

Preface

The establishment of the ASEAN+3 Bond Market Forum (ABMF) was endorsed by the ASEAN+3 Finance Ministers at the 13th ASEAN+3 Finance Ministers' Meeting on 2 May 2010 in Tashkent, Uzbekistan, as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transactions in the region.

Since the first meeting in September 2010 in Tokyo, Japan, ABMF members and experts met quarterly: in December 2010 in Manila, Philippines; February 2011 in Kuala Lumpur, Malaysia; June 2011 in Jeju Island, Republic of Korea; September 2011 in Bali, Indonesia; and December 2011 in Beijing, People's Republic of China. The members and experts invested a lot of effort to produce the first outputs of ABMF as a regional framework to support collaboration between the public and private sectors in the region.

The report, titled ASEAN+3 Bond Market Guide, consists of two volumes; Volume 1: Sub-Forum 1 - Comparative Analysis and Bond Market Guides, and Volume 2: Sub-Forum 2 - Information on Transaction Flows and Settlement. The report aims to dispel misunderstanding and misperception persistently existing against Asian markets. The report is expected to narrow information gaps and establish a common understanding on how markets in the regions operate.

The report was compiled by the Asian Development Bank (ADB) Team comprising Satoru Yamadera (Economist, ADB Office of Regional Economic Integration), Seung Jae Lee (Principal Financial Sector Specialist, ADB Office of Regional Economic Integration), Shinji Kawai (Senior Financial Sector Specialist [Banking], ADB Office of Regional Economic Integration), and with other ADB staff, Shigehito Inukai (ADB consultant), Taiji Inui (ADB consultant), and Matthias Schmidt (ADB consultant). However, the report should not be regarded as outputs of the team, but as a result of the collective work of ABMF members and experts. The international experts kindly shared their market guide information, as well as their expertise with the team to initiate the study. The information enabled the team to start the study from solid ground. The national members and experts provided answers to questionnaires prepared by the team, thoroughly reviewed the draft, and gave valuable comments.

In addition, the team thanks all interviewees who gave useful comments and responses during the market consultations. Therefore, the report should be regarded as a crystallization of regional collaborative efforts and knowledge towards more harmonized and integrated ASEAN+3 bond markets. Without such strong support and cooperation from the ABMF members and experts, as well as from market experts in the region, the report could not have been published.

Especially, leadership provided by Tokyo AIM and Tokyo Stock Exchange Group; CIMB Investment Bank; Korea Securities Depository (KSD); Japan Securities Depository Center (JASDEC); and Indonesian Central Securities Depository (KSEI) as the Chairs and Vice Chairs of SF1 and SF2, who facilitated very active discussions among members and experts. The team also thanks the national members and experts of Japan, Malaysia, Republic of Korea, Indonesia, and People's Republic of China for hosting the ABMF meetings. Smooth organization of the meetings made possible the conduct of intensive discussions at each meeting.

The efforts for harmonization and standardization of bond markets in the region have just begun. Given large differences in economic and market developments in the region, the task is not easy. The work is inevitably gradual and step-by-step. However, this unique regional initiative will create a momentum to push the region towards more harmonized and integrated markets in the future. ABMF continues to function as a regional platform to realize and institutionalize regionalism by helping formulate regional views and opinions into a common policy framework.

Finally, it should be noted that no part of the report represents the official views of any of the institutions, which participated as ABMF members and experts, and the ADB team is held responsible for the contents of the reports.

A. ABMF Members, Experts, and Observers

| Economy/Jurisdiction | Membership | | Institution |
|-------------------------|-------------|-------------------------------|---|
| Brunei Darussalam | SF1 | National Member | Brunei International Financial Centre (BIFC), Ministry of Finance |
| Brunei Darussalam | SF2 | National Member | Autoriti Monetari Brunei Darussalam (AMBD) |
| Cambodia | SF1 | National Member | National Bank of Cambodia |
| Cambodia | SF1 and SF2 | National Member | Securities and Exchange Commission (SEC) of Cambodia |
| China, People's Rep. of | SF1 and SF2 | National Member | People's Bank of China (PBOC) |
| China, People's Rep. of | SF1 and SF2 | National Member | China Securities Regulatory Commission (CSRC) |
| China, People's Rep. of | SF1 | Observer | National Association of Financial Market Institutional Investors (NAFMII) |
| China, People's Rep. of | SF1 and SF2 | National Expert | China Securities Depository and Clearing Corporation (CSDCC) |
| China, People's Rep. of | SF1 and SF2 | National Expert | China Central Depository and Clearing Corporation Limited (CCDC) |
| China, People's Rep. of | SF2 | National Expert | Shanghai Clearing House (SCH) |
| China, People's Rep. of | SF2 | National Expert | China Foreign Exchange Trade System/National Interbank Funding Center (CFETS) |
| Hong Kong, China | SF1 and SF2 | National Member | Hong Kong Monetary Authority (HKMA) |
| Indonesia | SF1 and SF2 | National Member | Ministry of Finance of Indonesia |
| Indonesia | SF1 and SF2 | National Member | Indonesian Capital Market and Financial Institution Supervisory Agency (BAPEPAM-LK) |
| Indonesia | SF2 | National Member | Indonesian Central Securities Depository (KSEI) |
| Indonesia | SF1 and SF2 | National Member | Indonesia Stock Exchange (IDX) |
| Japan | SF1 | National Member Chair | Tokyo AIM, Tokyo Stock Exchange Group |
| Japan | SF1 | National Member | Japan Securities Dealers Association (JSDA) |
| Japan | SF1 | National Member | Japan Bankers Association (Sumitomo Mitsui Banking Corporation) |
| Japan | SF1 | National Expert | Nomura Securities Co. Ltd. |
| Japan | SF1 | National Expert | Daiwa Securities Capital Markets Co.Ltd. |
| Japan | SF2 | National Member | Japan Securities Depository Center, Inc. (JASDEC) |
| Japan | SF2 | National Expert | Mizuho Corporate Bank, Ltd. |
| Korea, Rep. of | SF1 | National Member | Korea Financial Investment Association (KOFIA) |
| Korea, Rep. of | SF2 | National Member | Korea Securities Depository(KSD) |
| Korea, Rep. of | SF1 and SF2 | National Expert | Korea Capital Market Institute (KCMI) |
| Korea, Rep. of | SF1 | National Expert | Korea Exchange (KRX) |
| Lao PDR | SF1 and SF2 | National Member | Ministry of Finance of Lao PDR |
| Lao PDR | SF1 and SF2 | National Member | Securities and Exchange Commission Office, Bank of the Lao PDR |
| Malaysia | SF1 | National Member Vice-chair | Financial Market Association of Malaysia CIMB Group and CIMB Investment Bank |
| Myanmar | SF1 and SF2 | National Member | Central Bank of Myanmar |
| Philippines | SF1 | National Member | Bureau of Treasury of the Philippines |
| Philippines | SF1 | National Expert | Securities and Exchange Commission of the Philippines |
| Philippines | SF2 | National Member | Philippine Dealing System Holdings Corp (PDS Group) |
| Philippines | SF2 | National Member | Bankers Association of the Philippines (BAP) |
| Thailand | SF1 | National Member | Securities and Exchange Commission |
| Thailand | SF2 | National Member | The Stock Exchange of Thailand (SET) |
| Thailand | SF1 | National Member | Thai Bond Market Association |
| Viet Nam | SF1 | National Member | Vietnam Bond Market Association (VBMA) |
| Viet Nam | SF2 | National Member | Vietnam Securities Depository (VSD) |
| Viet Nam | SF2 | National Member | Hanoi Stock Exchange (HNX) |

continued on next page

Table A. continuation

| Economy/Jurisdiction | Membership | | Institution |
|----------------------|------------|----------------------|---|
| – | SF2 | International Expert | Citibank |
| – | SF2 | International Expert | Deutsche Bank AG |
| – | SF2 | International Expert | HSBC Securities Services |
| – | SF2 | International Expert | J.P. Morgan |
| – | SF2 | International Expert | State Street Bank and Trust State Street Global Advisors |
| – | SF2 | International Expert | SWIFT |
| | SF2 | International Expert | The Bank of Tokyo Mitsubishi UFJ Ltd |

B. ADB Secretariat and Consultants

| Institution | Name | Position |
|------------------------|------------------|---|
| ADB Secretariat | Satoru Yamadera | Economist, Office of Regional Economic Integration (–Sept. 2011) (currently Bank of Japan) |
| | Seung Jae Lee | Principal Financial Sector Specialist (June 2011–) |
| | Shinji Kawai | Senior Financial Sector Specialist (Banking) (Sept. 2011–) |
| ADB Consultant for SF1 | Shigehito Inukai | Professor, Faculty of Law, Waseda University |
| ADB Consultant for SF2 | Taiji Inui | Senior Manager, NTT DATA Corporation |
| ADB Consultant | Matthias Schmidt | Custody Business Specialist |