



WELCOME



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

35th ASEAN+3 Bond Market Forum (ABMF) Meeting

Virtual Event via Zoom
21 April 2022, 2:00 P.M. Manila Time

Objective of the Webinar: To update members on the ABMI Progress Report; dialogue with members on ABMF activities for 2022.

Form and Duration: The webinar takes the format of information sharing, with an introduction and a general presentation from ADB Secretariat; ABMI Task Force (TF); dialogue with ABMF members and the contribution from one or two speakers on specific topics, using 15-20 min presentations each, followed by a Q&A session. The duration is aimed at a maximum of two hours

Target Audience: The members and observers of ASEAN+3 Bond Market Forum (ABMF) and Cross-Border Settlement Infrastructure Forum (CSIF) under the Asian Bond Markets Initiative (ABMI), being representatives from central banks, securities regulators, ministries of finance, stock exchanges, CSDs, financial market associations, and private sector financial experts in ASEAN+3.

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OPENING REMARKS

MR. SATORU YAMADERA

Advisor, ERCD

Asian Development Bank



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MR. SATORU YAMADERA – Chair of the Meeting
Advisor (ERCD)
Asian Development Bank

Our Speakers



ANUJ AWASTHI
Vice President, Operations
Credit Guarantee Investment Facility



SHU TIAN
Senior Economist, ERCD
Asian Development Bank



BYUNG-WOOK AHN
Financial Sector Specialist, ERCD
Asian Development Bank



MARVIN CASTELL
Assistant Director
And Head of Finance Integration Division
ASEAN Secretariat



KOSINTR PUONGSOPHOL
Financial Sector Specialist, ERCD
Asian Development Bank

TIME	PROGRAM
2:00 - 2:05PM (5 mins)	Opening Remarks <ul style="list-style-type: none"> Mr. Satoru Yamadera, Advisor (ERCD), Asian Development Bank (ADB)
2:05 – 2:35PM (30 mins)	Session 1: Update from Task Force 1 (TF 1) <ul style="list-style-type: none"> Mr. Anuj Awasthi, Vice President Operations, CGIF Mr. Kosintr Puongsophol, Financial Sector Specialist (ERCD), ADB
2:35 – 2:50PM (15 mins)	Session 2: Update from Task Force 2 (TF2) <ul style="list-style-type: none"> Dr. Shu Tian, Senior Economist (ERCD), ADB
2:50 – 3:05PM (15 mins)	Session 3: Update from Task Force 3 (TF3) <ul style="list-style-type: none"> Mr. Satoru Yamadera, Advisor (ERCD), ADB
3:05 – 3:20PM (15 mins)	Session 4: Update from Task Force 4 (TF4) <ul style="list-style-type: none"> Mr. Byung-Wook Ahn, Financial Sector Specialist (ERCD), ADB
3:20 – 3:35PM (15 mins)	Session 5: Technical Assistance Coordination Team (TACT) <ul style="list-style-type: none"> Mr. Marvin Castell, Assistant Director/Head of Finance Integration Division, ASEAN Secretariat
3: 35 – 3:50PM (15 mins)	Q&A
3:50 – 3:55PM (5 mins)	Closing Remarks <ul style="list-style-type: none"> Mr. Satoru Yamadera, Advisor (ERCD), Asian Development Bank

HOUSE RULES

FOR SPEAKERS:

- ① Set your NAME in Zoom, use your FULL NAME in ENGLISH, so people can identify you (Format: ADB – Satoru Yamadera)
- ② SWITCH ON your VIDEO when presenting
- ③ During Q&A: The Moderator and Presenter(s) should SWITCH ON their VIDEO
- ④ We will follow the time allocation strictly. The moderator may prompt the presenter to start wrapping up, if needed

FOR PARTICIPANTS:

- ① Set your NAME in Zoom, use your FULL NAME in ENGLISH (Format: ADB – Satoru Yamadera)
- ② For this meeting, participants microphone and video will be DISABLED
- ③ Please post your question in the Q&A box
- ④ If you experience technical issues, please try to log out and log back in



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ANUJ AWASTHI
Vice President, Operations
Credit Guarantee Investment Facility



KOSINTR PUONGSOPHOL
Financial Sector Specialist, ERCD
Asian Development Bank

SESSION 1

Update from Task Force 1 (TF1)

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Update from CGIF



ANUJ AWASTHI

Vice President, Operations
Credit Guarantee Investment Facility

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Credit Guarantee &
Investment Facility
An Asian Bond Markets Initiative

The background of the slide is a photograph showing several hands interacting with large, colorful plastic gears in shades of blue, orange, and red. The scene is brightly lit, with a warm, golden glow in the upper right corner, suggesting a collaborative and dynamic environment.

PROGRESS REPORT

35th ABMF Meeting

21 April 2022

Mr. Anuj Awasthi, VPO

FY21 GUARANTEE OPERATIONS

- Despite COVID-19, CGIF managed to **accomplish 7 guarantee issuances (for 7 issuers with 12 bonds/sukuks)** for the year 2021, with an **equivalent amount of \$373 million**.
- CGIF achieved breakthroughs by guaranteeing its **first green bonds** in Singapore (CNH) and Malaysia, **first sukuk** and **first public IDR bond** in Indonesia, **first private placement** in Cambodia, **first MTN Program** and **first social bond** in Thailand; **first CNH** and **first MYR** transactions; and **3 infrastructure-related bonds** and **5 AMBIF bonds** were given CGIF's guarantee support in 2021.
- In 2021, The Asset delivered **3 awards** to 3 bonds guaranteed by CGIF—Triasmitra (Indonesia) and Telcotech (Cambodia) were both awarded the **Best Local Currency Bond** and Thaifoods (Thailand) the **Best Social Bond**.

2022 GUARANTEE OPERATIONS

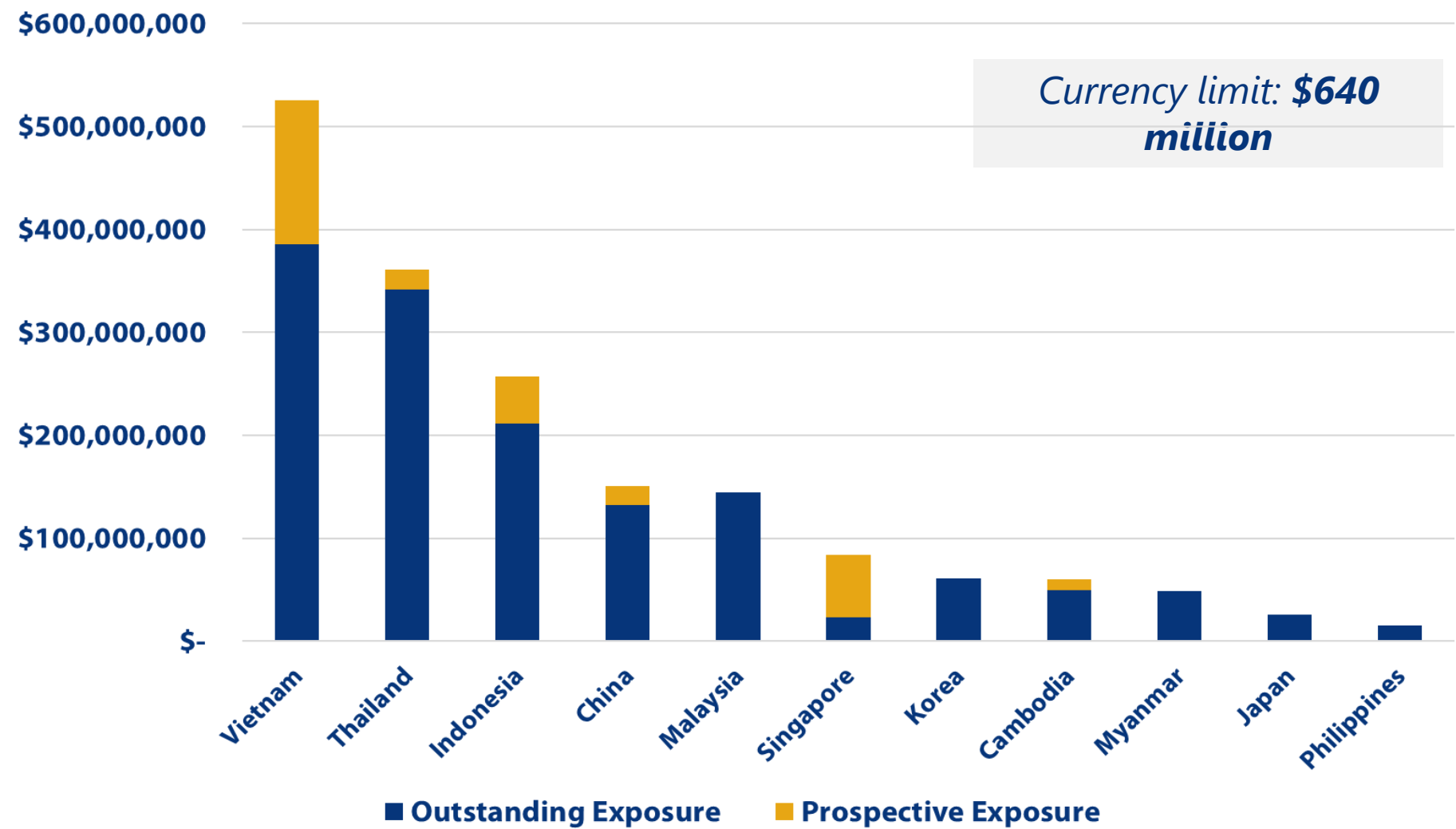
- By April 2022, CGIF successfully issued **guarantees to 4 bonds/sukuks issued**, which comprises issuances denominated in the **currencies of IDR, CNH, and SGD**, respectively, totaling a **guarantee amount of \$167 million**.
- These guarantees represent CGIF's 1) continued support for **sukuk**; 2) 2nd guarantee for **dim sum bond**; and 3) 2nd social bond, which demonstrates support for the **ASEAN's first healthcare social bond** to be publicly distributed and denominated in an ASEAN local currency.
- Several transactions in the pipeline are [being considered for] **AMBIF (4), infrastructure-related (2), thematic bond (2), project finance (1), and securitization (1)** as well as potential **collaboration with other entities**.

2022 GUARANTEE OPERATIONS

- CGIF has fervently extended its footprint by guaranteeing bonds issued in **9 currencies** namely THB, IDR, SGD, VND, PHP, MYR, KHR, JPY, and CNH and **exploring opportunities in the nascent markets**.
- This brings CGIF's cumulative total to **56 bonds guaranteed to 38 corporates** from **12 economies** with an equivalent **guarantee amount of \$2,762 million**; a total of **12 bonds have been redeemed** equivalent to an amount of \$537 million.
- CGIF received a guarantee call in December 2021 on one account and discharged its obligations per the guarantee agreement. Net exposure is around \$63 million after reinsurance payment and we are **closely monitoring and negotiating for the reimbursement**.

NET EXPOSURES BY COUNTRY

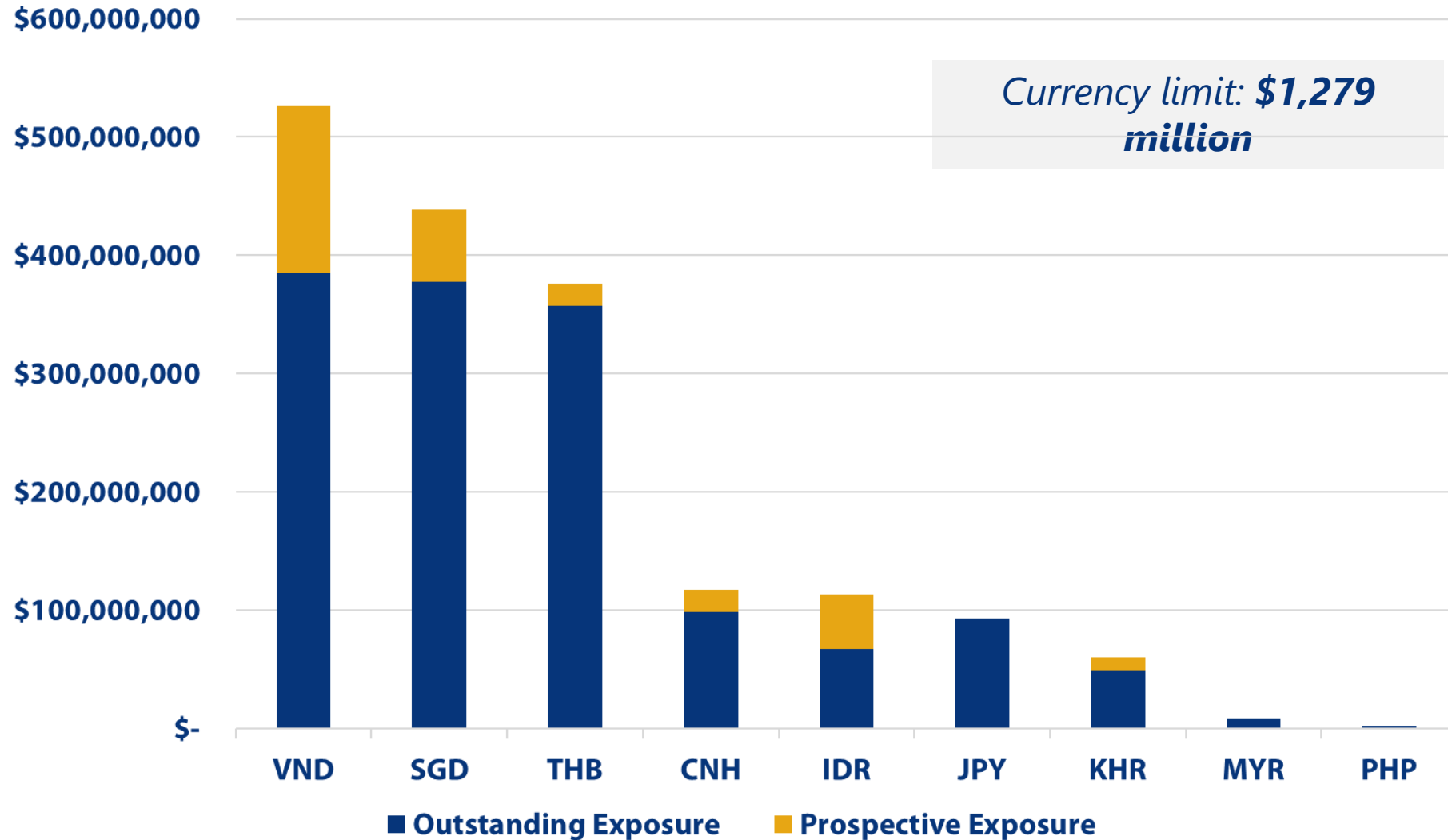
Outstanding and Prospective Net Exposures vs. Country Limit



Exposures are net of actual/indicative reinsurance/co-financing as of 7 April 2022.

NET EXPOSURES BY CURRENCY

Outstanding and Prospective Net Exposures vs. Currency Limit



Exposures are net of actual/indicative reinsurance/co-financing as of 7 April 2022.

PRUDENTIAL LIMITS

Paid-In Capital	\$1,145,127,389
Reserve	\$109,458,286
Retained Earnings	\$37,163,736
Loss Reserves*	(\$12,360,535)
MGC	\$3,198,472,191

Country Limit	20% of MGC	\$639,694,438
Intermediate Jurisdiction	20% of MGC	\$639,694,438
Aggregate Intermediate Jurisdiction	40% of MGC	\$1,279,388,876
Currency Limit	40% of MGC	\$1,279,388,876
Aggregate Sector Limit	40% of MGC	\$1,279,388,876
Aggregate Industry Limit	20% of MGC	\$639,694,438
Country Industry Limit	10% of MGC	\$319,847,219
Group exposure/Single borrower limit	20% of Paid-In capital	\$229,025,478

*Considers issued and BOD-approved accounts.

GUARANTEE OVERVIEW

Cumulative Footprint

\$2,762mn

Guarantees issued

56

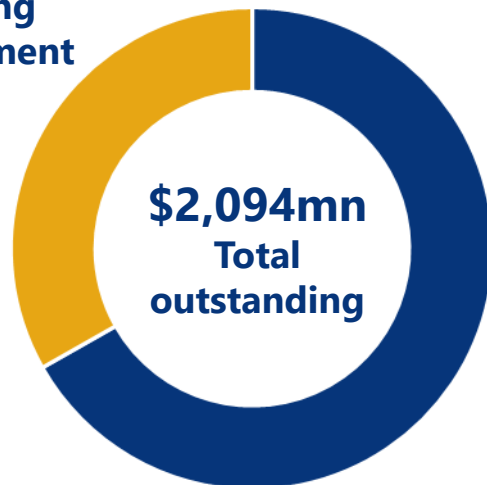
Guaranteed bonds

as 10 April 2022, in US\$ millions

	Vietnam	\$690mn		China	\$176mn
	Thailand	\$469mn		Philippines	\$130mn
	Singapore	\$366mn		Cambodia	\$71mn
	Indonesia	\$364mn		Laos	\$48mn
	Korea	\$240mn		Japan	\$19mn
	Malaysia	\$188mn			

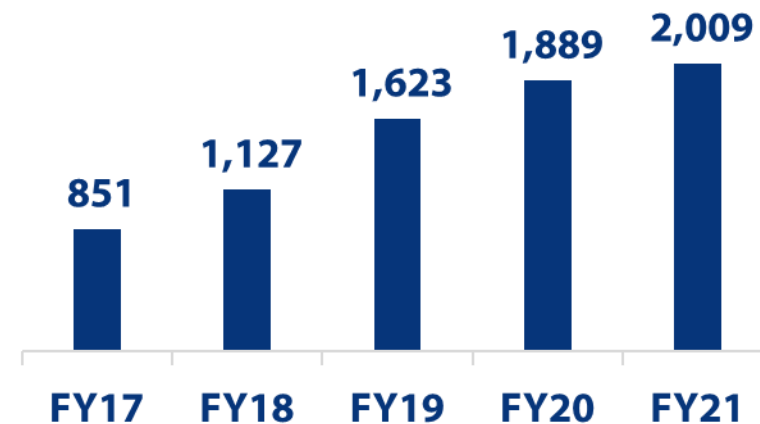
Outstanding Guarantees

\$695mn
Fronting
arrangement



\$1,399mn
Net exposure

Guarantee Portfolio (in \$ millions)



as of 31 March 2022, in US\$ millions




DEVELOPMENTAL IMPACT SCORES

ISSUER		BASIC CHARACTERISTICS		INNOVATIVE CHARACTERISTICS		TOTAL SCORE	NOTABLE FEATURES			
Polytama		3 pts		4 pts		7 pts	Sukuk			
CEG		3 pts		4 pts		7 pts	AMBIF, cross-border			
First REIT		3 pts		7 pts		10 pts	Infrastructure-related, social bond, cross-border			
2022 TOTAL DEVELOPMENTAL IMPACT										
YEAR	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 _{YTD}
Average Score	3 pts	4.3 pts	3 pts	3.7 pts	3 pts	3 pts	5.3 pts	6.4 pts	7.0 pts	8.0 pts
















HISTORICAL AVERAGE SCORE



2022 ISSUANCES

ISSUER	INDUSTRY	AMOUNT & CURRENCY	ISSUANCE DATE	DEAL HIGHLIGHTS
 PT POLYTAMA PROPINDO	Chemicals	IDR 220.5 total (~\$15 million total)	04 Mar 2022 (due 2025, 2027)	Indonesia's first guaranteed corporate sukuk issuance, which attracted insurances, pension funds and asset managements as well as state-owned investors
 中教控股 CHINA EDUCATION GROUP	Education	CNH 500 million (~\$78 million total)	22 Mar 2022 (due 2025)	ASEAN+3's first international bond by an issuer from the higher education sector; issued under AMBIF
 FIRST REIT FIRST REAL ESTATE INVESTMENT TRUST	Real Estate	SGD 100 million (~\$74 million total)	7 Apr 2022 (due 2027)	ASEAN's first healthcare social bond to be publicly distributed and denominated in an ASEAN local currency

SUPPORTED AMBIF ISSUANCES

YEAR	# of BONDS	ISSUERS AND ISSUANCES				
<u>2018</u>	2 bonds guaranteed	 PHP 900mn	 PHP 100mn			
<u>2019</u>	2 bonds guaranteed	 SGD 70mn	 SGD 150mn			
<u>2020</u>	4 bonds guaranteed	 THB 2bn	 KHR 80bn	 KHR 127.2bn	 JPY 15.4bn	
<u>2021</u>	5 bonds guaranteed	 THB 700mn	 THB 1.2bn	 CNH 1bn	 MYR 150mn	 THB 1bn
<u>2022</u>	2 bonds guaranteed	 CNH 500mn	 SGD 100mn			
Guaranteed 15 AMBIF bonds by 12 corporate issuers since 2018						

Current member countries of AMBIF are: 1. Japan; 2. Hong Kong, China; 3. Thailand; 4. Malaysia; 5. Philippines; 6. Singapore; and 7. Cambodia.
To view full list of bonds enrolled under AMBIF, please visit: <https://asianbondsonline.adb.org/documents/abmf-ambif-bond-issuance.pdf>

NOTABLE BOND AWARDS



**BEST CORPORATE BOND
VIETNAM**

The Asset
Country Awards 2015

**VND 2.1 trillion
10 years**



**BEST LCY MICROFINANCE BOND
PHILIPPINES**

The Asset
Country Awards 2017

**PHP 2.0 billion total
5 years each tranche**



**ASIA PACIFIC BOND
DEAL OF THE YEAR**

PFI Awards 2016

**PHP 10.7 billion
10 years**
First Climate Project Bond in Asia



**BEST RENEWABLE FINANCE
DEAL OF THE YEAR**

Alpha Southeast Asia Awards

**PHP 10.7 billion
10 years**
First Climate Project Bond in Asia



**DEBT MARKET OF THE YEAR
PHILIPPINES**

Asia Legal Business

**PHP 10.7 billion
10 years**
First Climate Project Bond in Asia



**ASIA PACIFIC PROJECT BOND
DEAL OF THE YEAR**

IJ Global Awards 2016

**PHP 10.7 billion
10 years**
First Climate Project Bond in Asia

NOTABLE BOND AWARDS



**GREEN BOND
DEAL OF THE YEAR**

Green Bond Awards 2017

**PHP 10.7 billion
10 years**
First Climate Project Bond in Asia



**PROJECT BOND
OF THE YEAR**

Environmental Finance
Green Bond Awards 2017

**PHP 10.7 billion
10 years**
First Climate Project Bond in Asia



**BEST BENCHMARK BOND DEAL
SOUTHEAST ASIA**

12th Annual Alpha Southeast
Asia Deal and Solutions Awards

**PHP 1.0 billion
3 & 5 years**
First AMBIF bond in the Philippines



**BEST
LOCAL CURRENCY BOND**

Global Capital Asia 2019

**THB 2.22 billion
5 years**



**BEST BOND
MYANMAR**

The Asset
Country Awards 2019

**THB 2.22 billion
5 years**



**BEST
MYANMAR DEAL**

Finance Asia
Achievement Awards 2019

**THB 2.22 billion
5 years**

NOTABLE BOND AWARDS



**BEST LOCAL CURRENCY BOND
VIETNAM**

The Asset
Country Awards 2019

**VND 2.318 trillion
10 years**



**BEST LOCAL CURRENCY BOND
VIETNAM**

The Asset
Country Awards 2020

**VND 1.15 trillion
10 years**



**BEST LOCAL CURRENCY BOND
CAMBODIA**

The Asset
Country Awards 2020

**KHR 80 billion
5 years**



**BEST LOCAL CURRENCY BOND
INDONESIA**

The Asset
Country Awards 2021

**IDR 583 billion total
3 & 5 years**



**BEST LOCAL CURRENCY BOND
CAMBODIA**

The Asset
Country Awards 2021

**KHR 80 billion
5 years**



**BEST SOCIAL BOND
CONSUMER GOODS**

The Asset
Capital Market Awards 2021

**THB 1 billion
5 years**

THANK YOU

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Update from ADB



KOSINTR PUONGSOPHOL
Financial Sector Specialist, ERCD
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TASK FORCE 1 :

Creating Ecosystems for Green Local Currency Bonds for Infrastructure Development in ASEAN+3

- ASEAN+3 Bond Market Forum Meeting, April 2022

Kosintr Puongsophol (Pok)

Financial Sector Specialist

Asian Development Bank

Email: kpuongsophol@adb.org

[AsianBondsOnline](https://AsianBondsOnline.com/green-bond)
[Green Bond](https://AsianBondsOnline.com/green-bond)



MAJOR ACHIEVEMENTS

Over \$80 million
mobilized in
sustainable
financing
(as of Mar 2022)



March 2020

The TA approved by ADB, financed by the People's Republic of China (PRC) Poverty Reduction and Regional Cooperation Fund



August 2020

Two local credit rating agencies (TRIS Rating and RAM Sustainability) accredited by the Climate Bonds Initiative (CBI) as green bond verifiers



November 2021

- ASEAN's first social bond by a nonfinancial conglomerate issued
- ASEAN+3 sustainable finance initiative discussed at COP26



March 2022

Third local credit rating agency (Fiin Group) accredited by the CBI

More than
3,000 people
attended over
20 workshops
(as of March 2022)



June-July 2020

First regional workshop for ASEAN+3 regulators and potential local green bond verifiers



November 2020

Green bond section on the AsianBondsOnline launched in collaboration with TF2



December 2021

- First verification by RAM Sustainability supported
- Green bond guidance published by ADB

TECHNICAL ASSISTANCE: CREATING ECOSYSTEMS FOR SUSTAINABLE LOCAL CURRENCY BONDS FOR INFRASTRUCTURE DEVELOPMENT IN ASEAN+3

For more TA info, please visit: <https://www.adb.org/projects/53300-001/main>



SUPPLY

Guide issuers and underwriters throughout sustainable bond issuance process

Develop sustainable bond framework based on international and regional standards

Address other constraints that are market-specific



DEMAND

Create a regional green bond information section on the AsianBondsOnline

Other market-specific initiatives to promote greater demand for sustainable bonds



MARKET PRACTICES

Make Asian voices heard

Document and publish case studies to guide other interested issuers, and develop good practices in issuing bonds

Leverage on other initiatives under ABMI



DETAILED GUIDANCE FOR
ISSUING GREEN BONDS IN
DEVELOPING COUNTRIES

DECEMBER 2021

ASIAN DEVELOPMENT BANK



For more information, please visit:

1. ASEAN+3 Bond Market Guide - <https://www.adb.org/publications/series/bond-market-guides>
2. AsianBondsOnline - <https://asianbondsonline.adb.org/>

CURRENT ACTIVITIES

CREATING THE ECOSYSTEM

1. Discussing with potential local green bond verifiers in Indonesia and Philippines

2. Providing technical & hand-on support to potential issuers

- Thaifoods Group's social bond with CGIF, under AMBIF (11 Nov 2021) → **named the best social bond – deals of the year by The Asset Triple A Sustainable Capital Markets Awards 2021**
- Several issuers in the pipeline, including state-owned financial institutions

APPROVED VERIFIERS IN ASEAN:

TRIS
RATING

A Strategic Partner of S&P Global

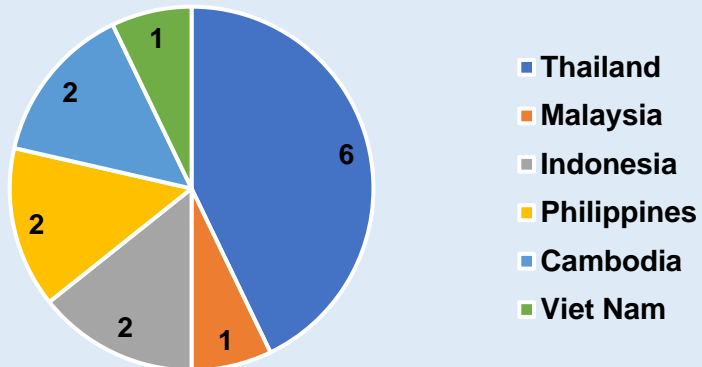
RAM

SUSTAINABILITY

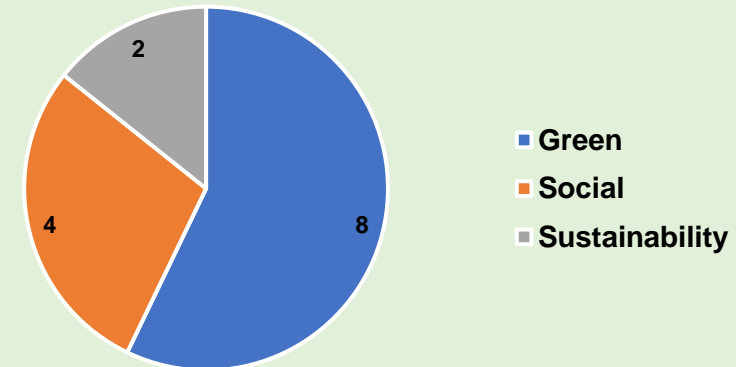


FiinGroup
ENLIGHTEN THE MARKET

Potential Issuers by Country



Potential Issuers by Type



CURRENT ACTIVITIES

SHARING KNOWLEDGE

3. Organizing market awareness and capacity building programs in collaboration with local regulators

- More than 3,000 people attended over 20 workshops
- Publishing green bond issuance handbook in multiple languages

4. Finalizing ASEAN+3 Sustainable Finance Report, and preparing for a launch event in early June

5. Conducting market survey to assess investors and issuers' appetite for green bonds in ASEAN+3, in collaboration with the Global Green Growth Institute



FUTURE ACTIVITIES

PREPARING NEW PHASE OF SUSTAINABLE BOND TA

- While we are making good progress, the current TA program will conclude in September 2022
- Subject to endorsement by ASEAN+3, ADB is preparing a new phase of the sustainable bond TA with the goal of strengthening the sustainable finance ecosystem, assisting issuers and investors, and collaborating with other ABMI taskforces and ASEAN+3 members
- ABMF members are welcomed to submit any requests and/or suggestions for activities to be included in the new phase of the TA to support sustainable finance market development in their respective jurisdictions.

THANK YOU



FOR FURTHER INFORMATION:

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SESSION 2

Update from Task Force 2 (TF2)



Dr. SHU TIAN

Senior Economist, ERCD
Asian Development Bank

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Session 2: Update from Task Force 2 (TF2)

AsianBondsOnline Asia Bond Monitor March 2022

Bond Market Developments in Emerging East Asia

Economic Research and Regional Cooperation Department
21 April 2022



The AsianBondsOnline is an ASEAN+3 Initiative supported by the ADB and funded by the Ministry of Finance Japan, through the Investment Climate Facilitation Fund.



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Key Messages

➤ ABM March

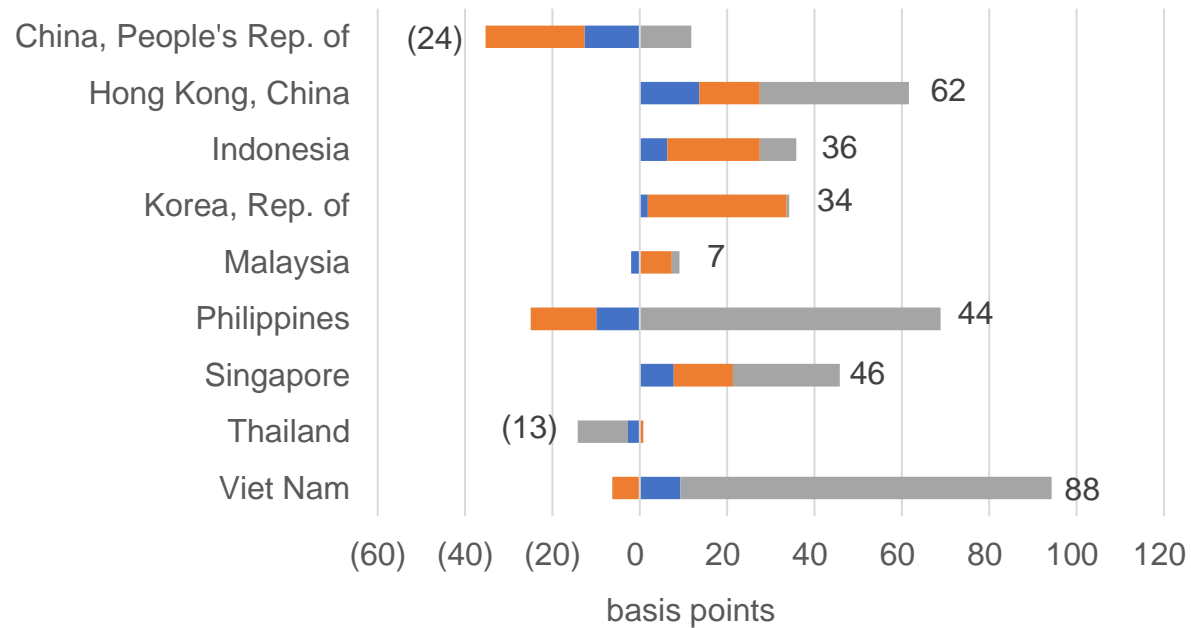
- Ample liquidity supported regional financial conditions between 30 November 2021 and 9 March 2022, with some weakening signs due to the US Federal Reserve's tapering and signaling of monetary tightening and the Russian invasion of Ukraine.
- LCY bonds outstanding in emerging East Asia reached USD22.8 trillion at the end of December, following record-high issuance of USD9.0 trillion for the full year 2021.
- ASEAN+3's sustainable bond market saw rapid expansion in 2021 to reach a size of USD430.7 billion at the end of December, with issuance more than doubling in 2021.
- Risks to regional financial conditions remains tilted to the downside.

➤ ABO launched new information sections in 2021 and further data refinement ongoing.



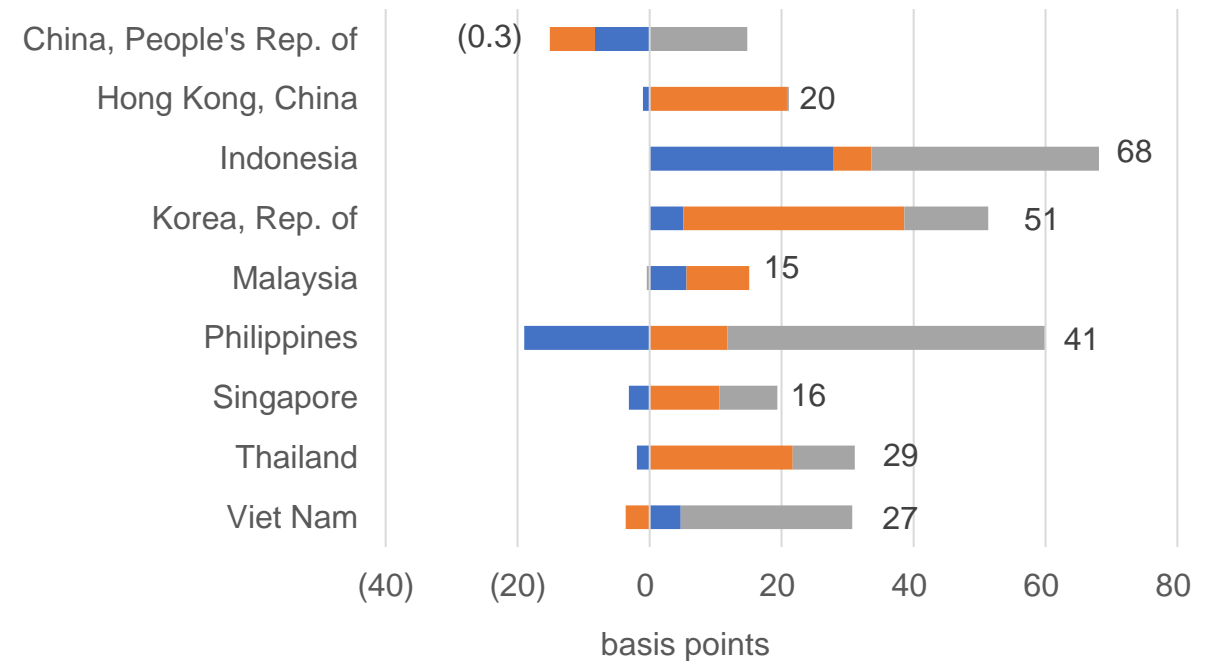
Higher bond yields in advanced economies and continued inflationary pressure pushed up bond yields in most markets in emerging East Asia

Changes in 2-Year LCY Government Bond Yields



■ 30 Nov 2021 and 31 Dec 2021 ■ 31 Dec 2021 and 31 Jan 2022
■ 31 Jan 2022 and 9 Mar 2022

Changes in 10-Year LCY Government Bond Yields

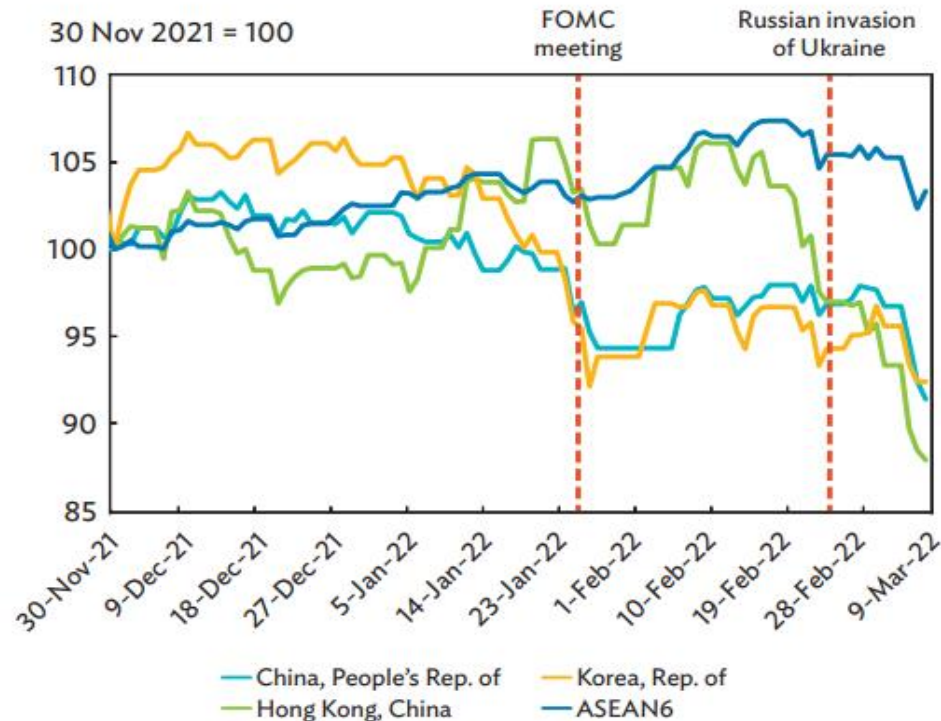


■ 30 Nov 2021 and 31 Dec 2021 ■ 31 Dec 2021 and 31 Jan 2022
■ 31 Jan 2022 and 9 Mar 2022



Negative sentiment softened bullish momentum in regional equity markets, regional currencies posted small exchange rate movements

Equity Indexes in Emerging East Asia



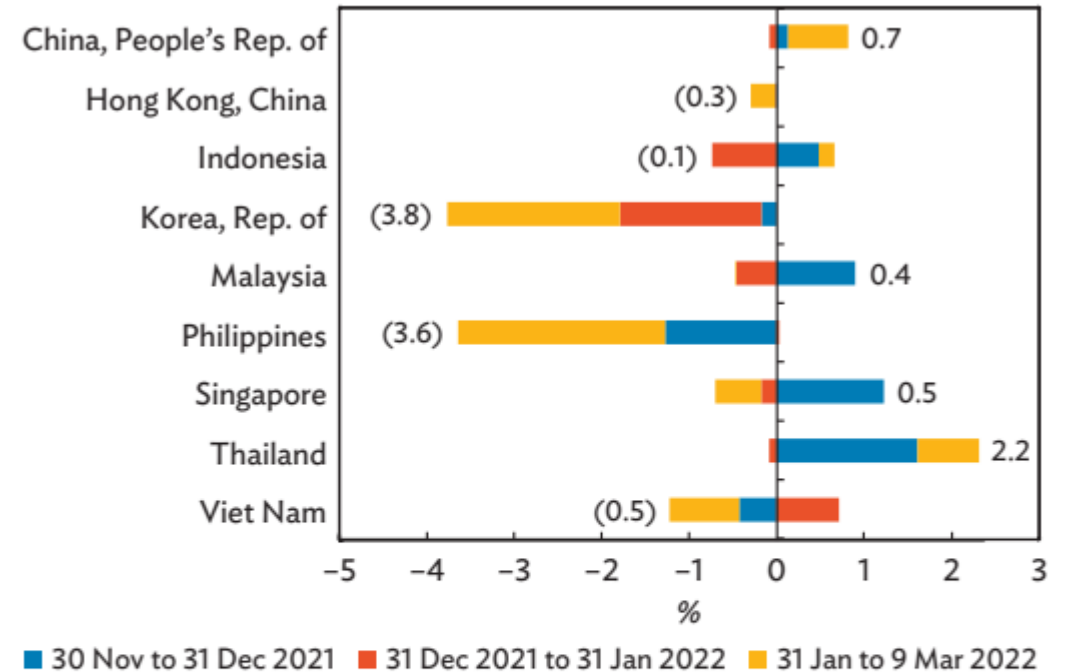
ASEAN = Association of Southeast Asian Nations, FOMC = Federal Open Market Committee.

Notes:

1. ASEAN6 comprises the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
2. Data as of 9 March 2022.

Source: AsianBondsOnline computations based on Bloomberg LP data.

Changes in FX Rates (against the USD)



() = negative:

Notes:

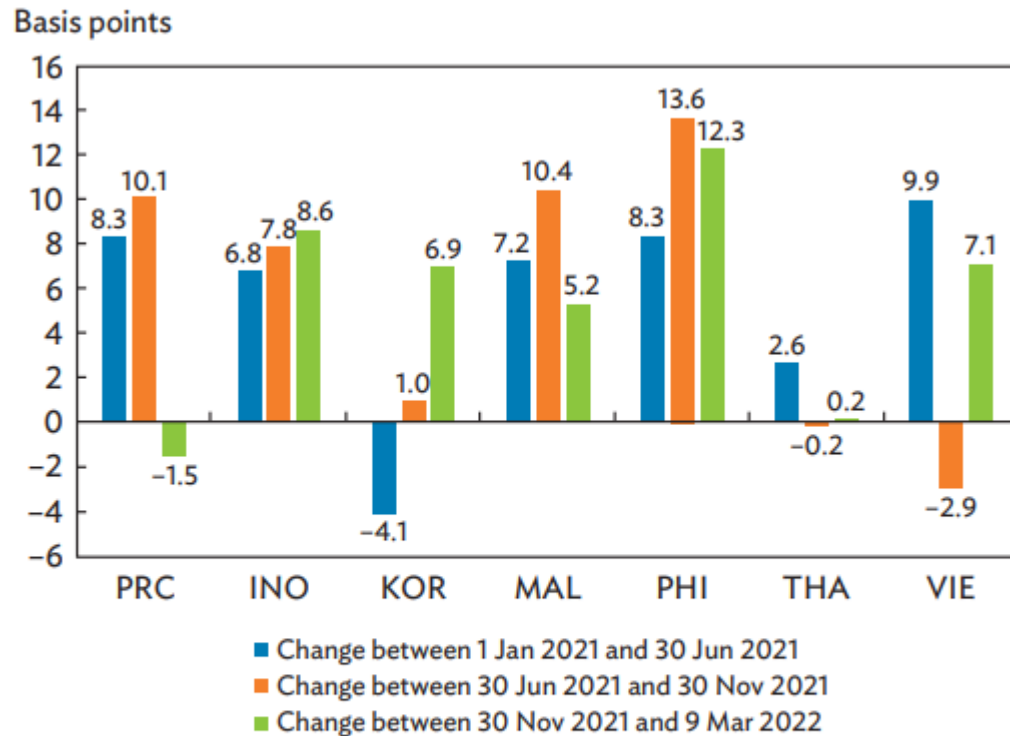
1. Numbers on the chart refer to the net change for the three periods.
3. A positive (negative) value for the foreign exchange rate indicates the appreciation (depreciation) of the local currency against the United States dollar.

Source: AsianBondsOnline computations based on Bloomberg LP data.



Risk premiums edged up and ASEAN bond markets witnessed some outflows in early March

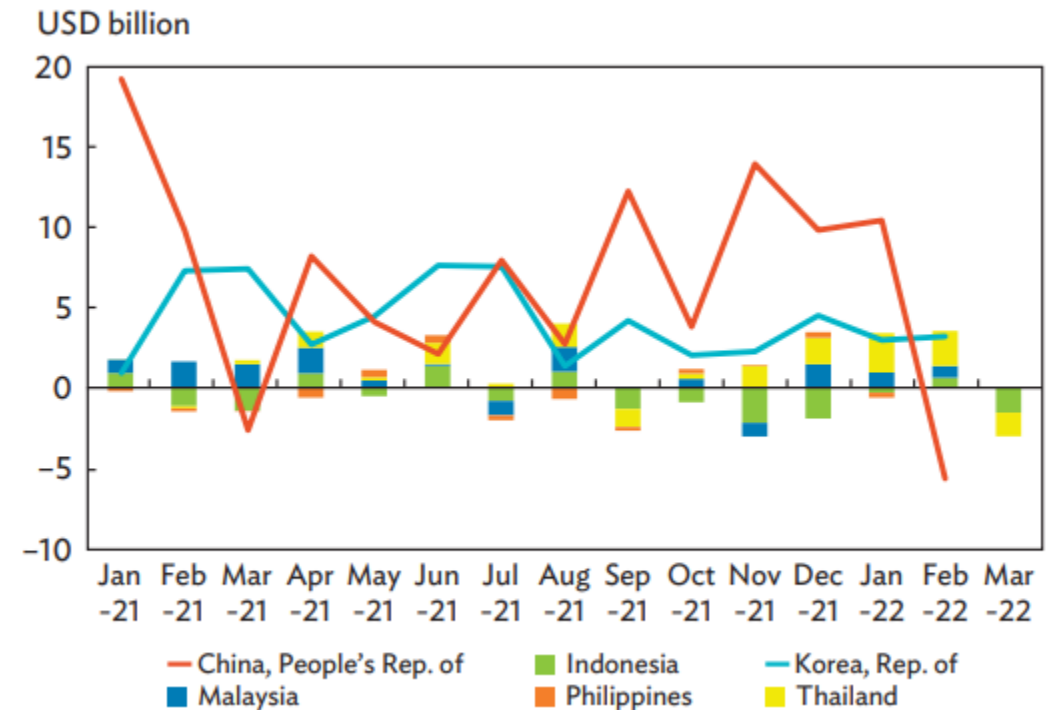
Credit Default Swap Spreads



PRC = China, Rep. of; INO = Indonesia; KOR = Korea, Rep. of; MAL = Malaysia; PHI = Philippines; THA = Thailand; VIE = Viet Nam.

Sources: AsianBondsOnline computations based on Bloomberg LP data.

Foreign Capital Flows in Local Currency Bond Markets in Emerging East Asia



Data are as of 9 March 2022 except for the People's Republic of China, the Republic of Korea, and Malaysia (28 February 2022); and the Philippines (31 January).



Financial conditions are stable in March

	2-Year Government Bond (bps)	10-Year Government Bond (bps)	5-Year Credit Default Swap Spread (bps)	Equity Index (%)	FX Rate (%)
Major Advanced Economies					
United States	83	75	—	4.9	—
United Kingdom	6	22	(2)	6.7	(1.2)
Japan	(4)	6	0.1	8.6	(6.8)
Germany	54	49	(2)	3.1	(1.8)
Emerging East Asia					
People's Republic of China	4	(10)	7	(0.1)	(0.74)
Hong Kong, China	84	84	—	6.0	(0.3)
Indonesia	16	2	(21)	5.0	(0.1)
Republic of Korea	80	46	(1)	3.0	0.8
Malaysia	36	33	(4)	2.9	(0.8)
Philippines	14	58	(14)	0.4	1.2
Singapore	58	69	—	5.9	(0.4)
Thailand	60	15	(2)	2.6	(1.7)
Viet Nam	54	49	(26)	0.6	(0.1)



Financial conditions overall weakened (Dec 2021 to early April 2022)

	2-Year Government Bond (bps)	10-Year Government Bond (bps)	5-Year Credit Default Swap Spread (bps)	Equity Index (%)	FX Rate (%)
Major Advanced Economies					
United States	195	126	—	(1.7)	—
United Kingdom	100	94	4	8.6	(2.1)
Japan	5	17	0.4	(0.6)	(9.0)
Germany	79	106	6	(5.4)	(4.1)
Emerging East Asia					
People's Republic of China	(20)	(10)	9	(8.8)	(0.01)
Hong Kong, China	146	104	—	(6.8)	(0.5)
Indonesia	52	70	2	10.4	(0.2)
Republic of Korea	115	98	10	(4.9)	(3.0)
Malaysia	43	47	10	6.2	(0.4)
Philippines	58	99	16	(2.5)	(2.4)
Singapore	103	85	—	11.2	0.1
Thailand	46	45	6	7.5	0.5
Viet Nam	142	76	2	0.2	(0.6)

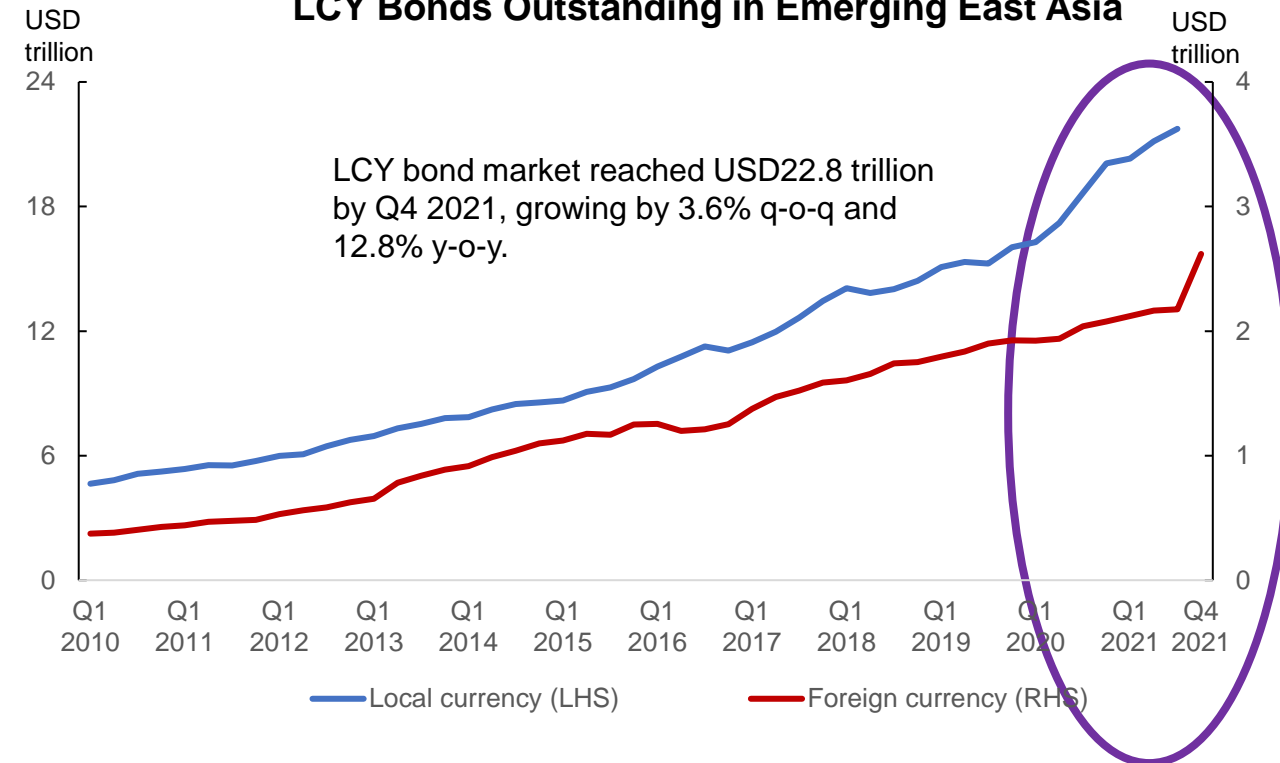
Note: Changes in financial conditions between 30 Nov 2021 and 8 April 2022 and 8 April 2022.

Source: *AsianBondsOnline*.

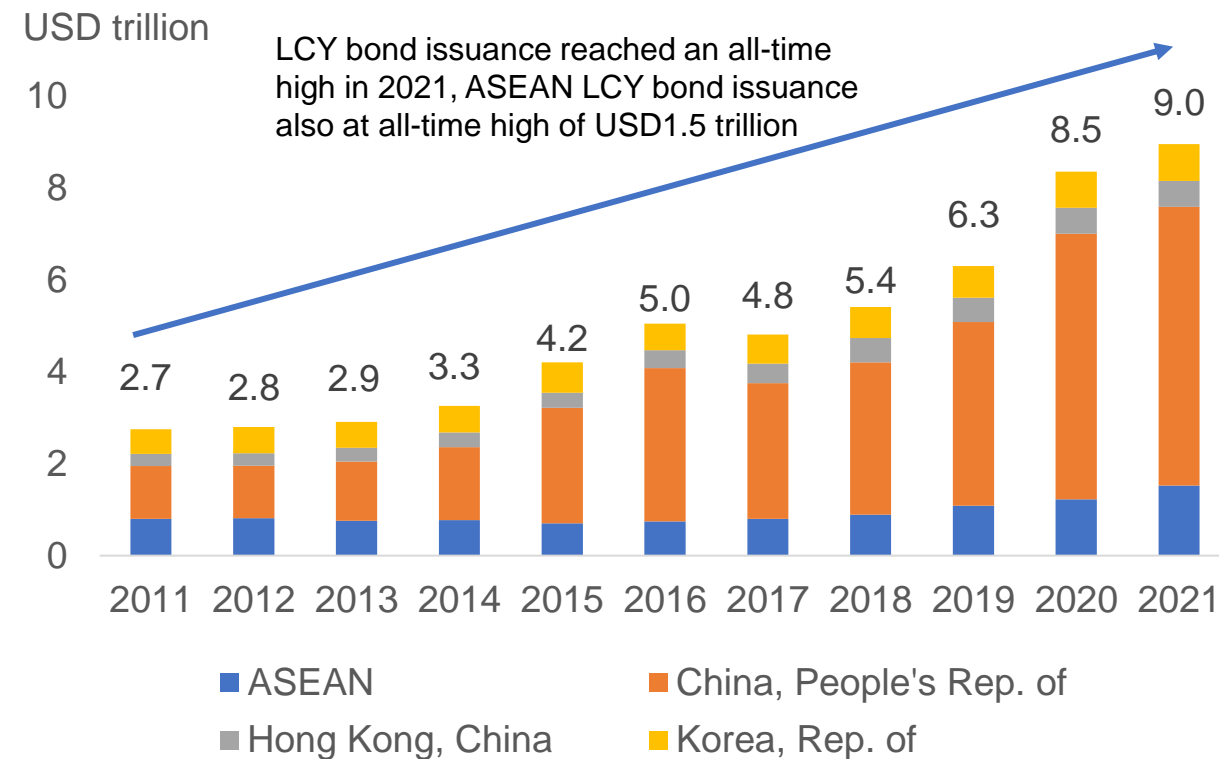


LCY bond market in the region climbed to USD22.8 trillion at the end of December, following record high issuance in 2021

LCY Bonds Outstanding in Emerging East Asia



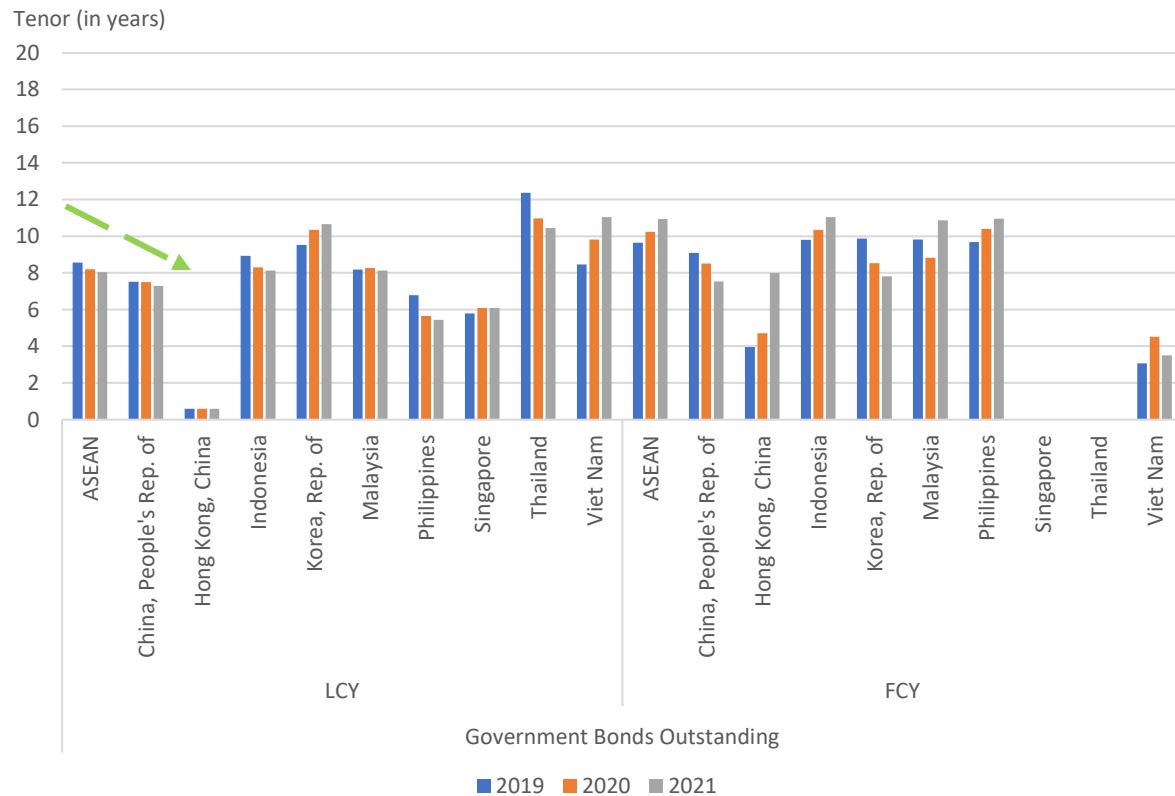
LCY Bond Issuance in Emerging East Asia



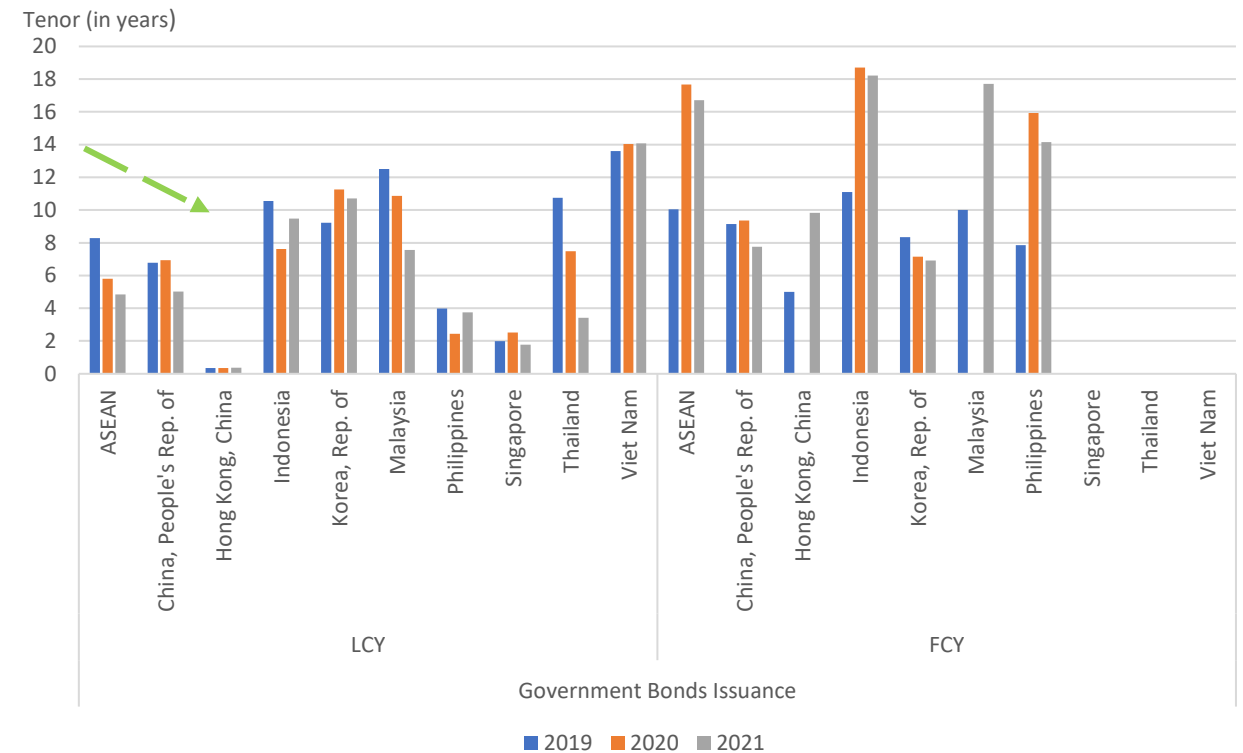


The maturity of government bonds shortened in most major regional bond markets

Maturity Profile of LCY and FCY Government Bonds in the Region (Bonds Outstanding)



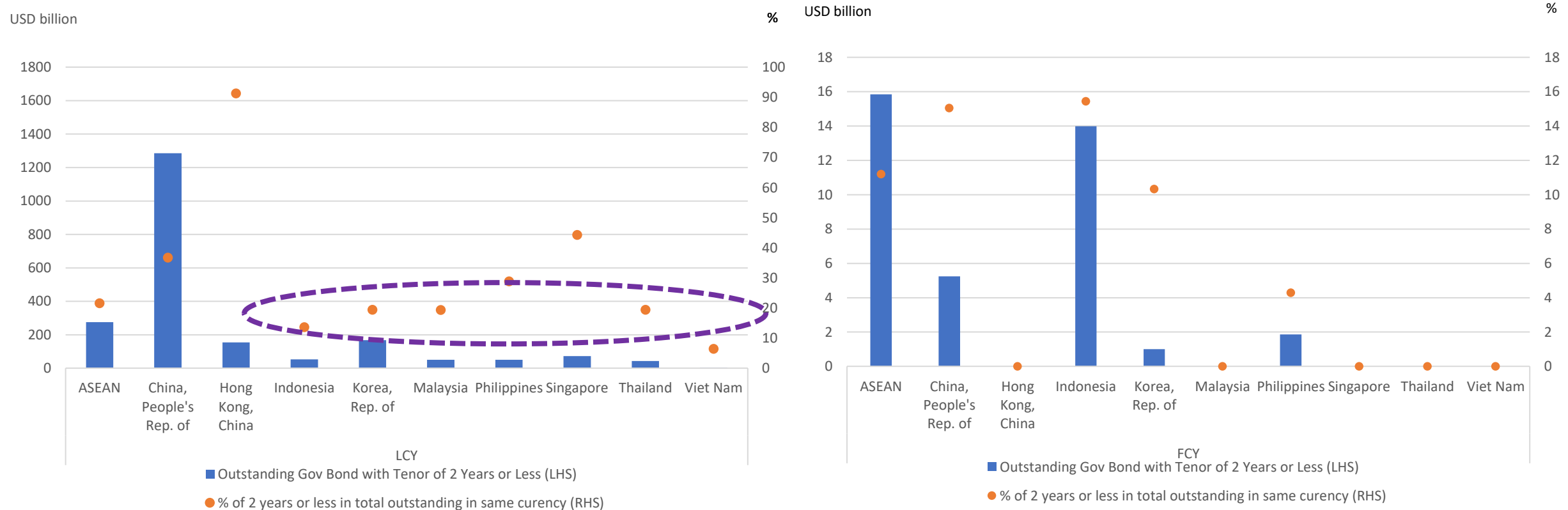
Maturity Profile of LCY and FCY Government Bonds in the Region (Bonds Issuance)





Higher bond yields implies higher refinancing costs. But the risk is not significant with modest sharing of maturing government bonds within 1-2 years

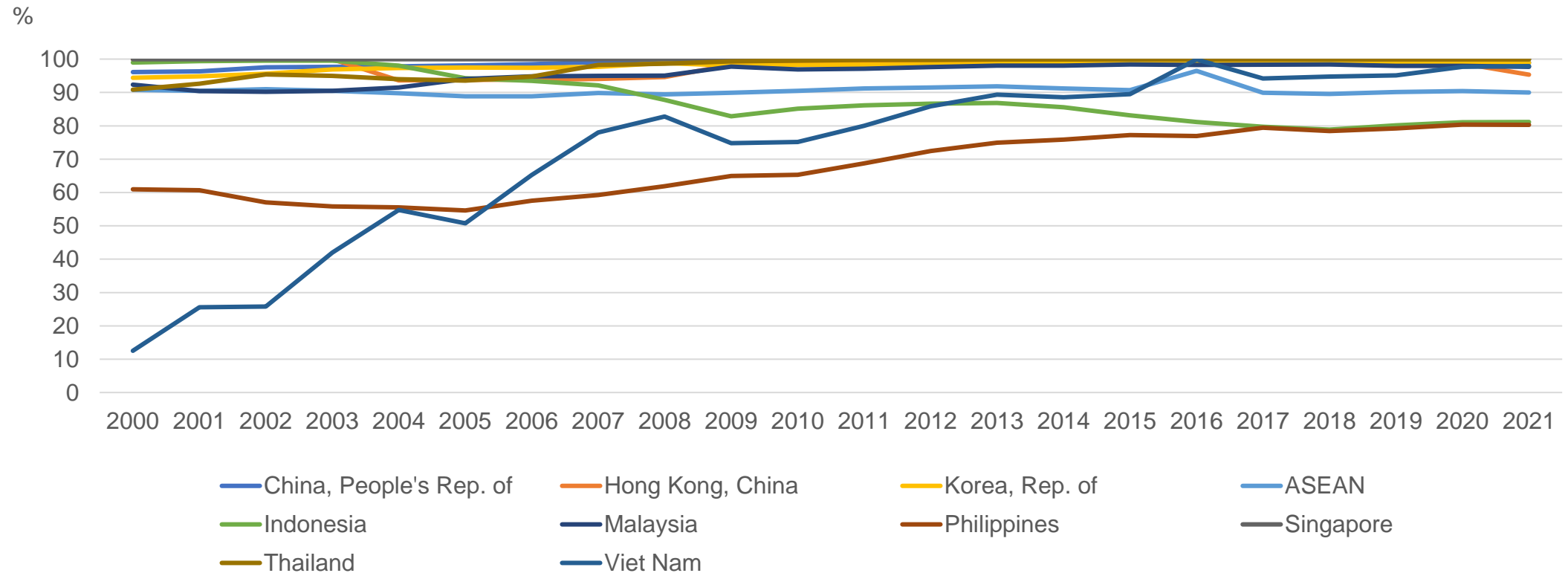
Share of Government Bonds with Maturity of 2 Years or Less





Local currency dominates government debt across the region, with increasing share during the past 2 decades

Share of LCY Government Bonds to Total Government Bonds



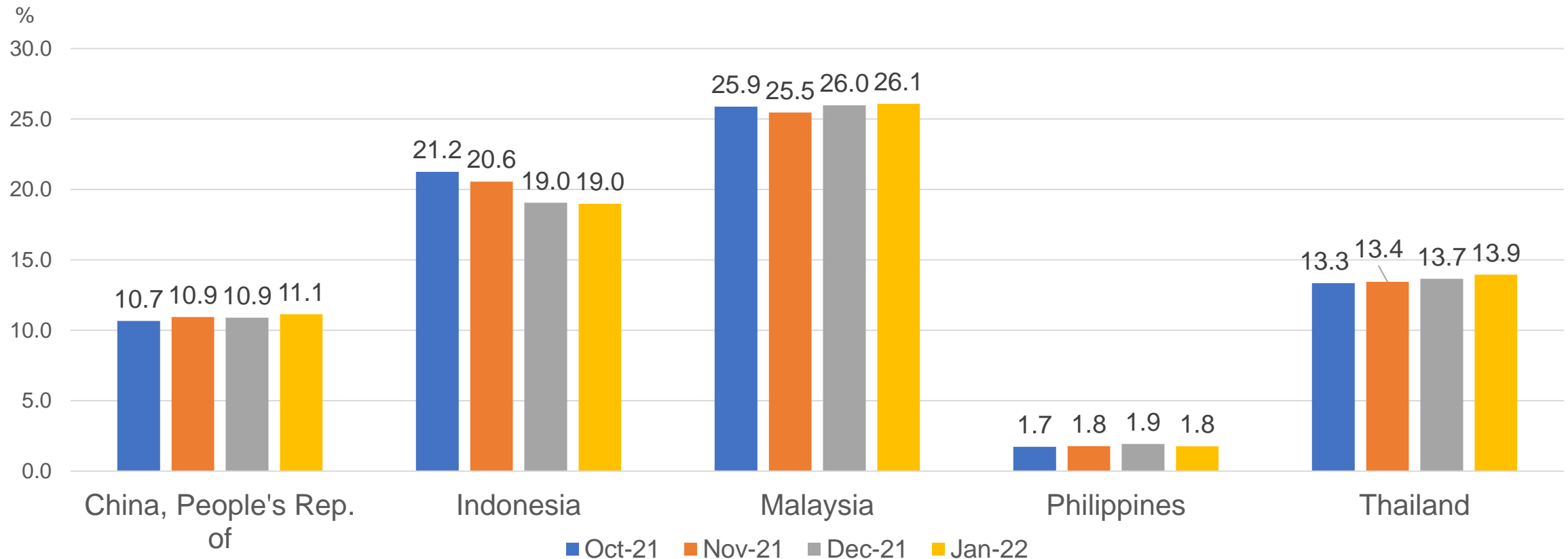
Note: ASEAN includes the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.

Source: AsianBondsOnline.

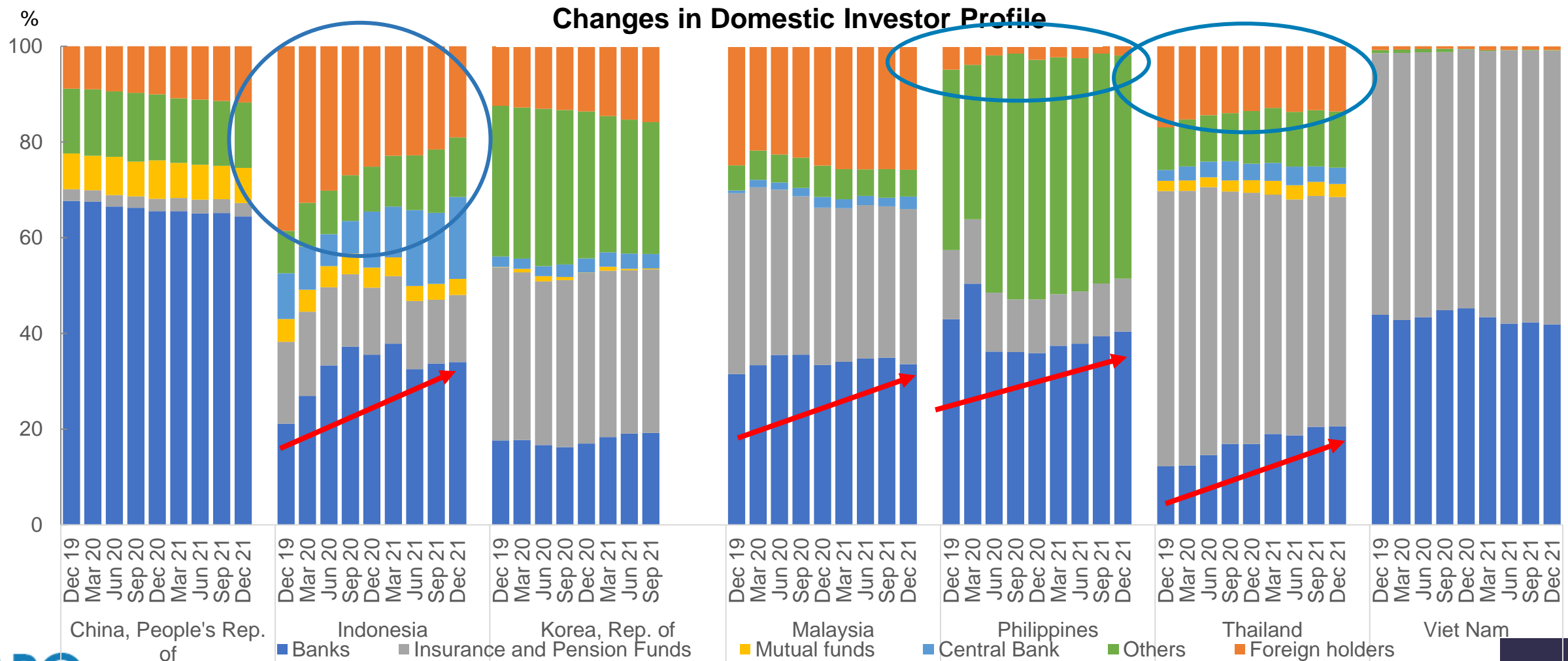


Foreign holdings share were largely stable for most markets in the region

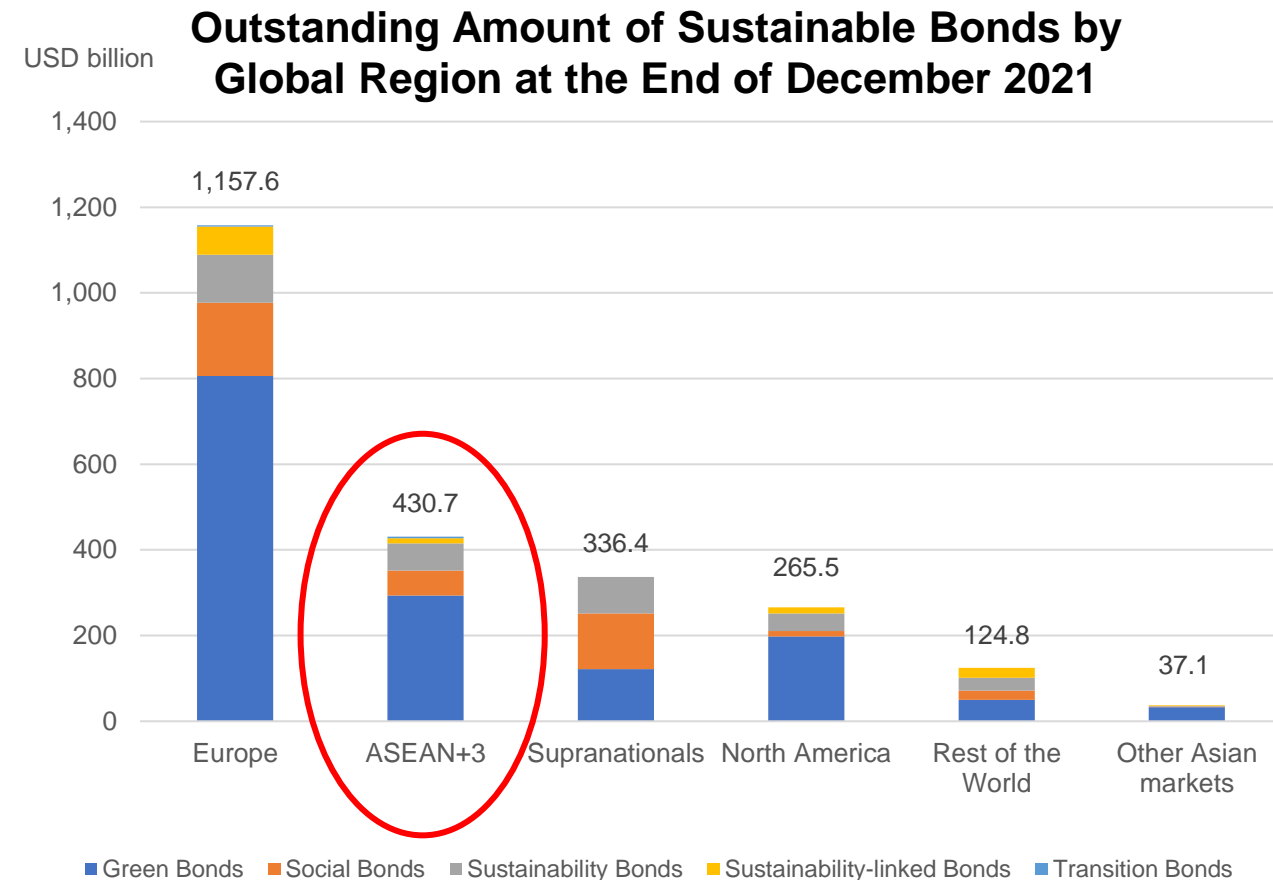
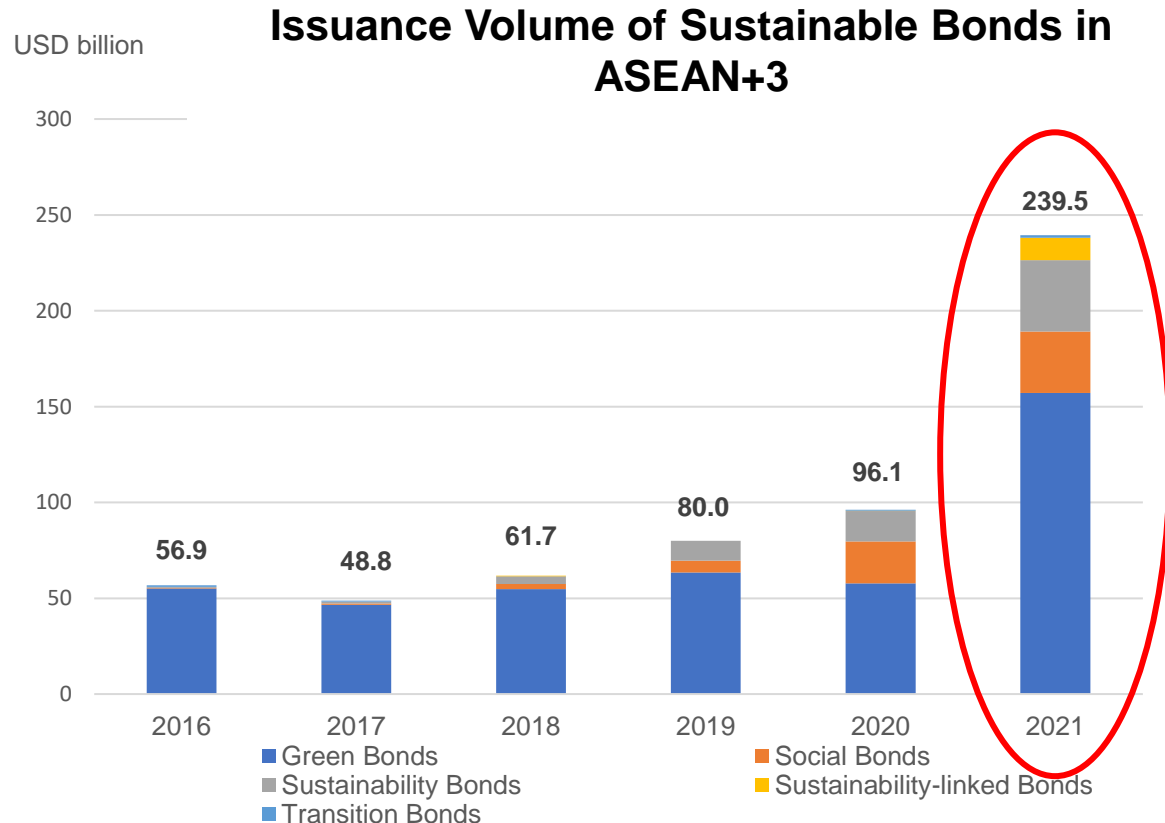
Shares of Foreign Holdings in Local Currency Government Bond Markets



Domestic financial institutions, particularly banks, anchor regional bond markets



Sustainable bonds outstanding in ASEAN+3 markets reached USD430.7 billion at the end of December amid strong issuance



USD = United States dollar.

Notes:

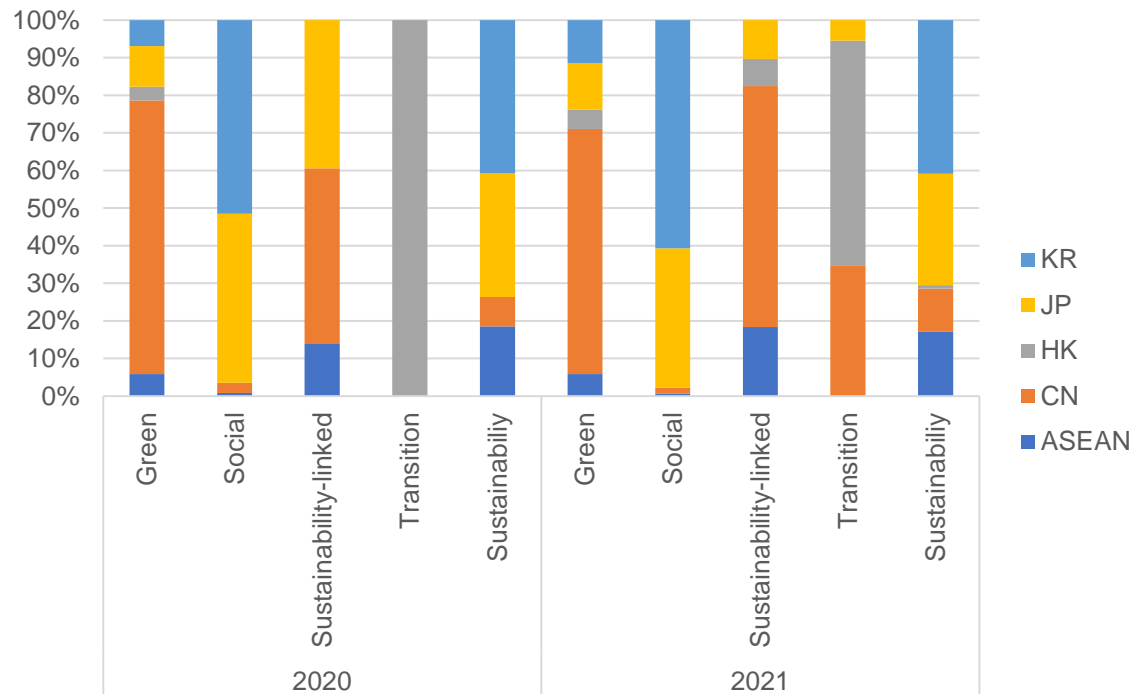
1. ASEAN includes the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam..
2. ASEAN+3 includes ASEAN members plus the People's Republic of China; Hong Kong, China; Japan; and the Republic of Korea.

Source: ADB. *Asia Bond Monitor March 2022*. Manila.

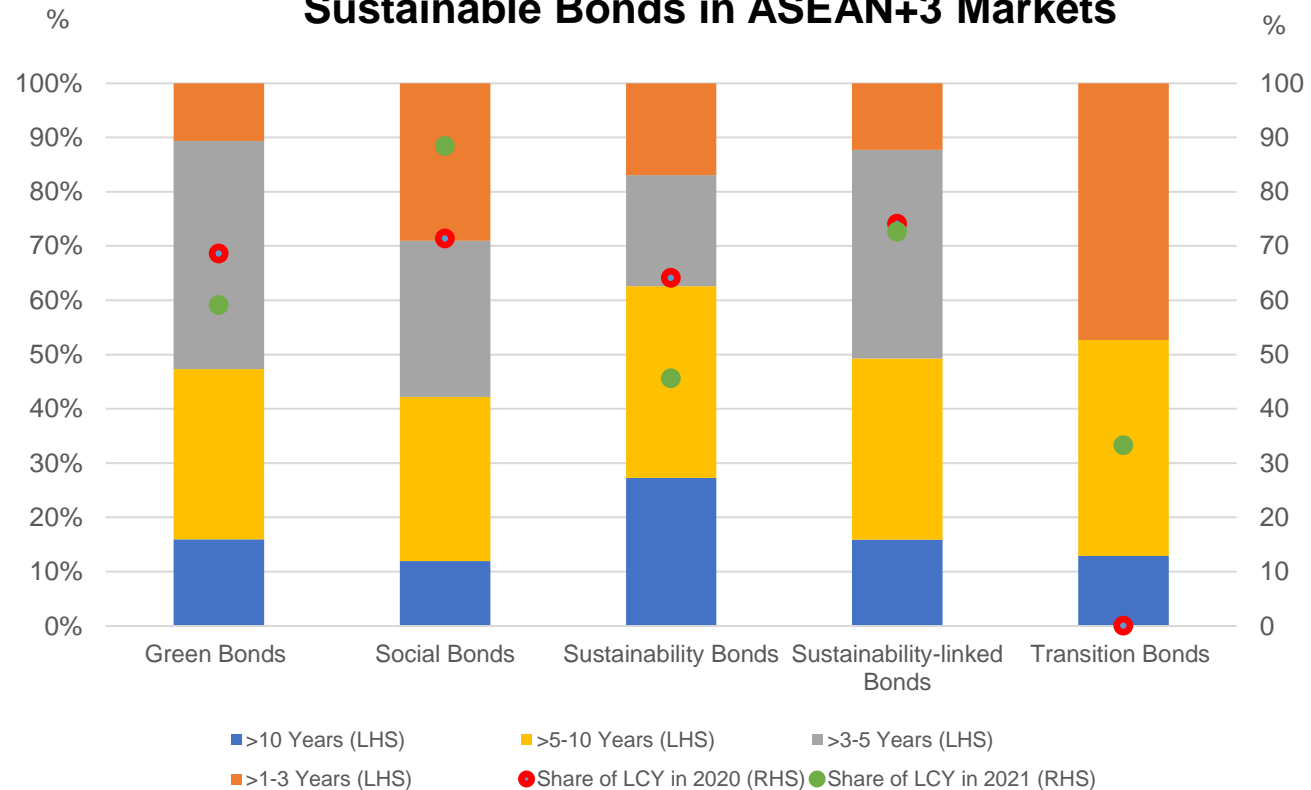


Green bonds are the commonly issued sustainable bond type in ASEAN+3 and mostly in tenors of 5 years or less

Outstanding Sustainable Bonds in ASEAN+3 by Economy (share of total)



Maturity Profile based on Outstanding Sustainable Bonds in ASEAN+3 Markets



Notes:

1. ASEAN include the markets of Indonesia, Malaysia, the Philippines, Singapore, and Thailand.
2. ASEAN+3 includes ASEAN members plus the People's Republic of China; Hong Kong, China; the Republic of Korea, and Japan.
3. Data as of the end of December 2021.

Source: ADB. *Asia Bond Monitor March 2022*. Manila.



Risk outlook for regional financial conditions

- Risk remains tilted to the downside largely due to the shifting monetary policy of the US Federal Reserve
 - ✓ Rising US interest rates could cause a decline in market liquidity
 - ✓ Sustained rise in the price of commodities could push other central banks to tighten
 - ✓ Borrowing costs will also rise
- There is uncertainty also related to the Russian invasion of Ukraine and could also help drive inflation due to a rise in oil and other commodity prices.

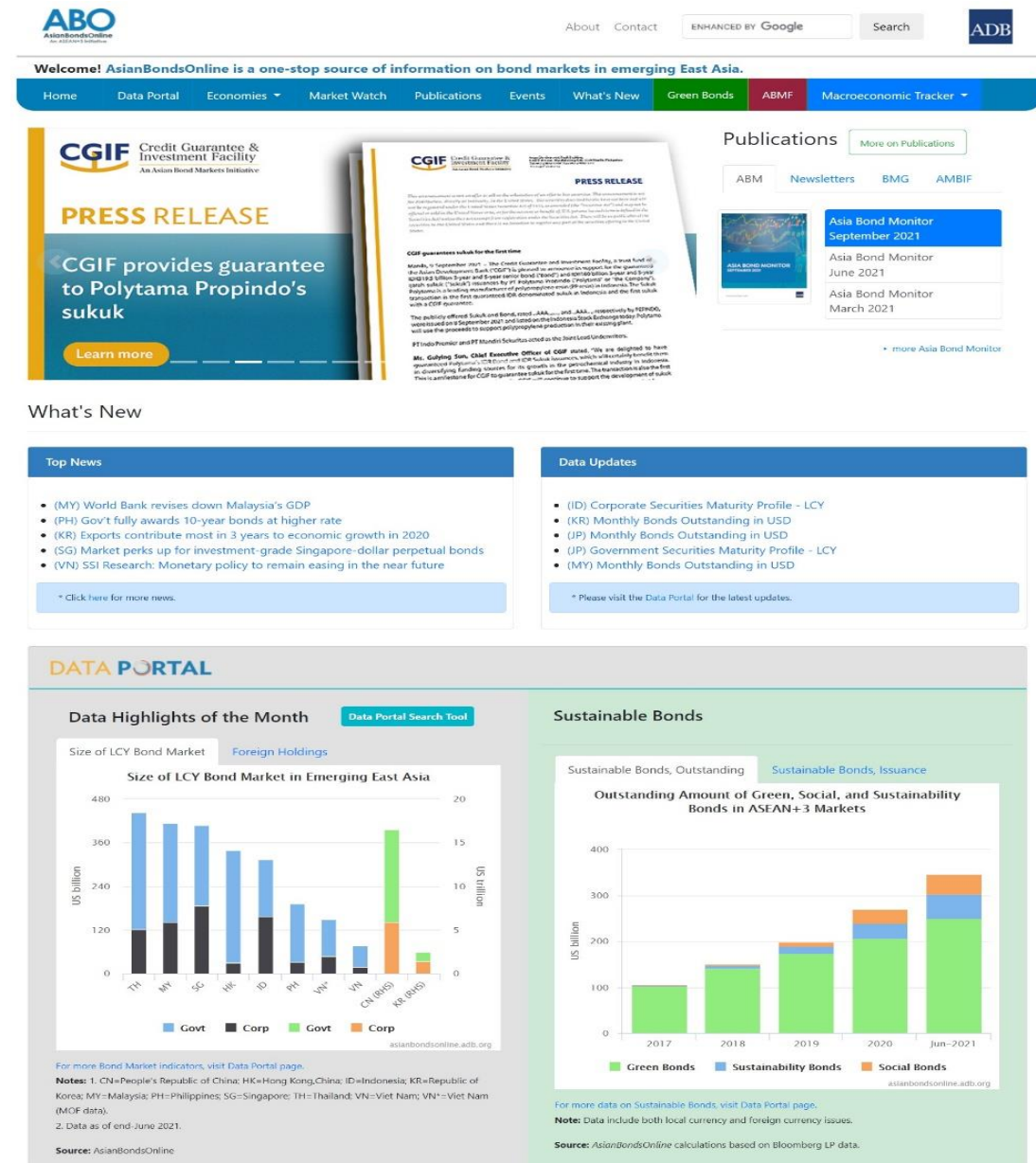
ABO Progress in 2021: Website upgrade and knowledge products

➤ Strengthened collaboration with other ABMI TFs

- TF1: the Green Bonds page set up jointly with green bond TA in 2020 . Mutual information dissemination with CGIF.
- TF3: new ABMF page launched in March 2021.
- Host event registration and publication for various ABMI activities.

➤ New website features and knowledge products

- Sustainable Data Portal launched.
- Released quarterly infographic “The ASEAN+3 Sustainable Bonds Highlights”
- Added sustainable bond market development in the Asia Bond Monitor (ABM)
- Launched “Tracking Asia”, providing information on macroeconomic developments in the region.
- Upgraded home page with easier access to publications and sustainable bond data.





ABO Progress in 2021: dissemination efforts

- **Actively disseminating bond market information among stakeholders**
 - ABO did live TV interviews with CNBC and Bloomberg, and telephone and email interviews with major media such as CNBC, Wall Street Journal, Bloomberg, and Channel NewsAsia
 - June issue of ABM 2021 was launched during online Asian Impact Webinar in June and 2021 Capacity building workshop on green bonds was held jointly with SERC and TF 1 in November 2021. More than 90% of the participants reported the workshop to be very useful and relevant for their work.
- **Efforts are well recognized by users.**
 - In 2021, ABO registered 97,151 data sessions, 296,829 pageviews, and 26,629 downloads serving 55,750 users
 - Pageviews for the data portal nearly doubled, rising to 43,108 in 2021 from 23,505 in 2020
 - Pageviews for the weekly debt highlights and monthly debt round up were up 17.1% and 2.2%, respectively, in 2021 versus the same period in 2020
 - Growing interest in the website was also reflected in the 21.5% year-on-year increase in the pageviews for the What's New section.



ABO Progress in 2022: data improvements

- **Collaboration with other TF groups for further improvements in ABO data**
 - Discussion with TF1 team members regarding refining Japan bond market data
 - Incorporating data from JASDEC
 - Comparison with data from BOJ
 - Possible expanding Singapore bond market data
 - Explore possible data source for corporate trading volume data
 - Data audit for Viet Nam bond market data
 - Explore collaboration with VMOF, HNX, VBMA for refining bond market data
- **Enhancements to sustainable bond data in the data portal**
 - Provide aggregated sustainable bond information for users
 - Provide bond level sustainable bond information for ASEAN markets
 - Tenor, Issue date, Ratings, Amount



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

35th ASEAN+3 Bond Market Forum (ABMF) Meeting

Virtual Event via Zoom
21 April 2022, 2:00 P.M. Manila Time

SESSION 3

Update from Task Force 3 (TF3)



MR. SATORU YAMADERA

Advisor, ERCD

Asian Development Bank

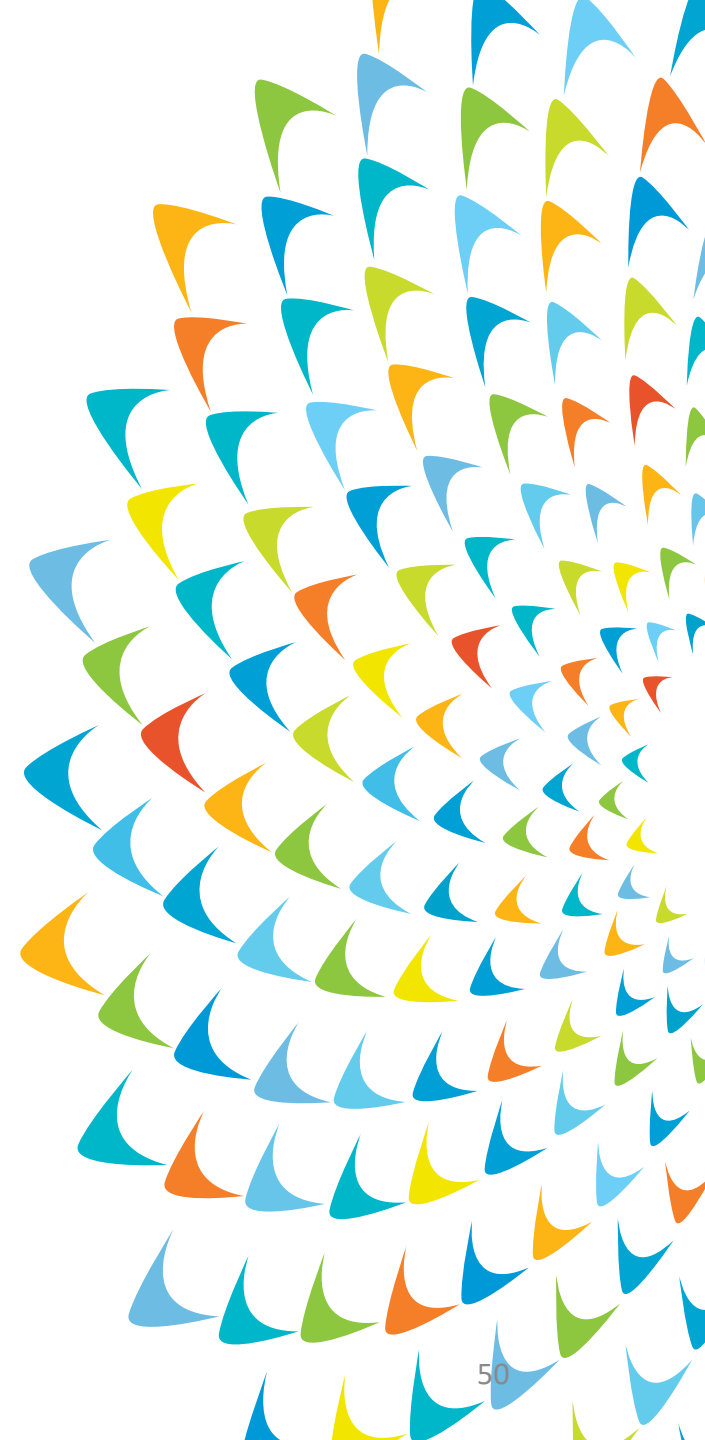
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SESSION 3

Update from Task Force 3 (TF3)

ADB Secretariat Team

Mr. Satoru Yamadera, Advisor, ADB



Contents

I. AMBIF Update

II. Bond Market Guides

III. FX Reporting Standardisation Update

IV. WG-CCML

V. Q&A (after Session 5)



I. AMBIF Bond Issuance List (as of 7 April 2022)

	Issuer	Sector	Currency and Amount	Tenure	Issuance Date
1	Mizuho Bank, Ltd.	Financials (Banking)	THB3.0 billion	3 years	28 Sep 2015
2	Hattha Kaksekar Limited	Financials (Consumer Finance)	KHR120.0 billion	3 years	14 Nov 2018
3	AEON Credit Services (Philippines) Inc.*	Financials (Consumer Finance)	PHP900.0 million PHP100.0 million	3 years 5 years	16 Nov 2018 16 Nov 2018
4	CJ Logistics Asia Pte. Ltd.*	Logistics	SGD70.0 million	5 years	25 Mar 2019
5	Nexus International School (Singapore) Pte.Ltd.*	Education	SGD150.0 million	12 years	3 Dec 2019
6	Thaifoods Group Plc*	Food Products	THB2.0 billion THB1.0 billion	5 years 5 years	8 Jan 2020 11 Nov 2021
7	RMA (Cambodia) Plc*	Consumer Discretionary (Specialty Retail)	KHR80.0 billion	5 years	9 Apr 2020
8	Prasac Microfinance Institution Plc*	Financials (Micro Finance)	KHR127.2 billion	3 years	23 Apr 2020
9	GLP Pte. Ltd.*	Real Estate Management & Development	JPY15.4 billion	9 years	24 Dec 2020
10	JWD InfoLogistics Public Company Limited*	Logistics	THB700.0 million under THB1.9 billion Guaranteed Bonds Program THB1.2 billion (second tranche)	5 years 9 years	5 Mar 2021 1 Dec 2021
11	Hanwha Solutions Corporation*	Information Technology	CNH1.0 billion	3 years	19 Apr 2021
12	Hanwha Q Cells Malaysia Sdn. Bhd.*	Information Technology	MYR150.0 million	3 years	1 Sep 2021
13	China Education Group Holdings Limited*	Education	CNH500.0 million	3 years	22 Mar 2022
14	First Real Estate Investment Trust*	Healthcare	SGD100.0 million	5 years	7 Apr 2022

CNH = offshore Chinese yuan; KHR = Cambodian riel; JPY = Japanese yen; MYR = Malaysian ringgit; PHP = Philippine peso; SGD = Singapore dollar; THB = Thai baht.

* Guaranteed by the Credit Guarantee and Investment Facility.

Source: Asian Development Bank.

<https://asianbondsonline.adb.org/ambif.php#bond-issuance>



II-1. Bond Market Guides (BMG)

- ADB published 2 ASEAN+3 Bond Market Guide Updates in late 2021
- Publications followed successful Hong Kong, China BMG Update template



Bond Futures
Crowdfunding
Issuance to Professionals
Market Strategies
New Instruments
New Trading Platform
Professional Investors
Regulation Updates
Taxation
Thematic Bonds & Sukuk

80 pages



Blockchain Bonds
Bond Investor Registration
Market Strategies
Professional Issuances
Regulation Updates
Taxation
Thematic Bonds

44 pages

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II-2. Bond Market Guides - Next

- ADB Secretariat and BDCB working on Brunei Darussalam version
- First of its kind - likely to include payment systems information
- Singapore BMG Update possible after discussion with MAS
- Need to revise Thailand once comprehensive regulatory changes in place
- Looking ahead to Japan and, possibly, Korea for 2023
- Others?



II-3. BMG and AMBIF Impl GL

- Due to inability to conduct face-to-face meetings, visibility of market developments and changes may have been limited
- ABMF members are encouraged to engage ADB Secretariat on the need to update publications (Implementation Guidelines), as may be necessary
- It may also be a good opportunity to refresh ABMF representation (Representatives and Observers)



III-1. FX Reporting Standardisation Update

- Existing FX reporting requirements collected for regional markets
- Conducted mapping of FX reporting formats against MT300
- Attempting to create glossary or common description of data elements
- Initial focus markets: Korea and Thailand, representing different reporting approaches
- Now in dialogue with BOK on rationale, detail information
- Followed by dialogue with BOT
- Have reached out to Asian Bankers Association who are pursuing standardization from the private sector side; cooperation or joint efforts presently being assessed by ABA



III-2. FX Reporting – Initial Findings

- Assumptions validated:
 - Key data is the same
 - Other data is similar, even if descriptions may differ
 - But reporting requirements appear to differ widely
 - Typically, proprietary formats
- Approaches differ among markets:
 - Single or multiple reporting formats
 - One-time setup or comprehensive IDs every time
 - Small or large(r) files prescribed
- Use of LEI (Legal Entity Identifier) in some markets
- FX reporting may include requirements from other authorities as well



IV. WG-CCML – Status

Working Group on Comparative Capital Market Law & Regulations

- Pandemic made congress of proposed participants difficult
- Hence, ADB Secretariat tried to develop key subjects for further study before inviting members to contribute
- Path led from disclosure and due diligence, for which there is much information in each market, to aspects of both which may not be well understood (see **Focus Topics**)
- But legal subjects get technical quickly; interpretation needed
- Dialogue with legal ABMF representatives suggests value-added for AMBIF
- Research led to the discovery of relevant party in public domain (see **ABLI**)



IV. WG-CCML – Focus Topics

Working Group on Comparative Capital Market Law & Regulations

Present focus topics:

- **English language**
 - In documentation
 - For regulatory approvals or interaction
 - As evidence or submission in court
- **Governing law** (other than domestic law)
 - Is there a solution for ASEAN+3 other than UK law?
- **Jurisdiction**
 - Considerations
- **Enforcement of judgments**
 - Considerations



IV. WG-CCML – Cooperation with ABLI

Asia Business Law Institute (ABLI), based in Singapore

- Published works on recognition and enforcement of legal judgments
 - ASEAN principles
 - Country reports
- But no domain expertise in bond market
- **Objective:** get ABLI input on legal considerations
 - English language acceptance
 - Choice of jurisdiction
 - Ability to obtain and enforce judgments
 - Challenges and considerations
- ADB Secretariat submitted question list to ABLI for its constituents

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IV. WG-CCML – Proposed Output

- **Series of ABMF Working Papers**, likely including
 - **Language, governing law, jurisdiction**
 - **Due diligence practices**
 - **Disclosure practices**
 - **Arbitration**
- Working papers may be combined into comprehensive WG-CCML report
- ADB Secretariat drafting WP report structure
- Working paper aimed at ABMF members for consumption, consideration
- Article for law journal
 - Review of governing law options, related topics
 - Aimed at academia

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THANK YOU

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ABO
AsianBondsOnline
An ASEAN+3 Initiative



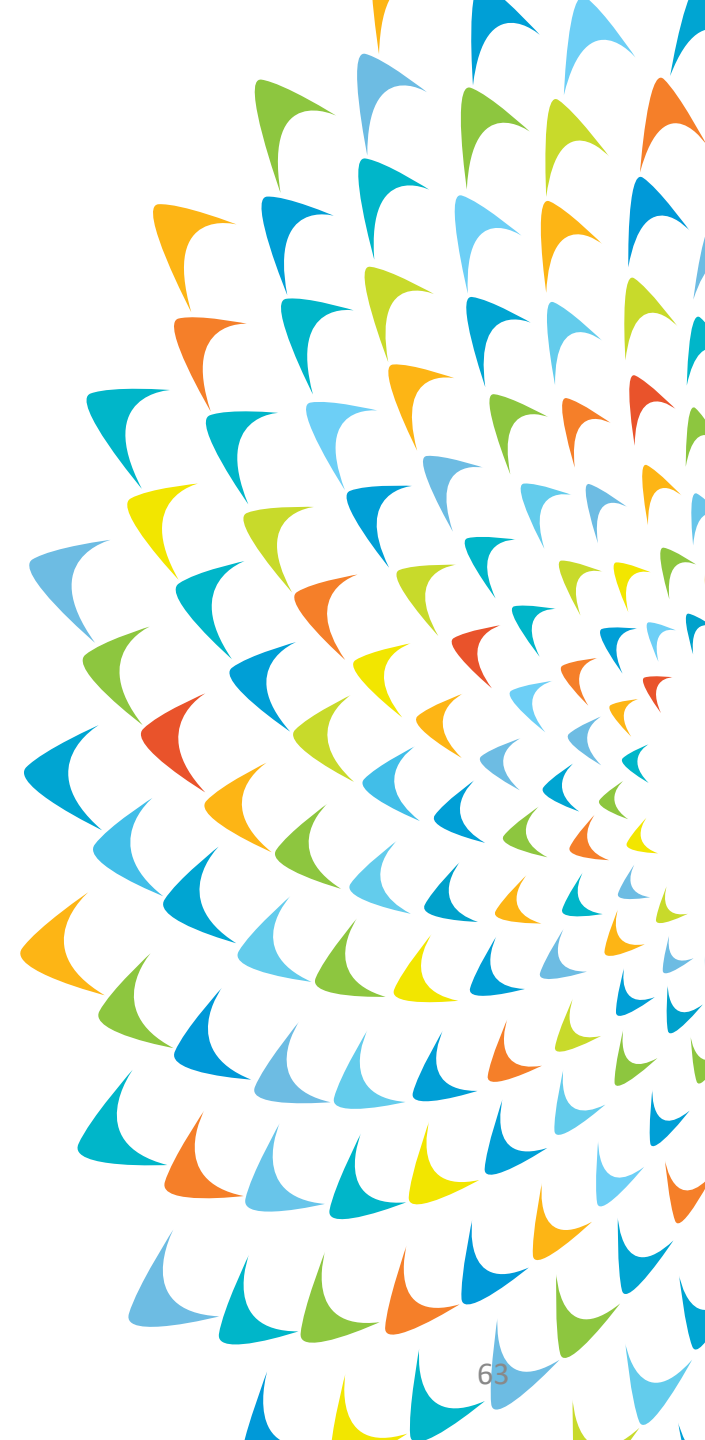
asianbonds_info@adb.org
asianbonds_feedback@adb.org



asianbondsonline.adb.org

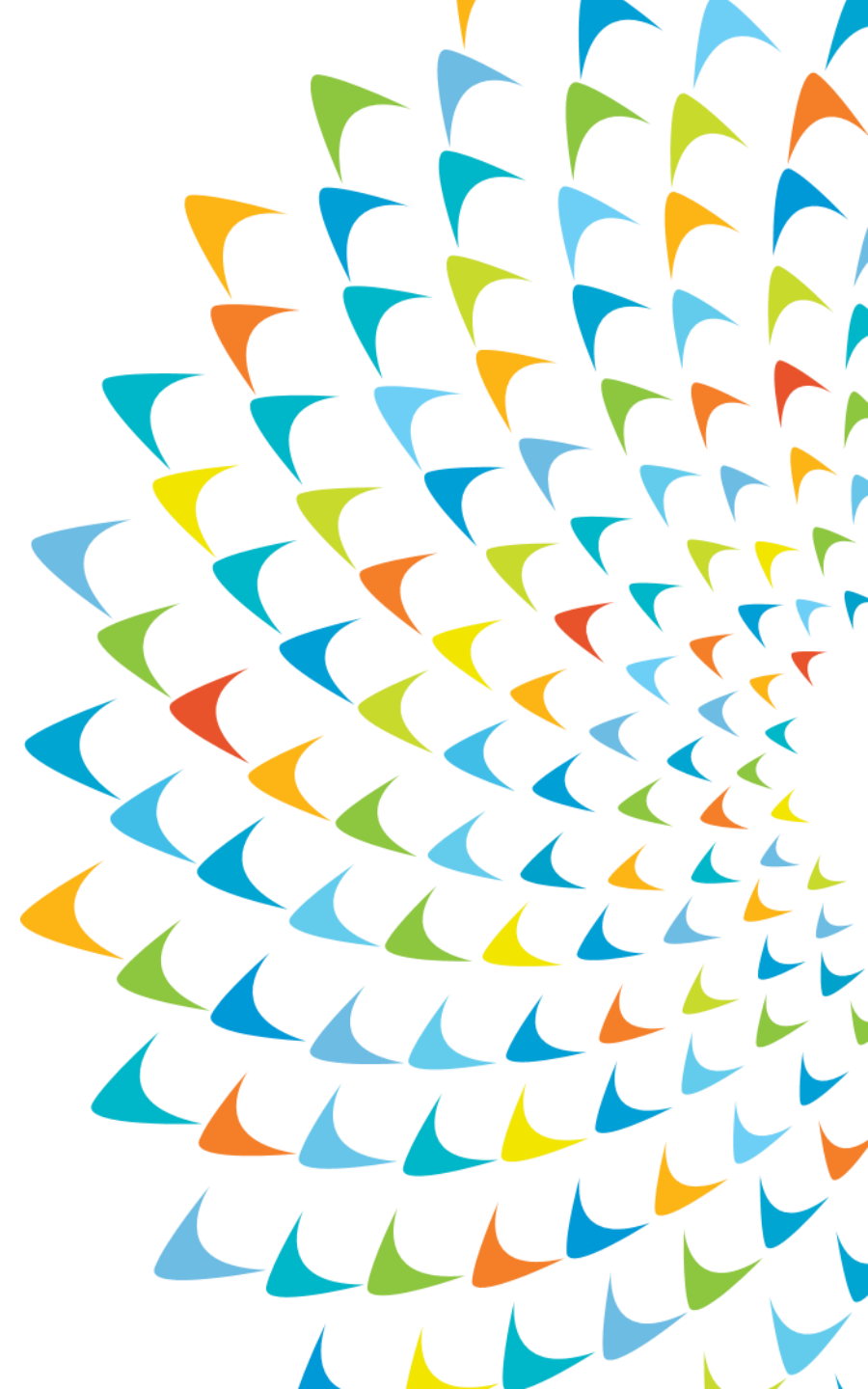
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SUPPLEMENTAL MATERIALS



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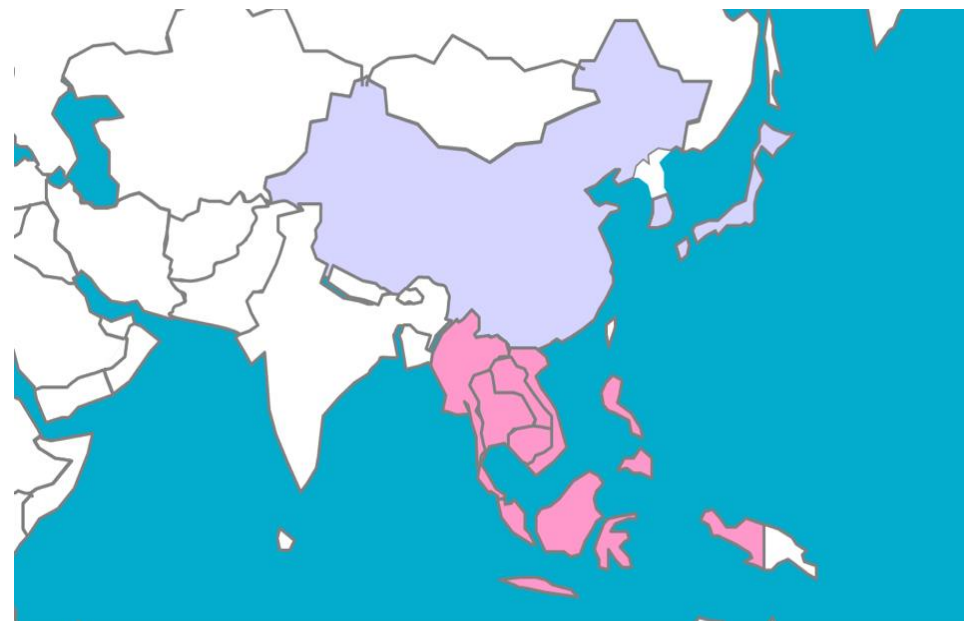
Standardization Efforts under the ASEAN+3 Bond Market Forum



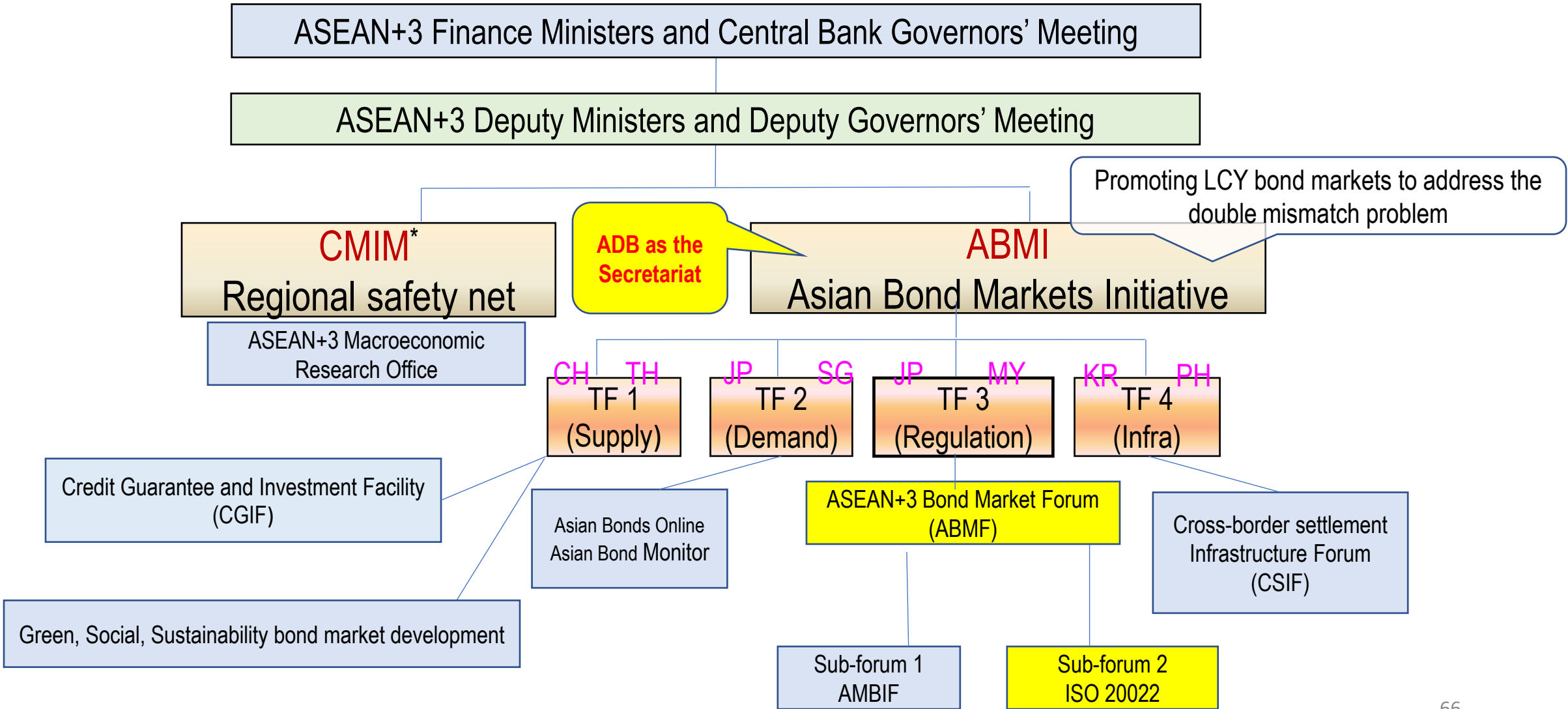
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What is ASEAN plus Three?

- ASEAN+3 is a group of East Asian countries, consisting of ten countries of the Association of Southeast Asian Nations (ASEAN), the People's Republic of China, Japan, and the Republic of Korea
- There are various ministerial meetings of ASEAN+3, but the most active one is ASEAN+3 Finance Ministers and Central Bank Governors Meeting (AFMGM+3)
- There are two initiatives led by AFMGM+3: Chiang Mai Initiative (CMIM), and [Asian Bond Markets Initiative \(ABMI\)](#) as a reaction to the Asian Currency Crisis in 1997-98

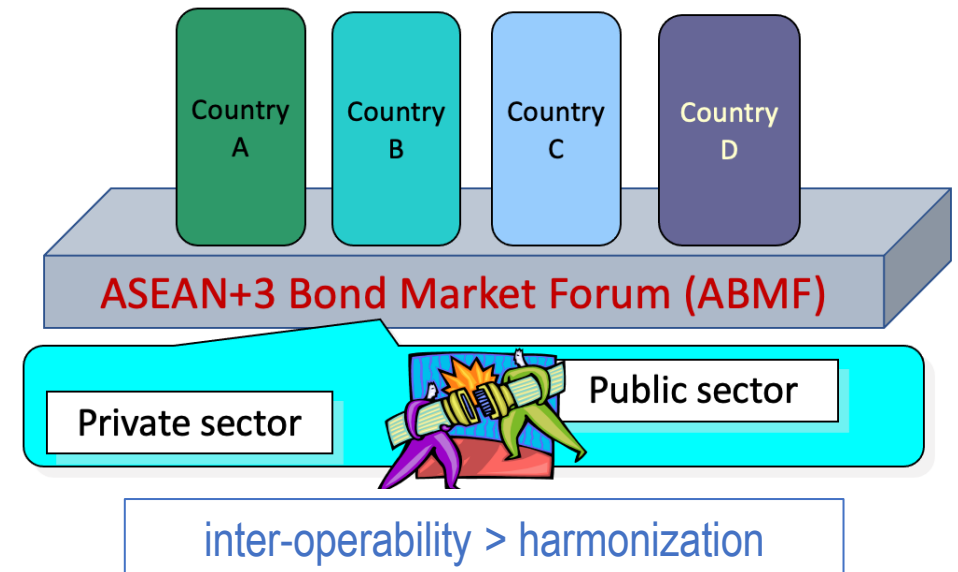


Organizational chart of ABMI and ADB's involvement in the regional policy process



ASEAN+3 Bond Market Forum as a regional platform for collaboration

- The ABMF, operating under the ambit of ASEAN+3 and comprising of bond market experts from the region, was established in September 2010 as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transaction in the region
- Collaboration between public and private sector experts
 - Utilize private sector expertise to build regional institutional framework
- Voluntary participation with commitments
 - Participants bear costs of participation
 - Establishing acceptable market practices and standards



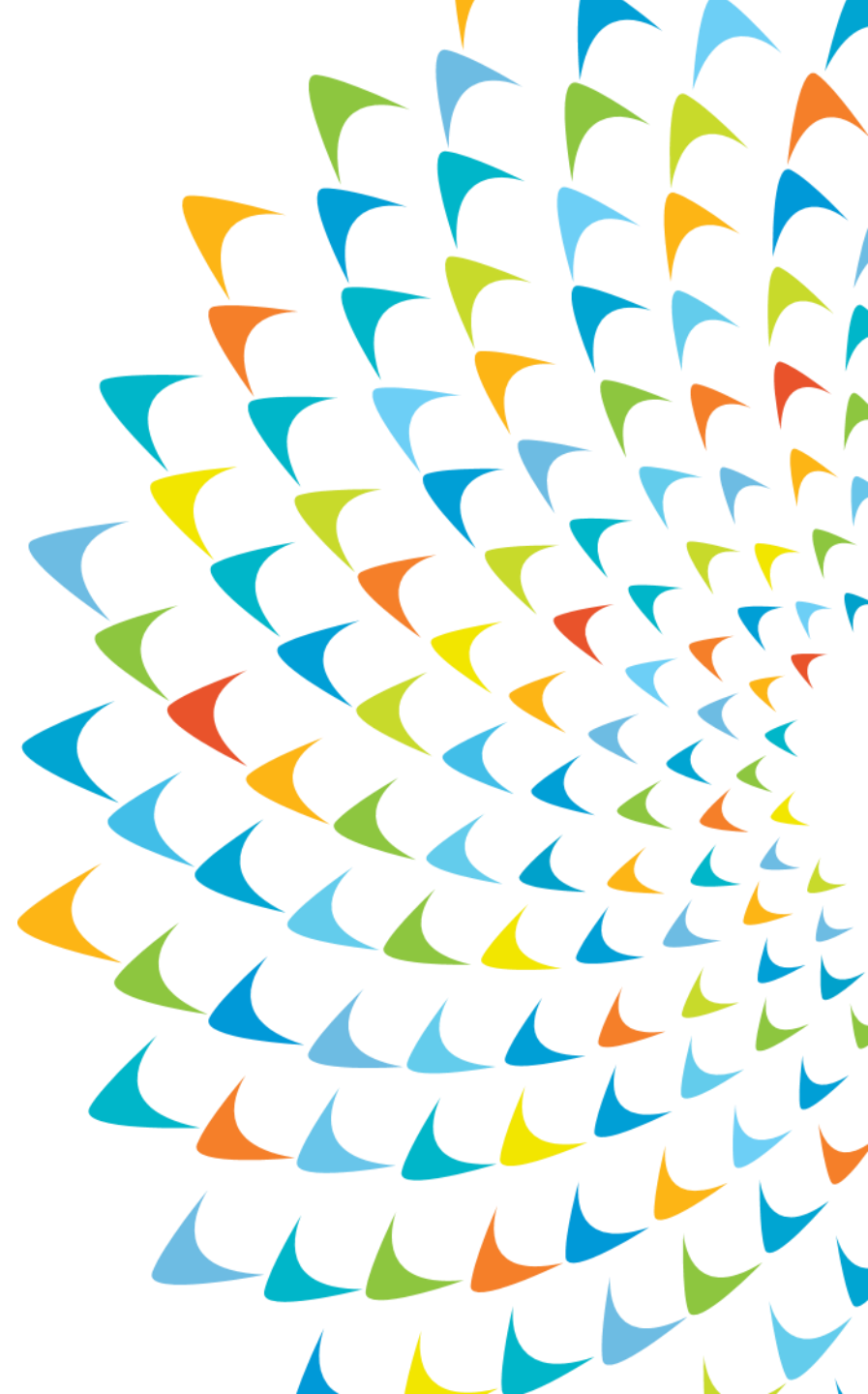


Standardization efforts under ABMF

- (Step 1): Identification of transaction flows of payment and market infrastructures in each ASEAN+3 market as well as cross-border transaction flows by drafting of the Bond Market Guides (2010-)
- (Step 2): Promotion of international standards such as ISO 20022, LEI, BIC, and ISIN (2012-)
 - ASEAN Economic Community Blueprint 2025
 - Collaboration with Cross-Border Settlement Infrastructure Forum
- (Step 3): Account Structure Study to improve Know-Your-Customer Process for regulatory and tax reporting (2017-)
- (Step 4): Identification of message items to be harmonized and standardized (2021-)



Next Step under ABMF: FX Standardization



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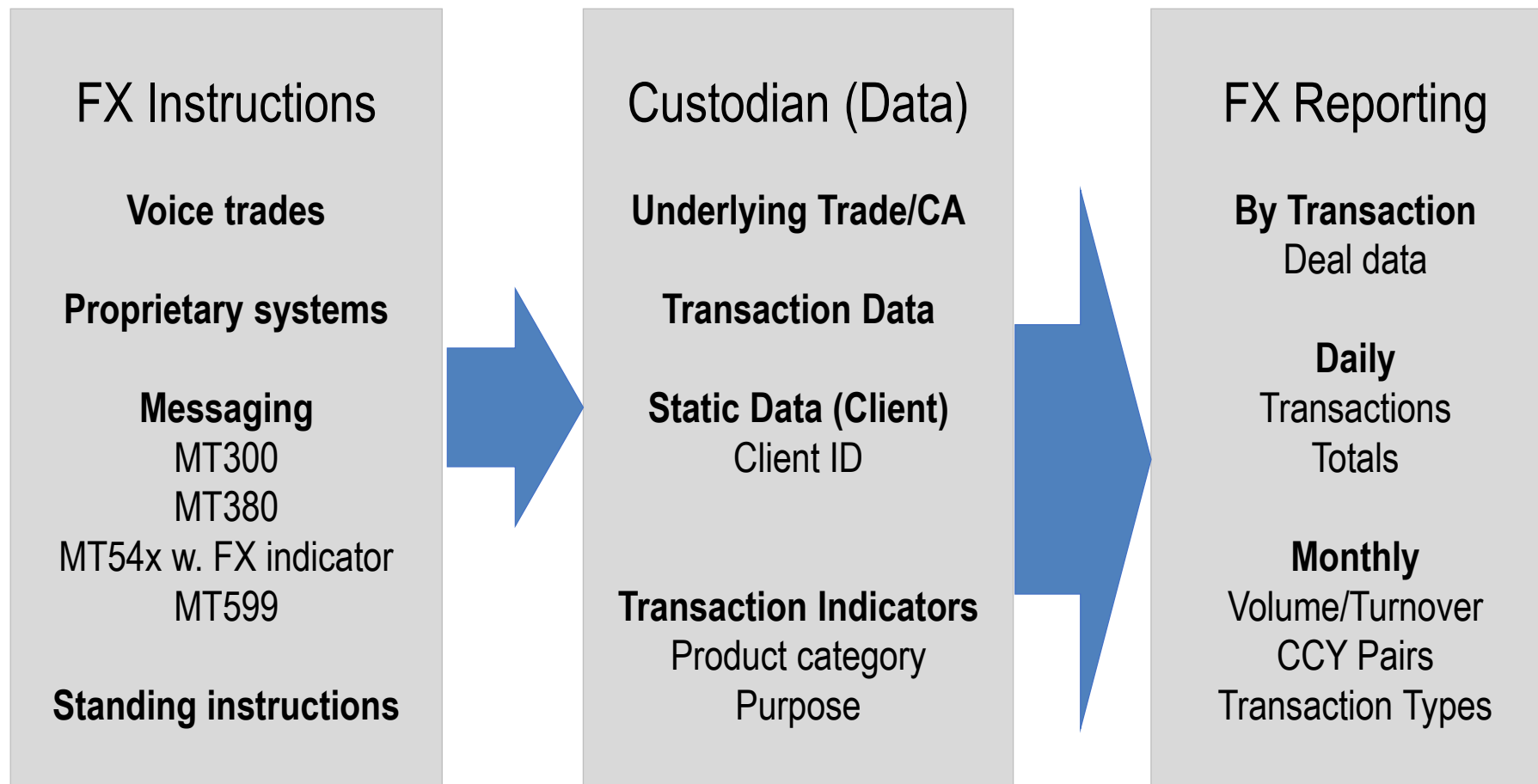


FX Reporting Assumptions

- Market participants in all or selected markets need to report FX transactions as they occur, in formats specific to each market and set by central banks
- However, reporting items are expected to be similar
- The reporting is (said or perceived to be) onerous, highly repetitive, not necessarily aligned with instruction or transaction timing, and in proprietary format(s)
- A transaction-based, standard reporting triggered by available data in FX instruction or transaction and custodian static data with required key reporting items offers to streamline reporting
- In addition, FX reporting may be able to link with tax reporting for customer identification and categorization for taxation



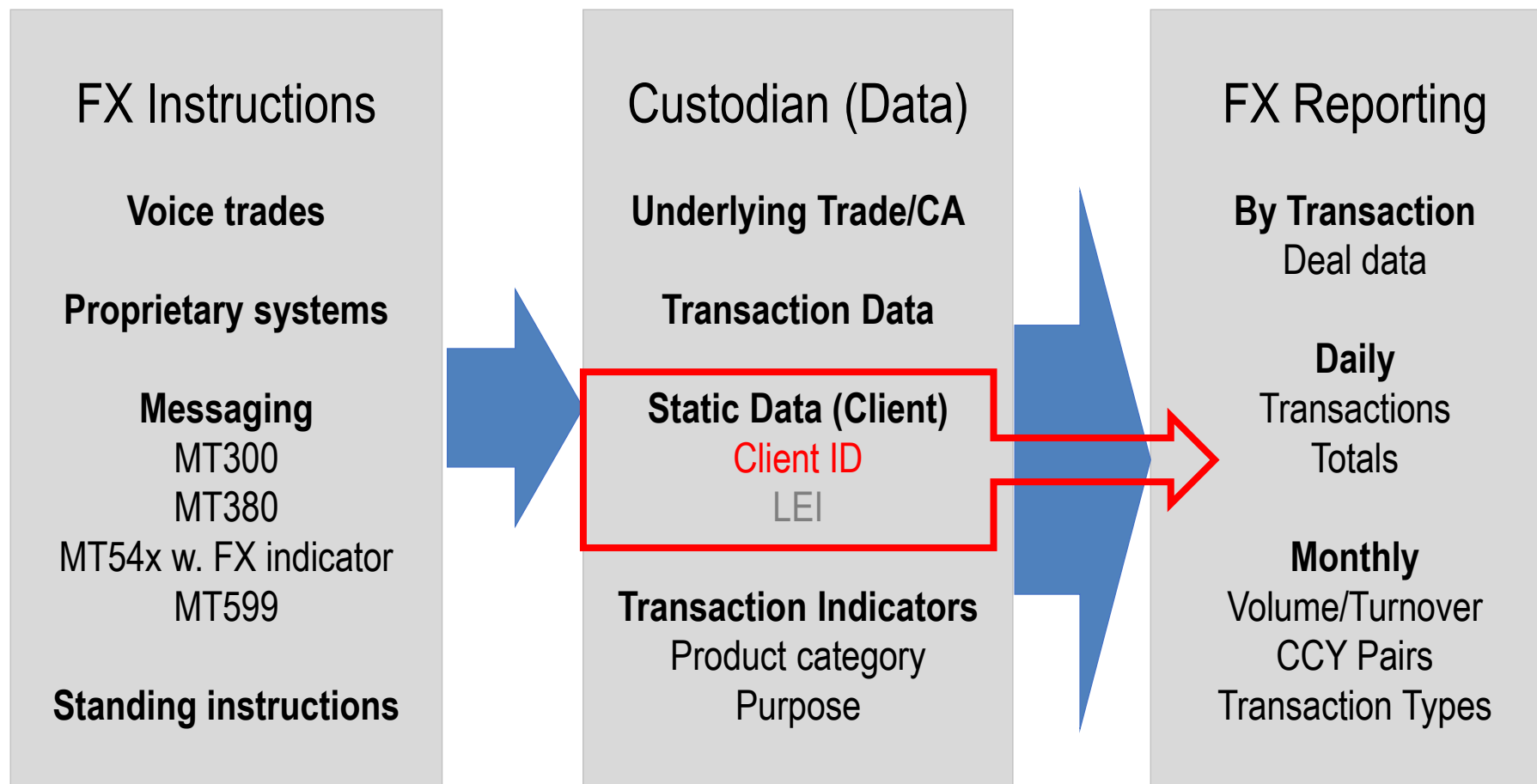
Approach to identify data elements: Starting from existing transaction and message flows





Relevance of standardized client ID

Statutory FX Reporting likely identifies (all) Entities by Client ID (at least proprietary ID within a custodian)



[Electronic means only]



Use of LEI for customer identification and classification in transaction flows

- **Basic data elements for taxation**
- 1. individual or **non-individual (entity)**
- 2. **Name**
- 3. Nationality / **Legal domicile**
- 4. Identity Number (i.e. Tax ID and/or personal ID for individual)
- 5. Date of Birth / **Date of company establishment**
- 6. **Address**
- 7. **Type of Business** (only for institution)
 - a. Corporate (CP)
 - b. Foundation (FD)
 - c. Financial institution - bank (IB)
 - d. Financial institution - non bank (IB)
 - e. Insurance (IS)
 - f. Mutual Fund (MF)
 - g. Pension Fund (PF)
 - h. Securities company (SC)
 - i. Others (OT), i.e. government entity or international organization

LEI can provide the information in red.
LEI can cover most of investors

Entities with LEI

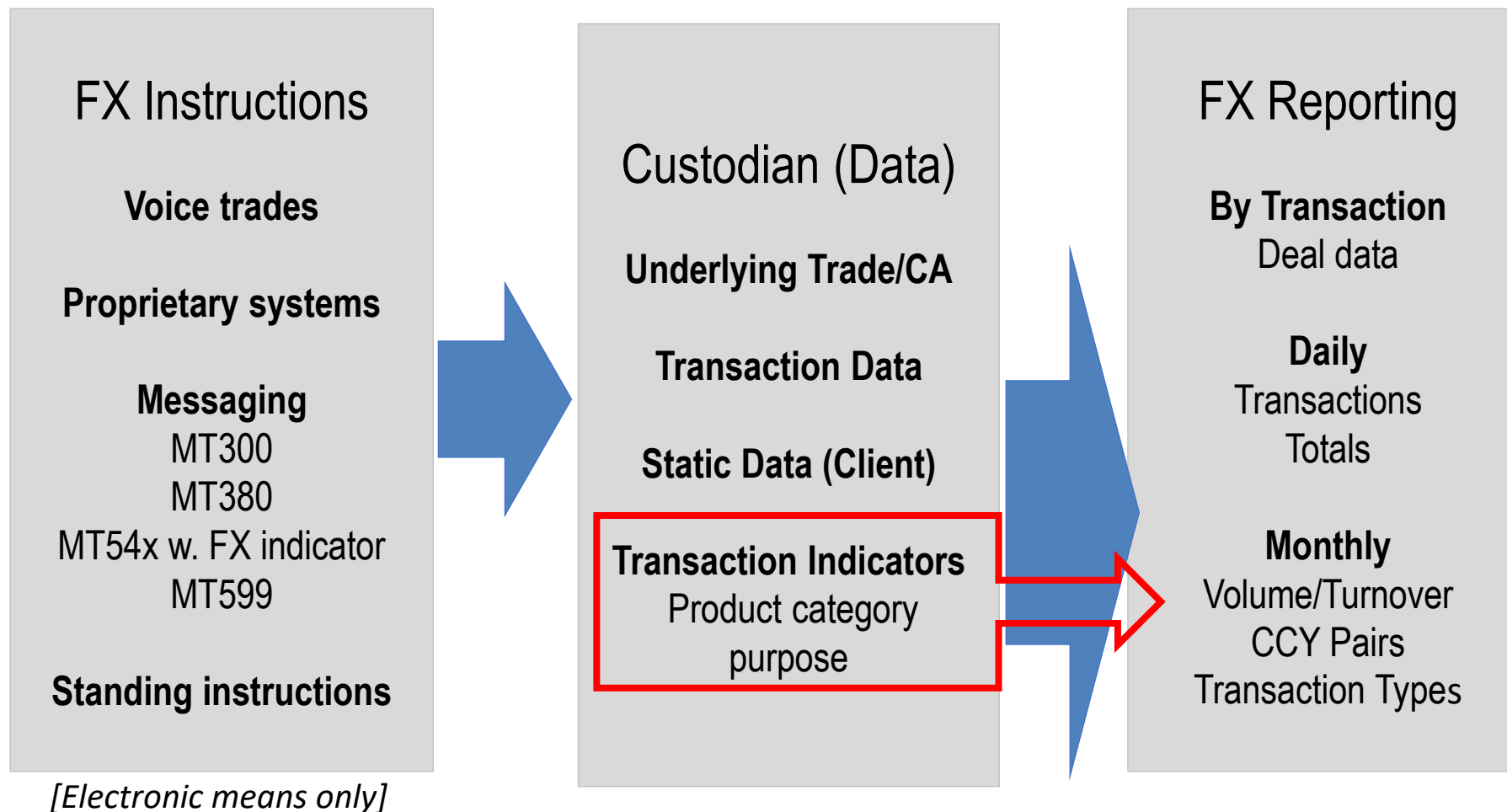
Entities
without
LEI

Individual investors



Relevance of standardized transaction identifiers

OTC derivative reporting will include UTI, UPI, and CDE





Globally agreed transaction indicators

- Unique Transaction Identifier (UTI)

uniquely identify individual OTC derivatives transactions required by authorities to be reported to TRs

- Unique Product Identifier (UPI)

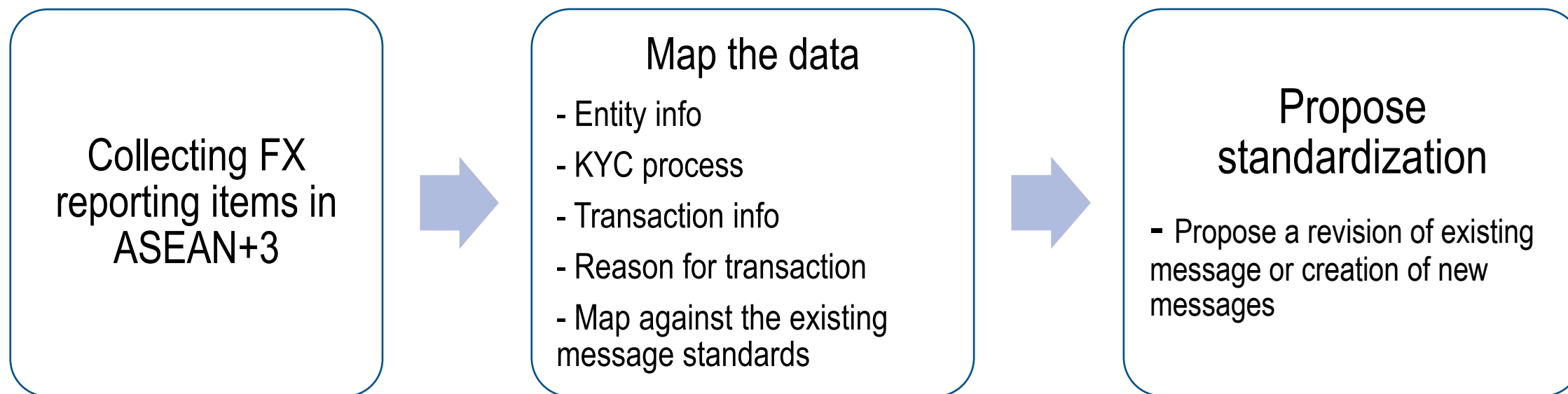
uniquely identify the product involved in an OTC derivatives transaction that an authority requires, or may require in the future, to be reported to a trade repository (TR)

- Critical Data Element (CDE)

critical OTC derivatives data elements other than those in the UPI and UTI

Next step: Standardization and FX reporting data mapping exercise

- Along with the implementation of ISO 20022 by 2025, there is a possibility that existing foreign exchange reporting in ASEAN+3 to be standardized.
- Not only reporting process can be streamlined and reporting burden would be reduced, but also the authorities may be able to have access to more data, hence, can gain more transparency in financial transactions.
- Standardization can support improving and streamlining of regulatory and tax reporting as well as digital transformation (DX) by financial institutions.
- LEI can be used for not only FX reporting but also other reporting including taxation.





Mapping exercise

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Mapping Exercise

1. Map data elements of FX transaction reports across the region
2. Map data elements of FX transaction reports against a standard FX instruction (e.g. MT300)
3. Reporting formats in Korea and Thailand are first considered
4. Correspondence with BOK representative is ongoing to clarify reporting formats and details on the data elements



Mapping Exercise

Market 1: FX Transaction Report	Market 2: FX Arrangement Report	Market 2: FX Transaction Report
Code of reporting institution:	Organization Id	Organization Id
Code of the bank branch where the purchase or sale transaction took place		
Branch location identification number		
Code of the bank branch		
Sending date of the report	Data Set Date	Data Set Date
Date of the transaction	Arrangement Contract Date	Transaction Date
Time of sending this report	Key In Timestamp (Optional)	Key In Timestamp (Optional)
Code of nature of the report	Set Up Reason Type Conditional	Set Up Reason Type / Cancellation Reason Type (Conditional)
Registration/Reception number of this report	(Central Bank) Reference Number (Optional)	(Central Bank) Reference Number (Optional)
Transaction reference number	FI Arrangement Number	FI Arrangement Number
FCY purchase or sale code	Leg Type	
Date of FCY purchase/sale:	Maturity Date	
FCY currency code	Buy Currency ID and Sell Currency ID (both are reported)	Buy Currency ID and Sell Currency ID (both are reported)
Amount of FCY purchase/sale	Buy Amount and Sell Amount (both are reported)	Buy Amount and Sell Amount (both are reported)
The equivalent of FCY purchase/sale in USD		
Code of FCY purchase reason/FCY sale reason		Inflow/Outflow Transaction Purpose (Conditional)
Country code		Country Id of Beneficiary or Sender (Conditional)
Code of legal nature of FCY purchaser/seller		
Code for size of the FCY purchaser/seller		
Name of the FCY purchaser/seller		Exercising Involved Party Name (Conditional)
Foreign investors identity number		
Identification number of FCY purchaser/seller	Primary Involved Party Id	Exercising Involved Party ID (Conditional)
Code of residency of the FCY purchaser/seller		
Code of the FCY purchaser's/seller's domiciled country		
Code of the FCY purchaser's/seller's nationality		
	FX Arrangement Type	FX Trading Transaction Type
	Primary Involved Party Unique Id Type	

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Mapping Exercise: Findings

- There are standard data elements that are commonly found in the FX reports across the region, namely:
 1. Transaction reference number
 2. Date of Transaction – may be trade date or settlement date
 3. Information on the identity of the financial institution executing the transaction
 4. Information on the counterparty to the transaction
 5. Amount transacted
 6. Currency involved
 7. Nature of Transaction
 8. Type of Transaction
- The required information may be the same but they have different tags. (Example: Date of Transaction- some economies use this tag to mean settlement date while others trade date)



Mapping Exercise: Findings

- For one market, there are other recipients of the transaction reports and some of the data elements are for these other recipients
- One market requires different reporting format for spot today (cash) transactions and other FX transactions (spot (not cash), forward, and swaps) are reported in a different format
- One market has several reporting formats for different types of FX transactions (Example: There is a different record for securities transaction of non-resident investor, and another record for an import payment instruction)
- Still in another market there are two reports to record FX transactions —an arrangement report and the transaction report when the arrangement is fulfilled



Conclusion

- The divergence in the reporting requirements and the amount of information required can be costly
- Simplifying reporting requirements in consideration of existing reporting requirements will reduce burden to both Central Banks and private sector
- Standardizing instruction message to align with reporting requirements will reduce burden to reporting institutions
- Standardization should also open possibilities on data interoperability since with a standard message, the data available across economies becomes identifiable and may be made more accessible across



THANK YOU

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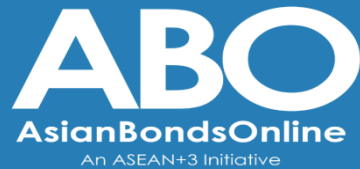
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SESSION 4

Update from Task Force 4 (TF4)



BYUNG-WOOK AHN

Financial Sector Specialist, ERCD
Asian Development Bank

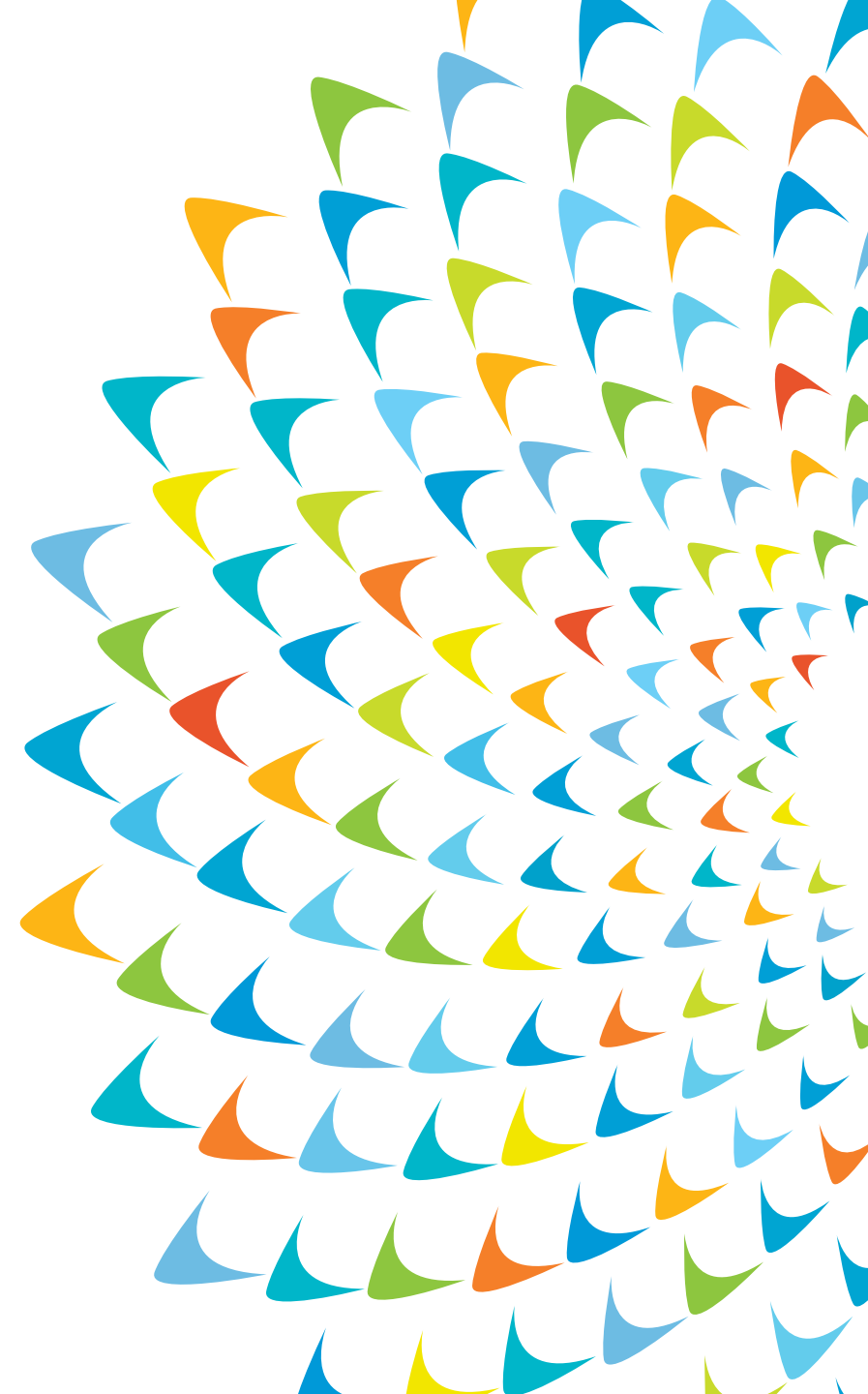
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SESSION 4

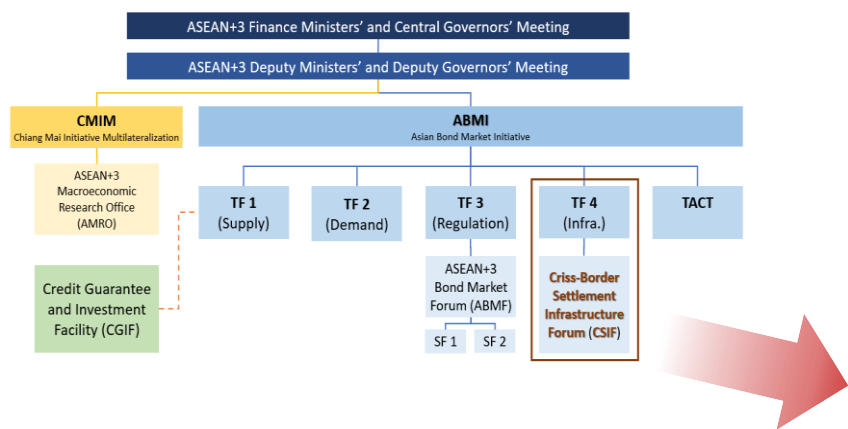
Update from Task Force 4

Byung-Wook Ahn
Financial Sector Specialist
Asian Development Bank





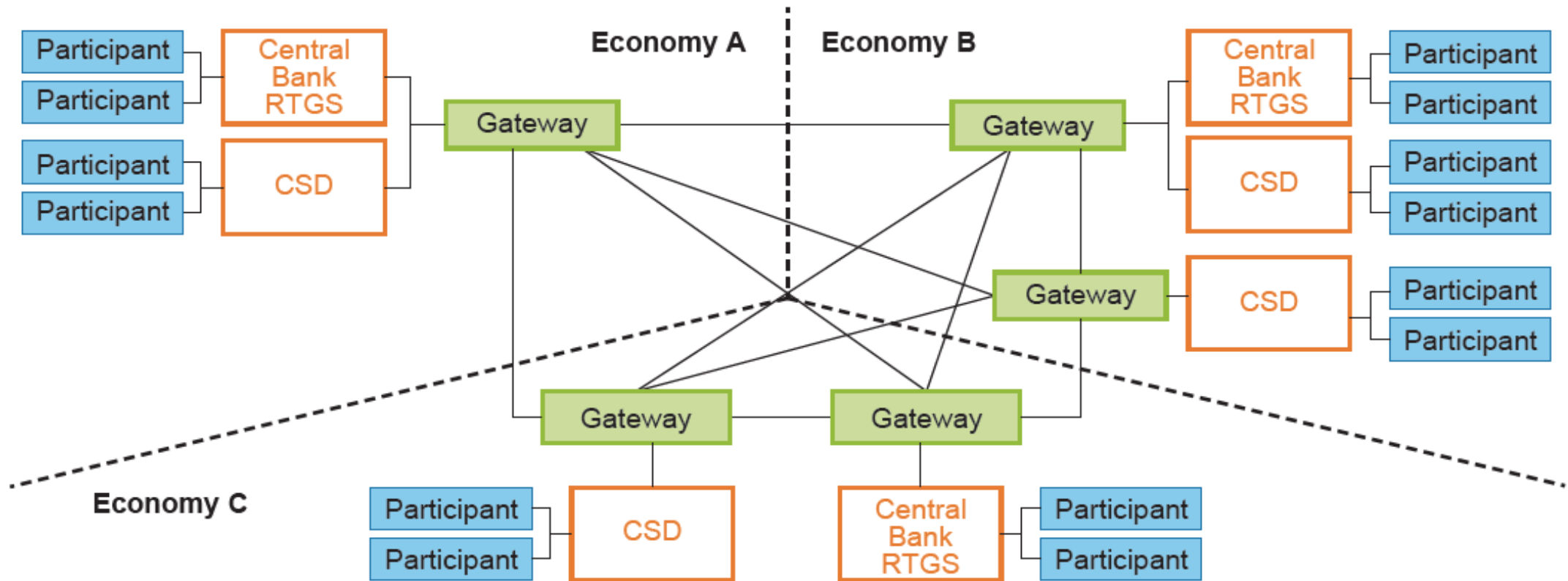
Cross-Border Settlement Infrastructure Forum (CSIF)



- **Established in 2013**
- **Central banks and central securities depositories (CSDs) as members and government officials as observers**
- **Aims to create an efficient regional settlement intermediary (RSI) and to promote more active intraregional financial investment**



CSD-RTGS Linkages



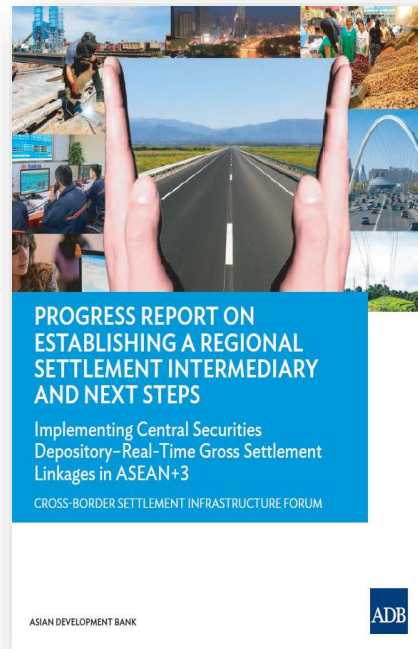


Publications under CSIF

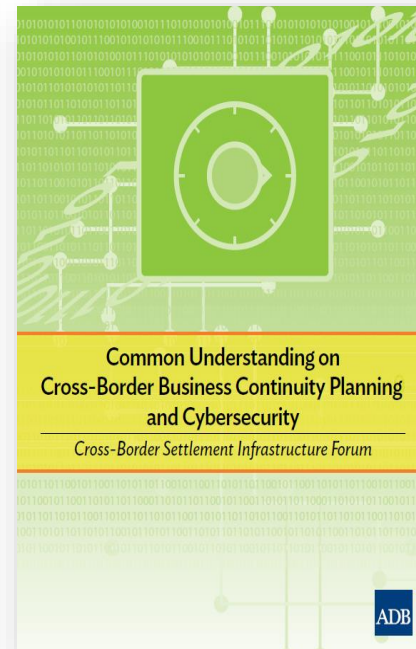
2014



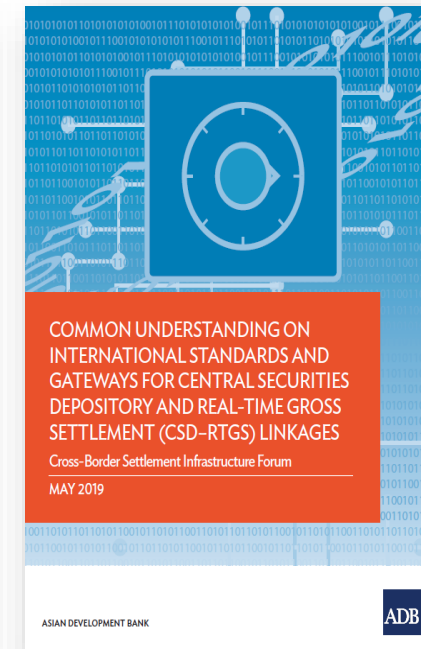
2015



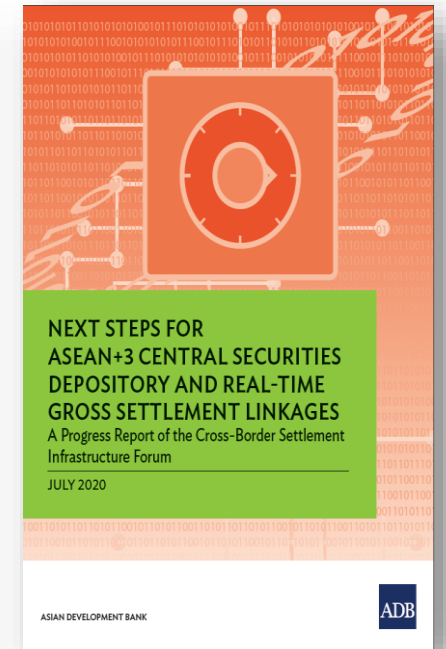
2018



2019



2020





Current Three CSIF studies

- 1. Recent technological advances in financial market infrastructure in ASEAN+3**
- 2. Study on Benchmark product and market infrastructure design for collective investment scheme transactions in ASEAN+3**
- 3. Policy recommendations to promote the use of local currency collateral for cross-border financial transactions**



1. New Tech Study

- Identifies and examines six key technologies to transform financial market infrastructure
- Confirms the most current aspect of CSIF members' technology adoption
- Promotes technical advancement in the region's market infrastructure system

New techs applicable to FMI

- | | |
|--------------------------------|-----------------------------|
| 1 DLT/
Blockchain | 4 Cloud
computing |
| 2 AI | 5 Cyber
security |
| 3 Big data
analytics | 6 (Open) APIs |

Stocktaking new techs in ASEAN+3

- Most recent status of tech adoption by CSIF members
- More than 60% have adopted or have been adopting at least one of the six new techs
- A total of 38 applications cases: 22 from CBs and 16 from CSDs

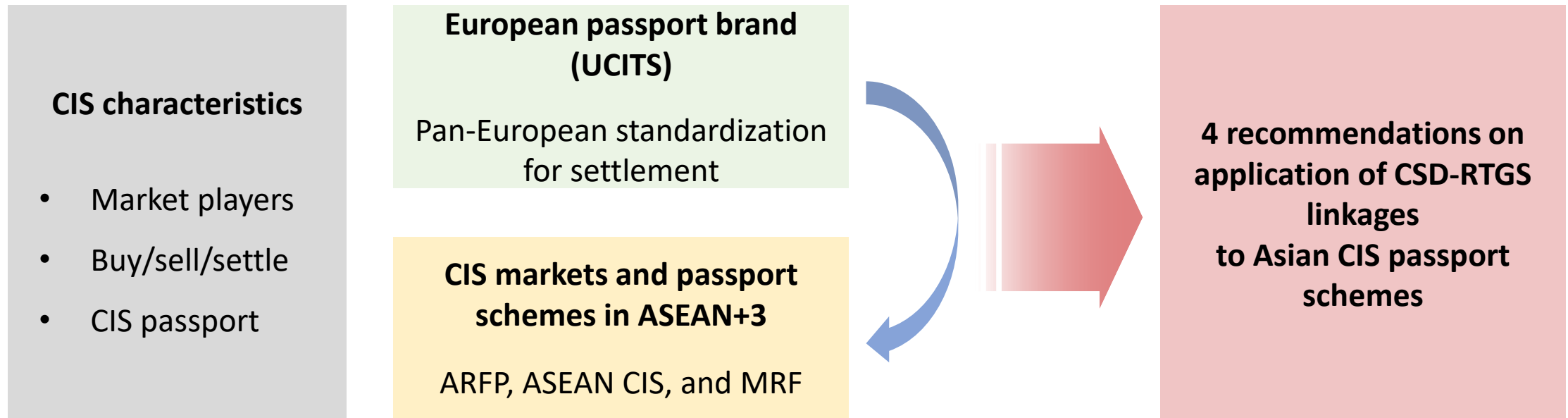
Application to RSI

- Short-term and long-term applicability of each tech
- **Developed into a separate project**



2. CIS Study

- Investigates the feasibility of applying the CSD-RTGS linkage model to the DVP settlement of the Asian passport CIS
- Promotes intraregional portfolio investment beyond the bond leveraging the existing RSI model





3. LCY Collateral Study

- Examines the ASEAN+3 collateral markets and identifies critical elements stimulating or hampering cross-border collateral transactions to presents policy recommendations for facilitating the cross-border use of LCY bonds as collateral in ASEAN+3

Collateral markets in ASEAN+3

- Bond issuance and transactions
- Collateral transactions
- Collateral eligibility criteria
- Market infra

CBCA
(cross-border collateral arrangement)
among CBs and CSDs

**Key factors
influencing collateral demand**

**Impediments
stunting collateral
transactions**

**Potential benefits of collateral
transactions**



**7 policy
Recommendations
to boost cross-border
LCY collateral
transactions
in ASEAN+3**



POC of DLT-based CSD-RTGS Linkages

Originally a part of new tech study

1

New technologies applicable to FMI

2

Stocktaking of new technologies applied to the ASEAN+3 FMI

3





Application of new technologies to the CSD-RTGS Linkage

Developed into a separate project
supported by ADB's Digital Innovation Sandbox

**Re-designing of
CSD-RTGS Linkages model
with DLT**



Project Overview

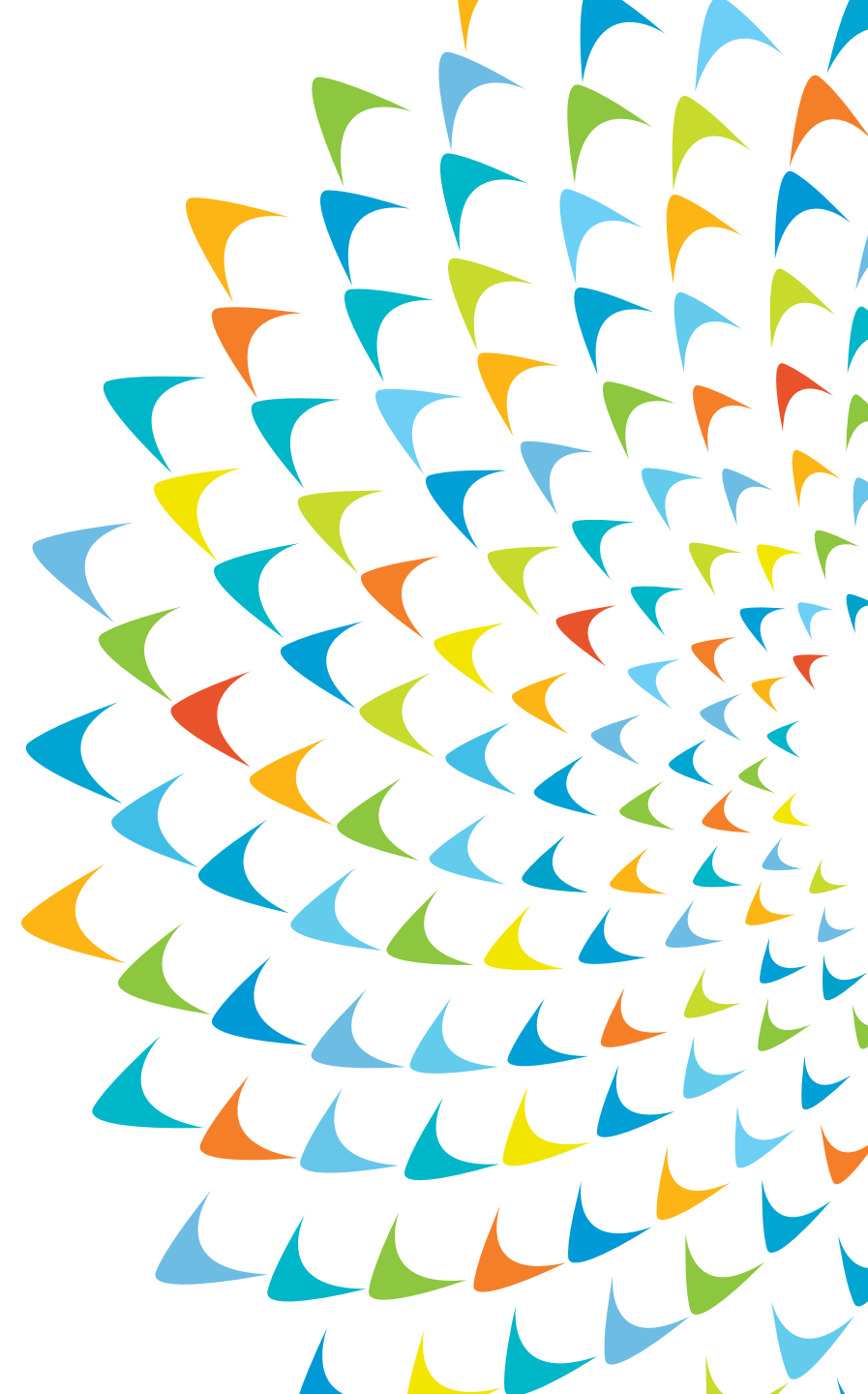
Objective	<p>Re-designing of the current CSD-RGTS Linkage model applying DLT</p> <ul style="list-style-type: none">▶ Explores possible DLT/blockchain solutions for the CSIF's CSD-RTGS Linkage model by developing POC prototype(s) of DLT/blockchain-based CSD-RTGS Linkages and testing cross-border, cross-currency DVP and PVP settlement under the DLT/blockchain-based systems
Selected vendors	   SORAMITSU 
Timeline	<p>Prototype designing: Jan – May 2022</p> <p>Prototype development: Jun – Aug 2022</p>



Thank you.

Byung-Wook (Andrew) Ahn

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

35th ASEAN+3 Bond Market Forum (ABMF) Meeting

Virtual Event via Zoom
21 April 2022, 2:00 P.M. Manila Time

SESSION 5

Technical Assistance Coordination Team (TACT)



MARVIN CASTELL

Assistant Director/Head of Finance
Integration Division
ASEAN Secretariat

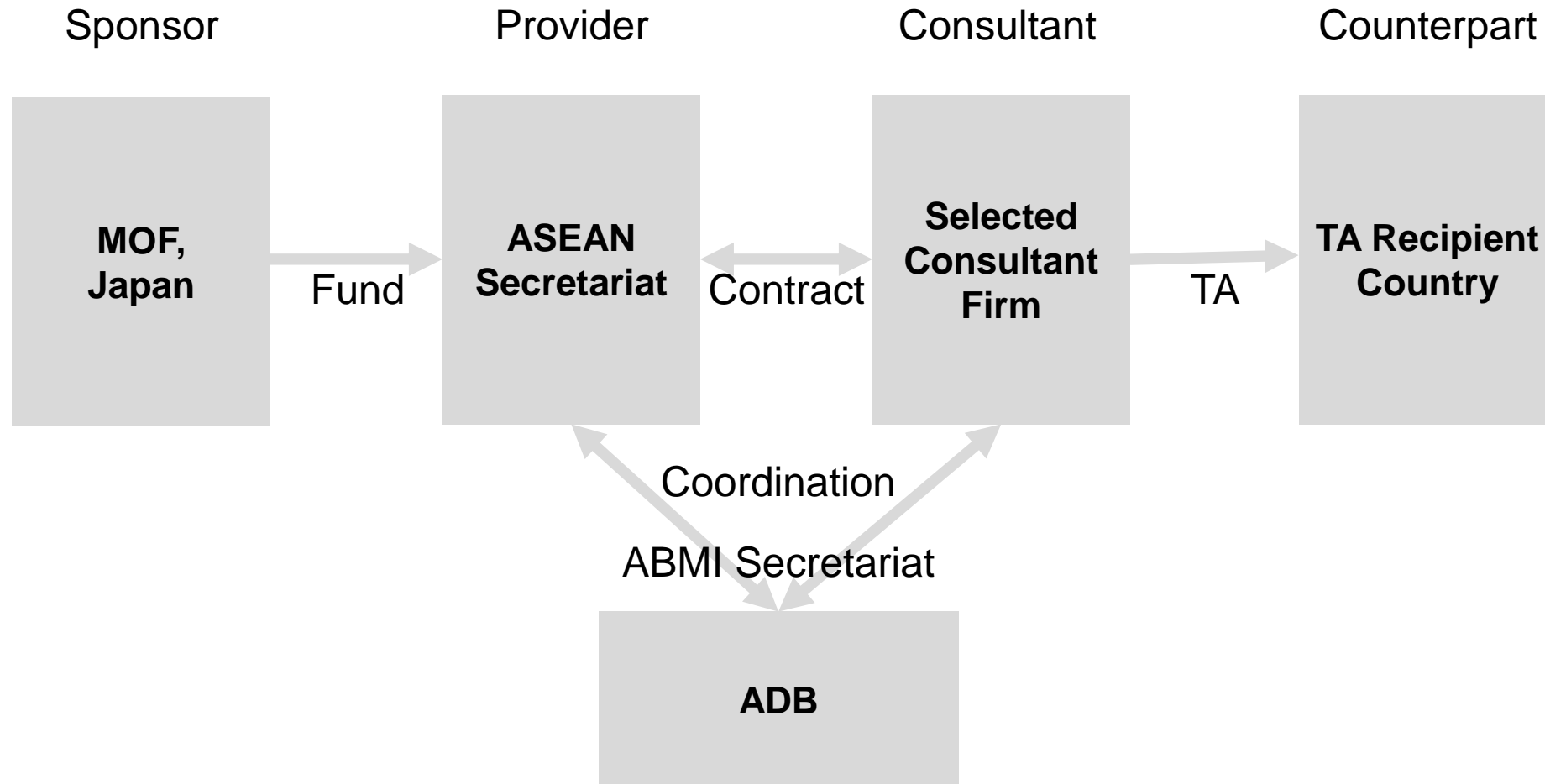
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TECHNICAL ASSISTANCE COORDINATION TEAM (TACT)

*Finance Integration Division, ASEAN Secretariat
35th ABMF Meeting, 21 April 2022*

Technical Assistance Implementation



Current Status of TAs

Completed TAs	TAs for FY 2020 – 2021	TAs for FY 2021 - 2022
Cambodia (Phase 8)	-	Cambodia (Phase 9) - Ongoing
Indonesia (Phase 9)	-	-
Lao PDR (Phase 8)	-	Lao PDR (Phase 9) - Ongoing
Myanmar (Phase 5)	Myanmar (Phase 5) - Completed	-
The Philippines (Phase 6)	The Philippines (Phase 7) – Finalization Process	-
Viet Nam (Phase 9)	Viet Nam (Phase 10) – Finalization Process	-



Ongoing TAs

The Philippines – Phase 7

Scope of Work	Expected Output
1. Develop a proposed risk management framework linked to the BIS PFMI on the payment and settlement procedures in the PhillPass of the peso leg of bonds traded via Delivery versus Payment (DvP).	<ul style="list-style-type: none">• To provide comprehensive risk management framework compliant with the PFMI on the settlement of the Peso leg of bonds traded via DVP, as well as to provide related capacity building activities.
2. Develop a capacity building activities through the Treasury Certification Program on the following modules; (i) Market Analysis, (ii) Securities Dealership, and (iii) Money and Capital Market Instruments.	<ul style="list-style-type: none">• To provide assessment report on reviewing the market monitoring and supervisory operations for managing risks in bond markets based on comparison with international standards as the benchmark.• To provide assessment report on the Treasury Certification Program for the CDM secretariat.

The TA for The Philippines Phase 7 will be completed in May 2022

Viet Nam – Phase 10

Scope of Work	Expected Output
1. Enhancing the reforms implementation in the areas of government and corporate bond market as well as market supervision.	<ul style="list-style-type: none">• To provide report on policy recommendations on the ability to release new products on Government debt instruments market.• To provide assessment report on the current operational model of the Government debt secondary instrument market, Government guaranteed bonds, and local government bonds.• To provide assessment report and recommendation on corporate bond market transaction on the following areas; (i) monitoring and management mechanism, (ii) supervision and management mechanism, (iii) enhancement of secondary market, (iv) corporate bond information system disclosure system, and (v) investment structure.
2. Broadening investor base to further attract foreign investors by completing the framework on corporate bond private placement issuance.	

The TA for Viet Nam Phase 10 will be completed in May 2022

Cambodia – Phase 9

Scope of Work	Expected Output
1. Draft regulation(s) for MEF on Government Securities, including the issuance scheme, fiscal agent, eligible intermediaries, investors and market infrastructure.	<ul style="list-style-type: none"> • Deliberating and submit draft set of policy and regulatory frameworks on Government Securities. • To provide Assessment Report on institutional arrangements and draft Government Securities Operation Manual. • To provide advice and recommendations to SERC in introducing Green Bonds and Sustainable bonds, including the regulatory framework for Cambodia. • To provide capacity building activities for relevant authorities and market participants to enhance and further deliberate key recommendation on Government and Corporate Bond Markets.
2. Draft regulation(s) for Securities and Exchange Regulator of Cambodia for the securities business by commercial banks for Government Securities.	
3. Provide support in assessment of institutional arrangement of a draft Government Securities Operation Manual.	
4. Conduct case studies on legal frameworks in peer countries which involve Central Bank and other non-banking institutions to invest in Government Bonds.	

The TA for Cambodia Phase 9 will be completed in December 2022

Lao PDR – Phase 9

Scope of Work	Expected Output
1. Provide analysis and recommendation on the government bond market infrastructure with emphasis on securities depository and settlement.	<ul style="list-style-type: none">• To provide assessment report to further enhance the government bond market infrastructure and widening the investor base.
2. Provide recommendation on development of bond intermediaries including primary dealers to further enhance integration of various market segments.	<ul style="list-style-type: none">• To provide assessment report on the development of ecosystem for sustainable finance in relation to the corporate bond issuance in Lao PDR.
3. Provide further study on the existing and challenges in widening the domestic investor base in government bonds, including foreign bond investor	<ul style="list-style-type: none">• To provide assessment and recommendation on the regulations for management and supervision of the corporate bond market.• To Provide capacity building programs on the bond market yield curve for government officials to strengthen bond market supervision and development.

The TA for Lao PDR Phase 9 will be completed in December 2022



Work Plan

- The new TA's for FY 2022 – 2023 are expected to commence within the second half of 2022



Thank You for Your Attention

FinanceIntegrationDivision@asean.org



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- We welcome all questions or needs for clarification during the webinar or via email
- All attendees will be muted. Please post questions in **the Q&A box**
- If you experience technical issues, please try to log out and log back in

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Q&A

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CLOSING REMARKS

MR. SATORU YAMADERA
Advisor, ERCD
Asian Development Bank



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Thank you for your participation

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