

Summary of 18th ASEAN+3 Bond Market Forum (ABMF)

14 April 2015, Manila, Philippines

I. Highlights of the Meeting

1. The 18th ASEAN+3 Bond Market Forum (ABMF) was held on 14 April 2015 at the Asian Development Bank (ADB) in Manila, Philippines. Conceived as an update meeting, sessions for both Sub-Forum 1 (SF1) and Sub-Forum 2 (SF2) were held on the same day. The meeting agenda is enclosed as Annex 1. For practical reasons, the 10th SRO Working Group Meeting was held the previous day.

2. Changes among the ABMF chairs were announced: Mr. Thomas Meow has stepped down as co-chair of SF1, and is succeeded by Mr. Kok Wei Chew who is Head of Treasury & Markets for CIMB, Malaysia. For SF2, Ms. Margeret Tang resigned as co-vice chair, due to the increasing demands in her new role as President Director of KSEI, Indonesia; at this point, no successor has been put forward also since SF2 already has another co-chair.

(SF1&2: Follow-up on Re-organization of ABMF and New Work Items)

3. Mr. Satoru Yamadera, ADB Secretariat, updated the members on the discussion at the ABMI Task Force meeting in March. At the last ABMF meeting in January, the members had agreed to make a proposal to reorganize ABMF by moving Sub-Forum 2 under Task Force 4 and to create new working groups to meet the new environment and the new tasks. However, the proposal was withheld due to other priority issues to be discussed at the TF meeting. Mr. Yamadera shared his observation that ASEAN+3 officials seemed to prioritize assessing and evaluating the current activities and the roadmap of ABMI, thus, the proposal to reorganize the ABMF was considered inappropriate at this stage. This means that SF1 and SF2 will continue under the current setup; SF2 will not be renamed as ASIEG and subsumed under Task Force 4. Having said that, TF3 Co-chairs agreed to have additional discussion topics and issues under the current Sub Forums 1 and 2, provided a new working group or project group shows a clear mandate, clear deliverables and a clear timeline for the discussion.

4. Mr. Yamadera reiterated that this decision should not be a concern for the members, since ABMF has proven to be a valuable platform for the discussion of pressing industry matters and has promoted regional dialogue, and work on

existing initiatives should continue with focus. SF1 will continue to support AMBIF and potential pilot issuances, while SF2 will take aim at further standardization of bond transactions and the implementation of international standards.

5. The discussion in this meeting then focused on the proposed new work items under ABMF, namely (1) The previously proposed AMBIF Working Group will, in effect, now be a continuation of SF1 work. (2) A Working Group on Collateral Business and Repo was proposed to be established, to conduct a fact-finding study on collateral management and repo in ASEAN+3 including their challenges and potential barriers, and their potential impact on stronger and more liquid domestic bond markets. (3) Also, KOSCOM proposed the establishment of an Information Platform (IP) Working Group, to formalize, organise and automate AMBIF bond issuance, approval and disclosure processes across participating markets. (4) Credit rating, in all its aspects as a topic for discussion, will remain with ABMF TF 4 for the time being and, hence, ABMF will not include this topic into its work plan at this stage.

6. An automatic participation by all ABMF Members – whose attendance at meetings regularly exceeds 100 persons – is seen as too large for the two working groups proposed. Hence, the members are requested to register their interest in the new working groups by end May 2015. Nomination of participants for the groups is not limited to the current ABMF members but should be extended to recognised experts for each topic. For (2), collateral management and repo, this is likely to include specialized business units of existing members as well as law firms and other intermediaries, including ICSDs; the IP discussion (3) is likely to benefit from additional participation by technology vendors and pricing or information providers. New members are, however, expected to be subject to a no-objection ruling by ASEAN+3 authorities. Once sufficient participation – from at least 8 participating markets of ASEAN+3 – is registered, the working groups are expected to constitute themselves in June or July, and set mandate and objectives, as well as deliverables and a proposed timeline into draft Terms of Reference (TOR), as per ABMI guidance. The draft TOR should be ready by the next ABMF Meeting on 17 August, and also needs to be endorsed by ABMI TF3 at their next ABMI TF meeting, likely to be held in October 2015.

7. In relation to the new working group proposal, Mr. Cesar Crisol, Chairperson of the existing SRO Working Group, relayed the consensus of the

group's participants during the previous day's meeting that the current form of the SRO Working Group was seen as practical and adequate and is proposed to continue, in particular in view of a pending official reorganization of ABMF. At the same time, ABMF members had commented that the existing SRO Working Group had already, on a number of occasions, provided valuable input and contributions to ABMF discussions, including on AMBIF and the Bond Market Guides. There was, hence, no need to seek a formal recognition as a dedicated work stream within ABMF, pending a formal conclusion among SRO members by 30 June. Mr. Crisol highlighted that the SRO Working Group has held 10 meetings since inception in 2012, discovered and discussed each other's roles and practices, and plans to publish a summary report of its findings and discussion results, featuring similarities and differences and a detailed review of the technical aspects of the repo business in the coming months.

(SF1: Progress on Single Submission Form and AMBIF Implementation Guidelines)

8. SF1 Chair, Mr. Koji Ito of Tokyo Stock Exchange, expressed his appreciation to ABMF Members for their cooperation and contribution in creating the Single Submission Form (SSF) and the AMBIF Implementation Guidelines. Feedback during the meeting on SSF and implementation guidelines can be found in Annex 2.

9. Prof. Shigehito Inukai, ADB Consultant, informed the members that the Single Submission Form (SSF) has been shaped based on member feedback over recent months, and is now principally accepted as part of the regulatory process in each participating market. While differences in documentation and disclosure items between markets would remain, the SSF - together with the AMBIF Implementation Guidelines – would provide clarity and benefits for issuers on the bonds/notes issuance process, particularly when issuing in an unfamiliar market in the region. To support members in their dialogue with other stakeholders, SF1 is compiling a set of Frequently Asked Questions on the SSF and Implementation Guidelines that will also be included as appendix in the Phase 3 Report.

10. At present, Hong Kong, Japan, Malaysia, the Philippines, Singapore and Thailand appear ready to participate in AMBIF. SF1 is working on the Implementation Guidelines for these markets, for inclusion in the Phase 3 Report. Based on intensive dialogue with SF1, PR China, Indonesia, and Korea are in the process of reviewing a possible implementation of AMBIF in relation to their market

features and any beneficial adjustments to the legal or regulatory environment. Decisions are expected in the coming months. The BCLMV markets will be included in AMBIF, and Implementation Guidelines drawn up, when they consider themselves ready. In this context, Prof. Inukai highlighted the central significance of English language documentation and disclosure items for issuers and the application of governing law(s) in view of different investor universes.

11. Points of note during the compilation of the implementation guidelines included the realization that enforcement of selling and transfer restrictions in some professional markets may not be expected from listing places/SROs, in particular if these restrictions are expressed only in law/regulations. Issuers and intermediaries also highlighted the need for information on the validity and timeline of issuance and listing approvals. It also became clear that AMBIF markets and their regulatory processes are progressing while the implementation guidelines are being compiled – this meant that implementation guidelines, and the SSF, are living documents, and members were asked to keep SF1 updated on latest developments and intended changes in this respect.

(SF1: Proposed Structure of the Phase 3 Report)

12. Prof. Shigehito Inukai and Mr. Matthias Schmidt, ADB Consultants, detailed the outline of the SF1 Phase 3 Report, proposed to contain four main chapters, namely: (i) Background, Purpose and Objectives; (ii) Definition of AMBIF and Summary of Findings; (iii) Recommendations for Next Steps, and (iv) Description of Key AMBIF Features in each Market (in the form of a Comparative Analysis). The main chapters will be preceded by a Preface, a Statement from SF1 Chairs, a List of Acronyms and Technical Terms and an Executive Summary. Appendices will contain the latest versions of the Single Submission Form and the AMBIF Implementation Guidelines for the participating markets, as well as Frequently Asked Questions on AMBIF, SSF and Implementation Guidelines, which were found to be particularly helpful for new readers to approach AMBIF.

13. Members confirmed the proposed structure of the SF1 Phase 3 Report without significant comments.

(SF1: Findings to be included in the Phase 3 Report)

14. Findings will include that AMBIF had needed to be further refined from the original Phase 2 proposal; that the original AMBIF ‘Core Components’ evolved into ‘AMBIF Elements’ based on practical considerations; and that both potential issuers and investors appear to support AMBIF as a concept and are showing interest in participating in pilot issues. Thailand, Indonesia, Malaysia, Philippines, and China were confirmed as markets of most interest for issuance, but all markets continue to evolve, even as they are being documented for AMBIF. Profile listing and international credit ratings were confirmed as indispensable features to make AMBIF issuances accessible for additional investors universes, such as mutual and pension funds. While bond/note issuance approval concepts differ widely among markets, on the other hand, the information and disclosure items for the regulatory processes were found to be very similar across markets – this recognition lead to the introduction of the Single Submission Form. Being an expression of all participating markets’ needs, the SSF can ultimately serve as a conduit for AMBIF Market harmonization.

(SF1: Policy Recommendations in the Phase 3 Report)

15. SF1 proposes to put forward to ABMI the following policy recommendations: that (1) the SSF be accepted as part of the issuance approval process in each participating AMBIF market/jurisdiction; that (2) SSF and also the Implementation Guidelines are to be acknowledged as living documents, in that they will evolve in line with the underlying markets, and that (3) policy bodies, regulatory authorities and market institutions commit 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. SF1 also recommends: (4) the acceptance of a flexible handling of the governing law(s) of bond/note issuance documentation, to maximize issuer and investor participation, and (5) the appropriate handling of selling and transfer restrictions using suitable mechanisms in each market to ensure the protection of non-professional investors. (6) International Financial Reporting Standards (IFRS) should be accepted across the markets, particularly those provisions covering financial markets. Last, but not least, SF1 is recommending (7) further discussion on credit rating requirements, since the mapping of regulatory processes as well as feedback from issuers and investors indicate significant discrepancies between stakeholder actions and expectations.

16. There were no objections from members on the proposed SF1 policy recommendations.

(SF1: Bond Market Guide 2015)

17. Mr. Matthias Schmidt, ADB Consultant, updated members on the status of the ABMF Bond Market Guides (BMG) 2015. The new version will be published as individual BMG documents, to make maintenance easier and allow for future updates at different points in time. The focus of the update exercise will be on providing greater added value for readers since the interest by industry participants (as indicated by online statistics) remains strong. If possible, the BMGs will be posted as searchable PDFs, to aid interested parties in their research.

18. Responding to feedback from members and readers, the BMGs will be further normalised to avoid repetition of topics and to group subjects in line with the lifecycle of a bond/note. All information relating to the legal and regulatory framework will be consolidated into one chapter, and topics such as bond issuance processes, repo and costs will receive greater attention. The chapter on statistics will now only contain direct links or references to the best possible sources of bond market information, including AsianBondsOnline and bond pricing agencies or information centers in each jurisdiction; this will ensure data remains fresh and relevant. Likewise, details on the securities settlement system and transaction flow are already presented in a proven and very comprehensive manner in the SF2 Phase 2 Report; an inclusion in the BMG would be repetitive at best, and lead to significant extra effort during edit and layout. Hence, an explanation of, and link to, the SF2 Report will be provided instead. The new BMG structure will also contain a chapter summarizing realistic market challenges and measures or opportunities that address these challenges in an appropriate manner. The inclusion of some of the original appendices remains under discussion, since, e.g., the ASEAN Bond Market Development Scorecard dates back to 2009, and the value of the BMG may be better served by using alternative, representative assessments of each market.

19. Members are requested to complete their review of the original BMG, if not already done, and to provide additional material, particularly on recent developments and proposed changes to market features in the next few weeks; some markets also may need to provide detailed updates on legislation and regulatory changes previously advised. In this context, Lao PDR updated the group on the latest market changes. ADB consultants will compile the input file (formatted

Word document prior to edit/layout) for each market and send to members for review, starting in May. Upon return, the corrected files will undergo edit and layout work, before being sent back to ABMF members for a final validation prior to publication which is envisaged following the 19th ABMF Meeting in August.

(SF2: Review of Draft Phase 3 Report)

20. Dr. Taiji Inui, ADB Consultant, had previously explained the proposed SF2 Phase 3 Report structure¹ and, this time, took members through the actual draft contents on the overhead screen, emphasizing specific points as detailed below. Statements in the document relating to the realignment of SF2 with CSIF would be removed, since the organizational change had not been ruled on by ABMI. The introduction section now contains an outline of the previous SF2 activities, follow-ups on the policy recommendations made in the SF2 Phase 2 Report, and overall evaluation of the progress and status of the work of SF2, as well as the expected work items going forward. Chapter 3 on the Standardization of Message Items in effect displays the minimum standard items that may be subject to additional needs in individual markets. Dr. Inui asked members to provide updates if there were still significant changes to be reflected in the ISO standardisation overview charts. ISO20022 would be given special attention in the Report since the participation of ASEAN+3 in the ISO process was now considered of particular importance. Findings on collateral and repo were included from the survey conducted by ECB colleague Erwin Nierop, but further study is necessary. Hence, the topic remains on the list of proposed SF2 activities.

(SF2: Proposed Policy Recommendations)

21. Dr. Inui highlighted the proposed policy recommendations contained in Chapter 8 of the Phase 3 Report, namely: (1) a harmonization of message flows, (2) the adoption of international standards, particularly ISO 20022, (3) a standardization of (the use of) message items, (4) SF2 to facilitate a Standards Evaluation Group in regard to ISO in ASEAN+3, (5) the establishment of a National

¹ SF2 Phase 3 Report in 10 chapters: (i) Introduction; (ii) Harmonization of Message Flow; (iii) Standardization of Message Items Related to DVP Settlement; (iv) International Securities Identification Number (ISIN); (v) ISO 20022 Standardization; (vi) Collateral and Repo; (vii) Updating Status of Settlement Barriers; (viii) Policy Recommendations; (ix) Roadmap including Next Step Forward; (x) Acknowledgements.

Numbering Agency (NNA, for the allocation of ISIN) for the remaining 4 markets, and (6) the review of repo transaction processes and practices.

(SF2: Phase 3 Report / Additional Information)

22. The Phase 3 Report will also carry the following appendices, to provide extra detail and additional practical information: (1) list of members and experts, (2) history of SF2 discussion, (3) list of message items, (4) outline of ISO 20022 standard, (5) description of ISIN, (6) survey on cross-border use of collateral and repo, (7) list of FX and cash controls, (8) items for reference, (9) list of information sessions held during Phase 3, (10) list of abbreviations, and (11) description of the ISIN allocation process for all 14 economies. Dr. Inui requested that members and experts kindly check the detailed information for accuracy and completeness, in particular for appendices (7) and (11).

(SF2: Next Steps)

23. Among the next steps, SF2 continues to support implementation of international standards in each market. It was noted that each market needs to seek best and possible ways of implementation, and SF2 must support such efforts. Dr. Inui also identified a number of possible future activities including cross-border collateral and repo flows.

24. SF2 Chair, Mr. JH Lee, asked members to comment on both Phase 3 Report and the possible next steps. Members accepted the Phase 3 Report structure, content and policy recommendations as proposed. Specific comments on topics in the proposed Phase 3 Report are listed in Annex 2.

II. Next Actions by the Members

25. ABMF Members have been requested to act on the following items:
- a. Provide comments, if any, on the proposed structure of the SF1 Phase 3 Report - **by 30 April 2015.**
 - b. Provide comments, if any, on the proposed SF2 Phase 3 Report – **by 30 April 2015**
 - c. Provide comments, if any, on this Summary and its appendices if any - **by 15 May 2015.**
 - d. Provide remaining inputs to the Bond Market Guide (BMG) 2015 update – **by 30 April 2015.** Includes review of original 2012 BMG for market(s)

that have yet to complete this; submission of additional material, particularly recent and planned developments; provision of updated laws and regulations or details on major regulatory activities. Immediate attention is very much appreciated.

- e. Prepare to review BMG input files (draft BMG document before edit and layout work) for accuracy and completeness, and to the level of comfort for policy bodies, regulatory authorities and market institutions – **expected from May through July 2015.**
- f. Register their interest to participate in the proposed SF1 working groups: Collateral Business and Repo; and Information Platform (IP) Working Group - **by 31 May 2015.**

III. Next Steps of ABMF

26. ADB Secretariat's immediate focus is on the completion of the draft ABMF Phase 3 Reports for both SF1 and SF2. Completion of the reports, which will include edit and layout work, is expected in time for the next ABMF Meeting, presently planned for mid-August 2015. Members will receive the final draft reports well before the August meeting for another opportunity to review.

27. SF1 will also continue to support the expected AMBIF pilot issues, through dialogue with potential issuers, regulatory authorities and market institutions, as well as a continuous update of the AMBIF Implementation Guidelines for the participating markets, since a number of regulatory and market practice changes are expected in the coming months. Through the process of pilot issuances and the surrounding discussions, implementation guidelines of targeted markets will be validated.

28. ADB Secretariat will consolidate the expressions of interest for participation in the proposed Repo & Collateral Management and Information Platform working groups, and support the constituting of these groups, including the setting of clear objectives, work plans, and proposed outcomes.

29. The ABMF activities in the second half of 2015 will focus on the dissemination of the Phase 3 Reports and Bond Market Guides, respectively, while support for AMBIF pilot issuances would continue. One emphasis would be on opportunities surrounding Sibos, then with a focus on SF2 topics.

30. Sibos is an industry forum for securities, payments and operations and technology organised by SWIFT and held annually. The venue rotates between Asia, Europe and North America, with Asia hosting Sibos every 3 years. Sibos 2015 will be held in Singapore and run from 12 to 15 October, and SWIFT is supporting ABMF by offering free admission for 4 participants per market coming from regulatory authorities and policy bodies. ABMF Members of each market are expected to provide the names of the 4 nominees to SWIFT who will send the procedure for registration. ADB Secretariat and SWIFT are looking at holding appropriate ABMF sessions on 14 (Wed) and 15 Oct (Thu), which is ASEAN day. 16 Oct will be an ordinary ABMF meeting among members but ADB Secretariat is hoping to invite speakers from the US and Europe to share their experiences on a range of SF2 related topics.

31. ADB Secretariat will work with the remaining markets on the drafting of the AMBIF implementation guidelines, following expressions of intent and best approach (PR China, Indonesia) and expected changes to the current regulatory framework (Korea). A market visit to discuss an AMBIF implementation in Vietnam is expected for later in 2015. The other markets will be included in AMBIF as soon as they are ready.

32. ADB Secretariat will update ABMI Task Force 3 at its next meeting, including the proposed working groups and their set objectives and work plans, and also take advice on any reorganization plans or designs ABMI may have for ABMF going forward.

IV. Next ABMF Meetings

33. The next (19th) ABMF Meeting is scheduled for **17 August 2015, at ADB in Manila**. The meeting will be an occasion to publish Phase 3 Reports for both SF1 and SF2 and the Bond Market Guides 2015.

34. As mentioned above, the 20th ABMF Meeting will be held in conjunction with Sibos in **Singapore on 14-16 October 2015**, a Friday.

35. At this point in time, the subsequent (21st) ABMF Meeting is tentatively proposed for **January 2016**, with the purpose of updating members on the ABMI TF meeting in late 2015, and any potential bearing on the activities of ABMF, draw conclusions from the pilot issuances and development of AMBIF activities, as well

as to determine future activities and work plan. The required discussion on the above suggests a full 2-day meeting.

Attachments:

- *Annex 1: 18th ABMF Meeting Agenda*
- *Annex 2: Feedback, Questions & Answers*

18th ASEAN+3 Bond Market Forum (ABMF) Meeting

Venue: Auditorium A & B
 1st Floor, Asian Development Bank HQ
 6 ADB Avenue, Mandaluyong City, 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 five work groups/forum:</i> <ul style="list-style-type: none"> - <i>AMBIF Market Group</i> - <i>WG on Collateral business and repo</i> - <i>WG on Credit rating</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)	

TIME	PROGRAM
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 - <i>Phase 3 Report</i> - <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 - <i>Meeting schedule</i> - <i>ABMF activities for 2015 and 2016</i>
16:15 – 16:30	Wrap up by SF1 and SF2 Chairs and ADB Secretariat

Feedback, Questions & Answers

Feedback or Question related to	Response from ADB Secretariat or other ABMF Members
ABMF Re-organisation	
<u>Feedback:</u> The time available to ABMF at the Deputies Meeting is limited to only 5 minutes – maybe this indicates a lack of interest by representatives. At the same time, clear deliverables will be key to stay on the official agenda. Also, central banks are market operators; hence, to contribute to CSIF, they are also subject to performance measurement. Again, clear objectives will help with this.	ADB Sec: Thank you for the feedback.
Additional Working Groups	
How would the proposed Information Platform be funded – have members been approached already?	KOSCOM: This is what the IP Working Group is proposed to determine; it will also survey members in the process on defined outcomes.
Interested in IP Working Group – but how would it work? Are the WG and the details presented only proposed or already confirmed?	ADB Sec: The IP WG is presently only proposed, and expected to determine what IP solution might be feasible and how they could work.
<u>Feedback:</u> IP WG should focus on delivering what is needed in markets, with a focus on time to market and lowest possible cost – no need to reinvent the wheel since some solutions are already in place.	ADB Sec: point is taken; also the name Information Platform sets expectations; perhaps the final name of the WG should be set once objectives and deliverables have been determined.
Is the IP WG intended to function like a trading platform?	KOSCOM: The original idea to provide a platform to facilitate information exchange and smooth approval processes for AMBIF, but perhaps the objectives of the IP can be further discussed in the WG.
<u>Feedback:</u> The region is lacking cross-border issuance; maybe IP can help cross-border investment, i.e. if a Malaysian issuer sells Malaysian issued bonds to Korean investors?	KOSCOM: Principally, market A would be able to input all information on its bonds into the IP; it would be there for all to see; regulators would be able to draw from the IP what they need for their processes.
Why is there a need for a separate AMBIF WG under SF1 if this covers the present discussions?	ADB Sec: It may not be necessary, particularly in light of the reorg of ABMF not happening now. SF1 can, hence, continue as is.
As for the representation in the WGs, does person mean firm?	ADB Sec: Yes, the reference is to institutions which would indicate their interest in the WGs, and the expectation

	would be that appropriate persons, experts in the respective fields, would participate in the discussions.
Why the minimum number of 8 participants for the working groups?	ADB Sec: To demonstrate collective interests of ABMF to the ABMI TF, 2/3 of the 13 member countries – which makes 8 – would be deemed necessary to make persuasive an argument.
Will members receive an invitation to the proposed working groups?	ADB Sec: Yes. ADB Sec will send an invite soon after this meeting.
Why is there no proposal for a credit rating WG, as previously put forward?	ADB Sec: ABMF TF4 covers market infrastructure and credit rating, and would like to retain this topic; ABMF is under TF3 and, hence, will need to ascend to this request.
There has been no mention of CSIF – will that group continue?	ADB Sec: Yes, CSIF will continue independently of ABMF, with the membership limited to central banks and central depositories.
SF1 / AMBIF	
SF1 highlights a number of governing law considerations – but what about tax which, e.g. from a paying agent perspective is very important?	ADB Sec: The governing law discussion is intended to make AMBIF available to the maximum number of participants. The subject of tax is significant, but remains as a difficult issue to be solved by the private sector. SF1 continues to refer to relevant tax issues in its reports for future discussion with the tax authorities.
In the context of AMBIF issuances across a number of markets, how about the licensing requirements for e.g. brokers that would be servicing the issuers or investors in these markets; are the plans to address this?	ADB Sec: Not at this point; there is no intention to change governing regulations on licensing, at least not prior to the planned ASEAN integration of financial markets. At the same time, issuer feedback indicates that they might work with their usual investment bank or underwriter who may then connect to other markets using affiliate firms.
<u>Feedback</u> : there is a disconnect between primary and secondary market. AMBIF may become the gold standard for bond issuance in the region, similar to ISDA for derivatives, and will entrench cost and other benefits. However, we have to make sure that AMBIF or AMBIF bonds also become tradable to have an effective positive influence on the bond markets.	ADB Sec acknowledged this point.
Single Submission Form	
<u>Feedback</u> : JMOF wanted to express its appreciation to SF1 for the development of the SSF; it was submitted to the Deputies	ADB Sec: Thank you.

Meeting and JMOF is happy with this progress.	
SSF was mentioned as a 'living document' – how to sustain this, also in particular in view of the different levels of market development in the region?	ADB Sec: The intention is not to harmonise the ASEAN+3 markets at this stage; the 6 participating markets have similar documentation and disclosure practices, and differences are small; hence, this lead to the idea of a common approach. We do expect an evolution of market practices, though, and SSF will have to develop alongside.
If the SSF is not mandatory, how to distinguish AMBIF from 'global' issuance?	ADB Sec: AMBIF is being established under current regulations, and the SSF merit is its official recognition and benefits are derived from issuance in multiple places; issuers can continue to use a given market's documentation and disclosure items and consider using SSF as a checklist for the compilation of required information.
Due to the need to evolve with market practices, do members have to anticipate several versions of SSF at the same time?	ADB Sec: No; the SSF will remain a single form valid at any point in time; this to ensure integrity but also to keep all participants apprised of developments. In future, we anticipate a convergence of processes to some degree, which may make updates to the SSF less frequent.
<u>Feedback</u> : agreed that SSF is a living document, but it cannot continue to be only a discussion topic; key question is how to 'operationalize' AMBIF as an entity; maybe there should be an "Implementation Group".	ADB Sec: Point is well taken. We need the support from the business community; regulators are already supporting of AMBIF and SSF. If private sector members see demand for AMBIF issuance in their market, let's work towards pilot issuances.
SF2 / ISO, Implementation of International Standards, etc.	
<u>Feedback</u> : on the implementation of international (ISO) standards, it may be best to establish a local group, and to tackle low hanging fruits, i.e. market specific issues	ADB Sec: In CN, JP, KR, central banks act as secretariat for ISO implementations and they tend to invite additional experts into discussions; this does not have to be the same in other markets, and an actual implementation may also depend on each market; for each market, having a local SMPG is definitely beneficial. The overall objective is to achieve a bigger voice for ASEAN+3 markets collectively in the ISO process. One step to achieve that is to have mirror committees for the TC68 at global level.
<u>Feedback</u> from SWIFT: SWIFT has tried to establish SMPGs in each market and learned from this that it would be ok to start with a smaller group of market participants	ADB Sec: Agreed with the point, and related past experience that, e.g., a particular market issue could also be used or be conducive to bring together market

<p>that may develop in a full representation of the market eventually. There was, however, a difference between SMPGs and local ISO groups since the latter would have to work on issues in a manner that would fit into the ISO process.</p>	<p>participants into a local SMPG.</p>
<p><u>Feedback</u>: the process of establishing a local standards group takes time and requires some commitment; hence, the creation of a group for the sake of having one may also not be desirable. It may be better to use a project driven approach instead, also since ISO is only a small part of possible standards.</p>	<p>ADB Sec: Point taken.</p>
<p><u>Feedback</u> from SWIFT: agreed that ISO is only a small part of standardisation, but a critical one; in the absence of a number of regional SMPGs, ABMF could consider becoming an ISO liaison organisation which would allow it to stay in touch with global discussions and keeping members informed at the same time.</p>	<p>ADB Sec: Thanks for the proposal; ADB Secretariat may consider this approach going forward, in addition or as alternative to proposed efforts.</p>