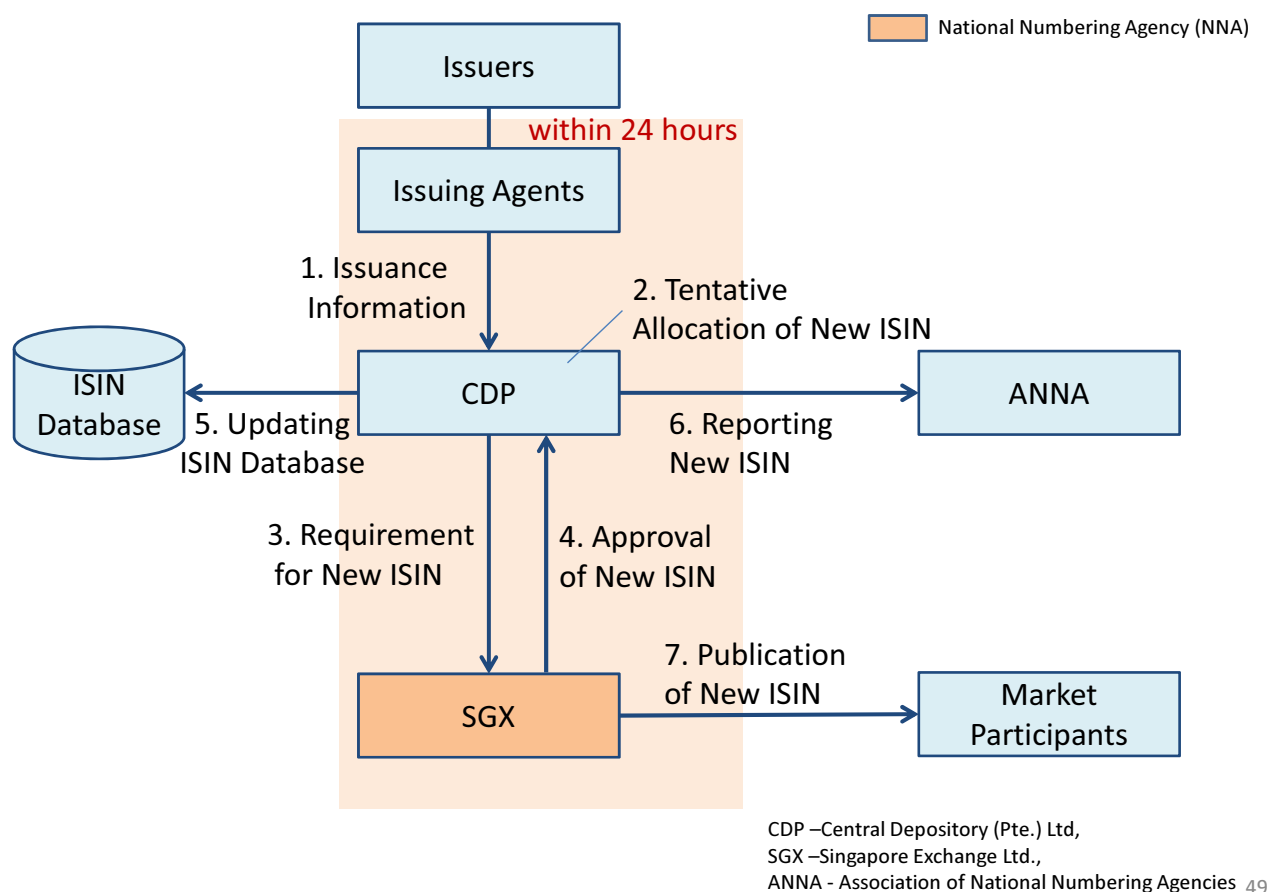
SG: (Government Bond) Typical Flow of Bonds Numbering

1. MOF sends issuance information to MAS.
2. MAS allocates new ISIN and report to SGX within 24 hours.
3. SGX confirms ISIN.
4. MAS updates ISIN database.
5. MAS posts a daily ISIN file on the MAS website.
6. SGX submits to ANNA a monthly report about ISIN.

[Issue]

- ❑ (ISIN) (ISO 6166) is used in conjunction with place of trade and country to uniquely identify an instrument. BIC (ISO 9362) will be made compulsory. SGX plans to improve this further to add CFI (Classification of Financial Instruments) (ISO 10962) to supplement ISIN.

SG: (Corporate Bond) Typical Flow of Bonds Numbering



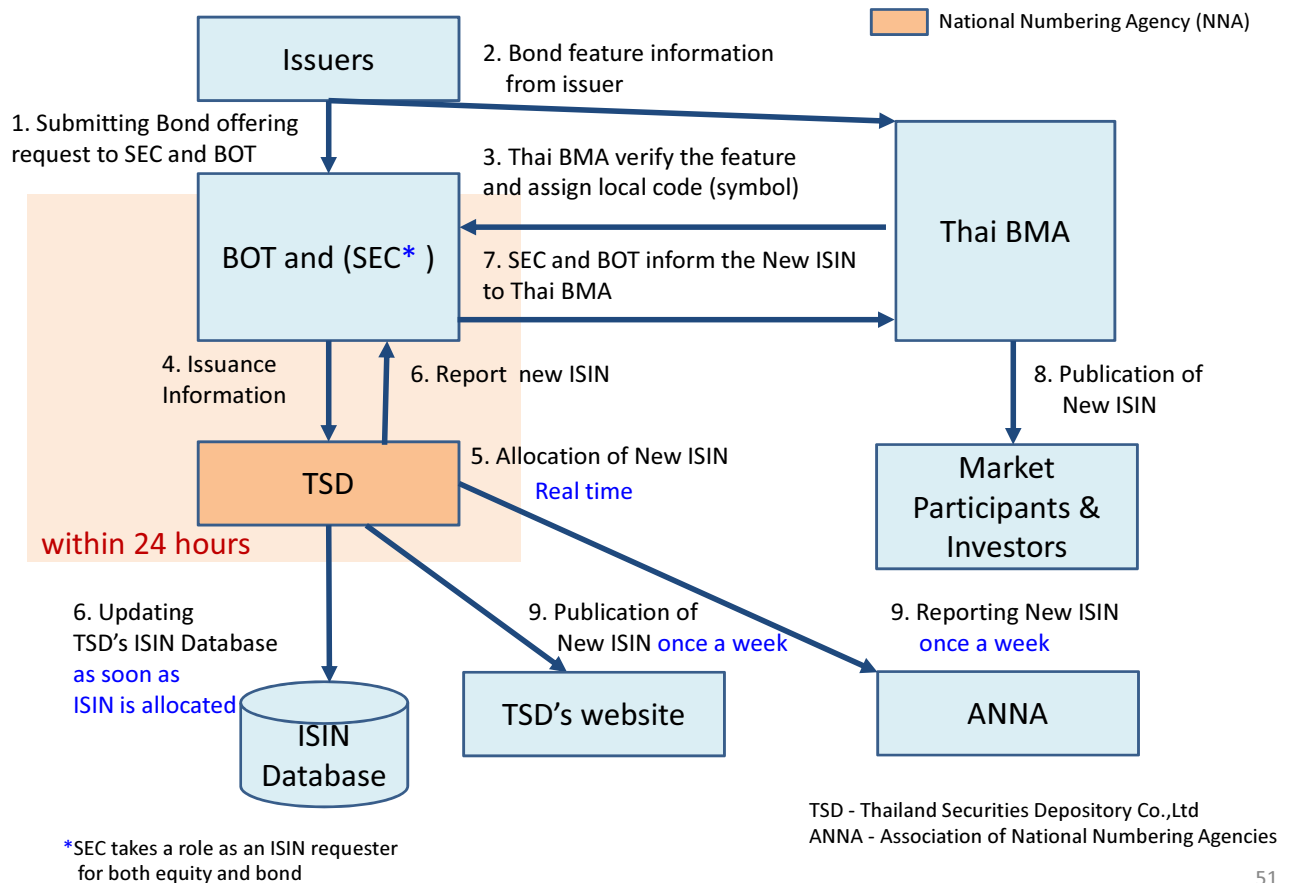
SG: (Corporate Bond) Typical Flow of Bonds Numbering

1. Issuance agent sends issuance information to CDP.
2. CDP tentatively allocates new ISIN.
3. CDP requests new ISIN to SGX.
4. SGX approves ISIN within 24 hours.
5. CDP updates ISIN database.
6. CDP submits to ANNA a monthly report about ISIN.
7. GX posts a daily ISIN file on the SGX website.

[issue]

- ❑ (ISIN) (ISO 6166) is used in conjunction with place of trade and country to uniquely identify an instrument. BIC (ISO 9362) will be made compulsory. SGX plans to improve this further to add CFI (Classification of Financial Instruments) (ISO 10962) to supplement ISIN.

TH: (Government Bond) Typical Flow of Allocation of ISIN



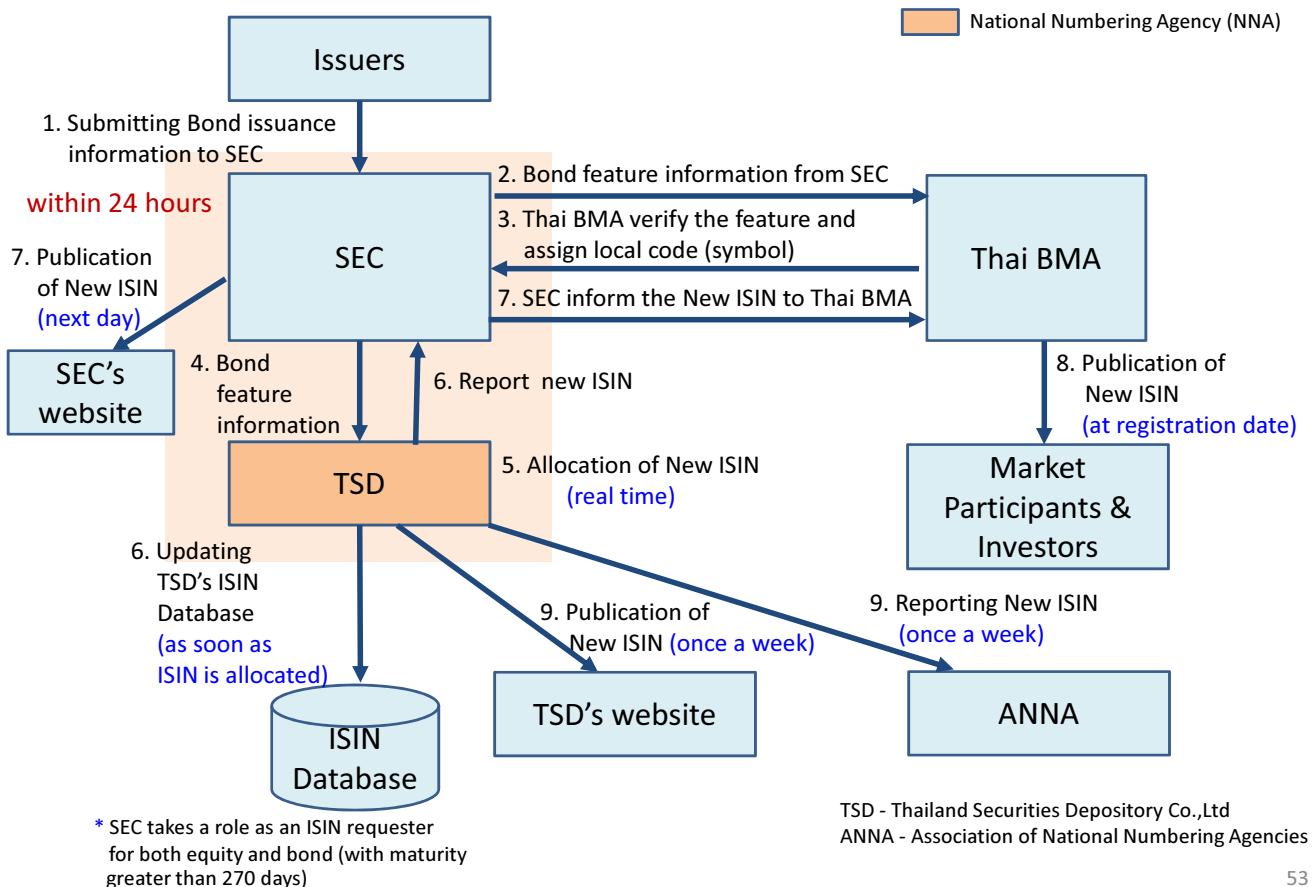
51

TH: (Government Bond) Typical Flow of Bonds Numbering

1. Issuer submits bond offering request form to SEC and BOT.
2. Issuer submits bond feature information to Thai BMA.
3. After verifying the information, Thai BMA assigns local bond code (symbol) and informs it to SEC and BOT.
4. SEC & BOT forward bond issuance information to TSD.
5. TSD allocates ISIN as soon as receives bond feature information from SEC or BOT.
6. TSD reports the new ISIN to SEC and BOT and updates TSD's ISIN database.
7. SEC and BOT inform the new ISIN to Thai BMA.
8. Thai BMA publishes new ISIN including bond feature information to its website as well as inform it to market participants and investors.
9. TSD reports new ISIN to ANNA and publishes on its website once a week.

52

TH: (Corporate Bond) Typical Flow of Allocation of ISIN



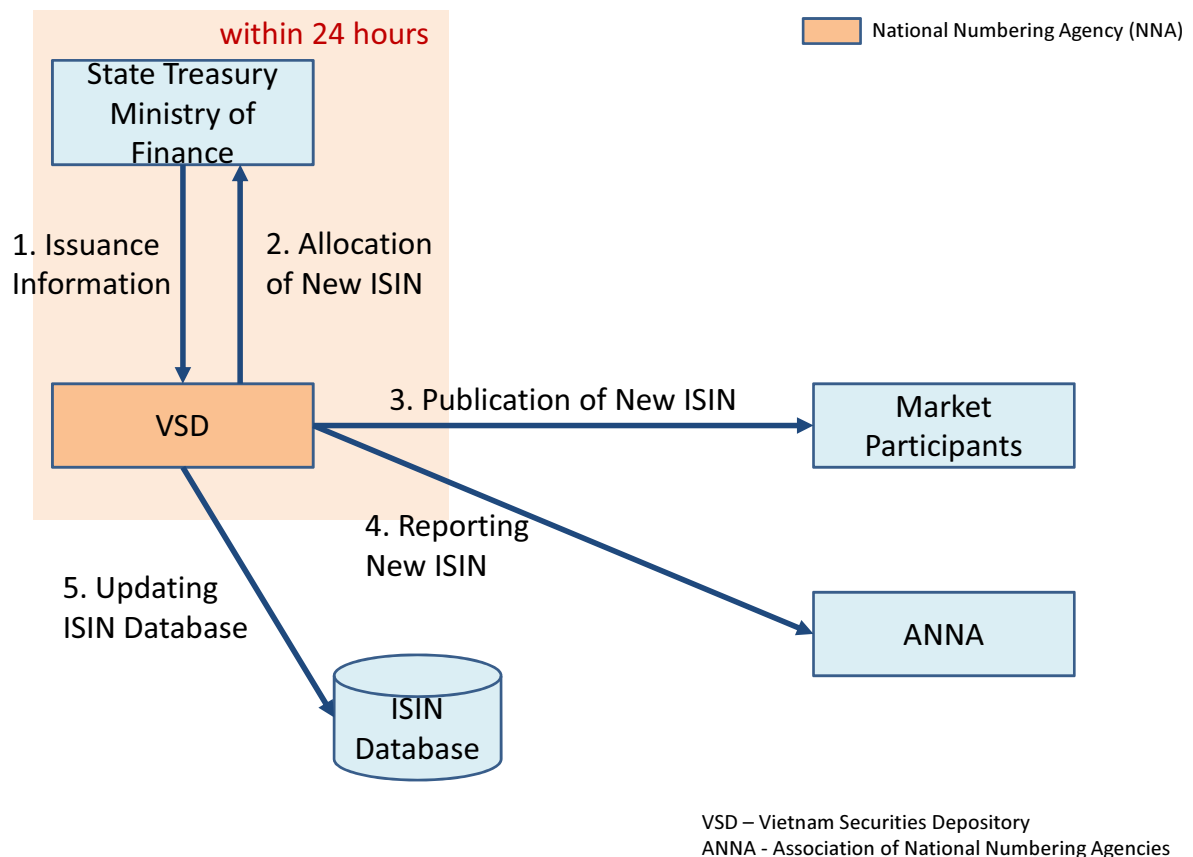
53

TH: (Corporate Bond) Typical Flow of Bonds Numbering

1. Issuer submits bond issuance information to SEC.
2. SEC send bond feature information to Thai BMA.
3. After verifying the information, Thai BMA assigns local bond code (symbol) and informs it to SEC.
4. SEC forward bond feature to TSD.
5. TSD allocates ISIN as soon as receiving bond feature information from SEC.
6. TSD reports the new ISIN to SEC and updates TSD's ISIN database as soon as the new ISIN is allocated.
7. SEC inform the new ISIN to Thai BMA and publish on SEC's website (next day after receiving the new ISIN).
8. Thai BMA publishes new ISIN (at registration date) including bond feature information to its website as well as inform it to market participants and investors.
9. TSD reports new ISIN to ANNA and publishes on its website once a week.

54

VN: (Government Bond) Typical Flow of Bonds Numbering



55

VN: (Government Bond) Typical Flow of Bonds Numbering

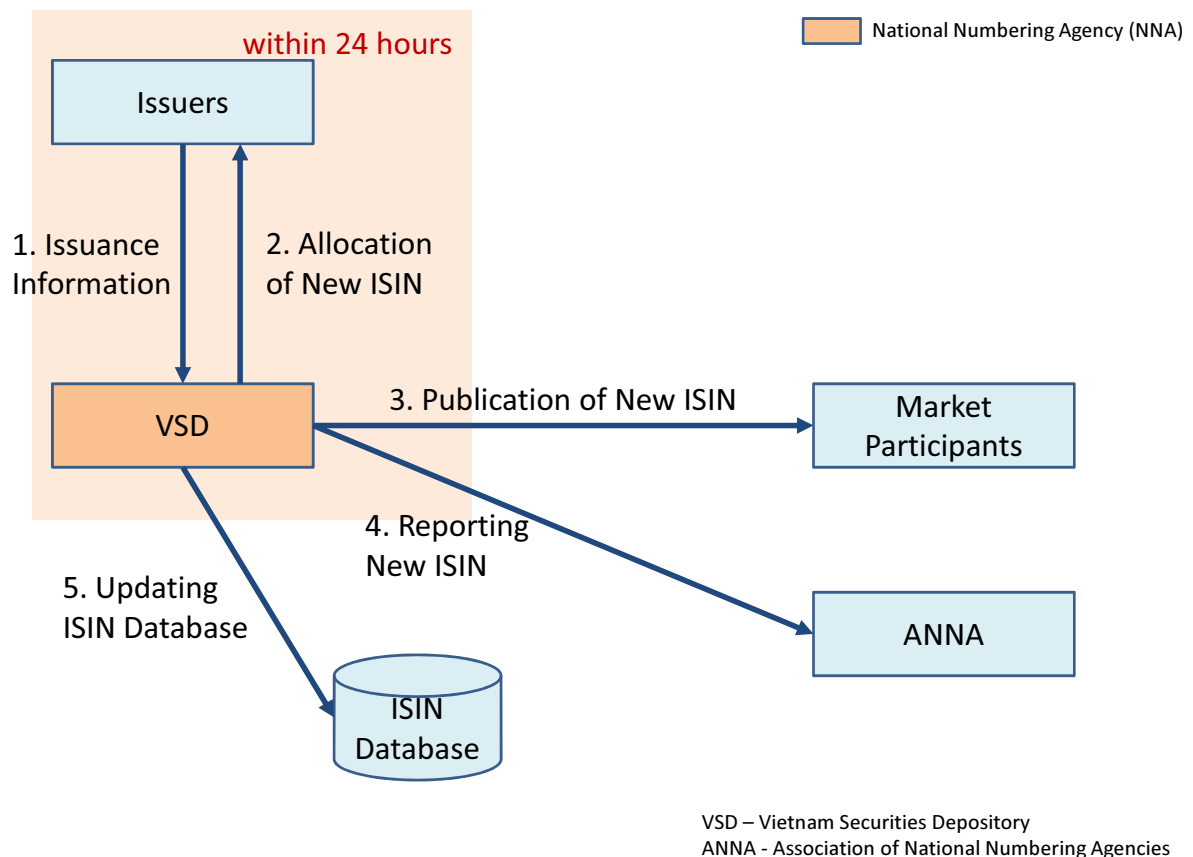
1. State Treasury Ministry of Finance sends issuance information to VSD.
2. VSD allocates ISIN within 24 hours.
3. VSD sends a written notice to the two exchanges and VSD's members and posts ISIN on VSD website.
4. VSD reports new ISIN to ANNA.
5. VSD updates ISIN database.

[notes]

- ❑ It takes one day for issuing new bonds code from issuance information to updating code database. Detailed information:
T day: day of bond offering
T+1: VSD registers, allocates bond codes (local code and ISIN) and updates into the database
T+2: day of bond issuance
- ❑ Information of ISIN is uploaded onto VSD's website for investors and market participants' reference. For specific information on ISIN allocation, investors could refer to the Guideline on securities code allocation issued with Decision 149/QĐ-VSD dated 21st August 2012 by VSD.

56

VN: (Corporate Bond) Typical Flow of Bonds Numbering



57

VN: (Corporate Bond) Typical Flow of Bonds Numbering

1. Issuer sends issuance information to VSD.
2. VSD allocates ISIN within 24 hours.
3. VSD sends a written notice to the two exchanges and VSD's members and posts ISIN on VSD website.
4. VSD reports new ISIN to ANNA.
5. VSD updates ISIN database.

[notes]

- ❑ It takes one day for issuing new bonds code from issuance information to updating code database. Detailed information:
 T day: day of bond offering
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58