

ASEAN Capital Markets Forum

THE ACMF (2004-2024):

TWENTY YEARS OF INTEGRATED, INCLUSIVE, SUSTAINABLE, AND RESILIENT CAPITAL MARKETS



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Ms. Rashidah Sabtu

Managing Director

Brunei Darussalam Central Bank

On behalf of BDCB, I would like to extend our sincere heartfelt congratulations to ACMF on its 20th anniversary. For two decades, the ACMF has exemplified an unwavering commitment to fostering vibrant and interconnected capital markets across the region. Through its initiatives and strategic efforts, the ACMF has significantly promoted integration, harmonization, and regulatory cooperation, thereby fostering a conducive investment environment essential for regional economic growth. One of the ACMF's most notable achievements is its adaptability to the ever-evolving dynamics of the financial industry and economic landscape. This is accomplished through the collaborative spirit and unity among its members, which has nurtured a supportive and inclusive environment for capital market development. As a member of the ACMF, we have greatly benefitted from its initiatives, which have influenced our own capital market development efforts. Moreover, ACMF's focus on capacity building has empowered member countries, allowing us to enhance our capabilities and stay abreast of emerging trends. We deeply value the long-standing friendships and partnerships forged with fellow securities regulators and key stakeholders through the ACMF. These relationships have been crucial in fostering collaboration and addressing common challenges. As we look ahead, we remain dedicated to supporting the ACMF's objective and working together to advance a more integrated and prosperous ASEAN.



H.E. Sou Socheat

Delegate of the Royal Government in charge as Director General of the Securities and Exchange Regulator of Cambodia (SERC)

On behalf of the Securities and Exchange Regulator of Cambodia (SERC), I am with great pride and heartfelt congratulations on the 20th anniversary of the ASEAN Capital Markets Forum (ACMF). This journey reflects the collective commitment of all member countries towards a deep, liquid, and integrated regional capital market as well as a robust and sustainable financial ecosystem that supports economic growth and development across ASEAN.

In Cambodia, the development of our securities market landscape over the past decade has been profoundly influenced by ACMF initiatives that enable us to align with ASEAN and international standards, enhancing investor confidence and building and strengthening our officials' capacity. In addition, I am confident that our shared goals of enhancing capital market development and ensuring its sustainability, liquidity, and integration align closely with ACMF's vision. I look forward to continuing our collaboration and deepening our engagement, working together to address emerging challenges and seize new opportunities for growth and innovation within the ASEAN region particularly in the areas of digital transformation and sustainable finance.

As we celebrate this milestone, I would like to extend my deepest appreciation to all ACMF members for their tireless work and shared vision. I wish all ACMF members good health, boundless energy, and unwavering determination as we continue this important journey. Together, we will continue to build the strong foundation laid over the past 20 years, ensuring that ACMF remains a cornerstone of ASEAN's financial future.



Inarno Djajadi

Chief Executive of Capital Market, Financial Derivative, and Carbon Market Supervisor (concurrently a Member of the Board of Commissioner of Otoritas Jasa Keuangan (OJK))

On the ACMF's 20th Anniversary, we reflect with pride on our collective achievements and the progress we have made towards fostering integrated, inclusive, sustainable, and resilient capital markets across ASEAN. The journey of ACMF over the past two decades has been marked by remarkable collaboration and dedication from all members, driving forward initiatives that strengthen market integration, promote inclusivity, and enhance sustainability. Our engagement with stakeholders and partnerships with various organizations have been crucial, enriching our efforts and broadening our impact.

Looking ahead, pursuing meaningful initiatives to ensure the sustainability and resilience of ASEAN capital markets, strengthening our global outreach through strategic collaborations, and showcasing our achievements on a broader stage will be essential steps forward. Maintaining the strong ties we have built and continuing our collaborative efforts will be crucial.

OJK is honored to be part of this journey and to contribute to the shared vision of a vibrant and resilient capital market landscape. We remain committed to advancing these goals and working together to build an even more dynamic and cohesive capital market ecosystem in the region.

Congratulations to ACMF on this milestone, and we look forward to our continued collaboration and significant achievements in the years ahead.



Mrs. Phengsy Phengmuong

Secretary-General

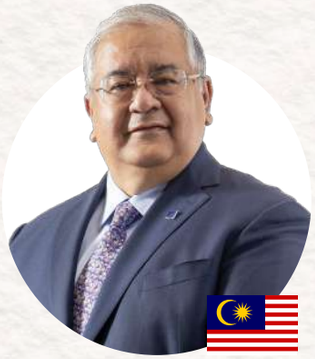
Lao Securities Commission Office

As the ASEAN Capital Markets Forum (ACMF) celebrates its 20th anniversary, it is with great pride that the Lao Securities Commission Office (LSCO) serves as the ACMF Chair for 2024, marking this significant milestone in our shared journey. Over the past two decades, ACMF has united ASEAN's securities regulators in a collective commitment to advancing the development, integration, and sustainability of the region's capital markets. Through strong collaboration, ACMF has successfully implemented strategic initiatives that have driven progress in market integration, regulatory harmonization, and sustainable finance.

For the Lao capital market, the ACMF has played an important role in our securities market's development. Since joining, LSCO has made notable progress in improving market infrastructure and aligning regulations with regional standards. ACMF's initiatives have provided a strong foundation for these advancements, while its capacity-building programs have enhanced the expertise of LSCO officials to effectively manage and innovate within our market.

Looking ahead, LSCO is committed to continue building on the strong bonds of friendship and collaboration that define the ACMF. Together with the ACMF, we aim to foster capital market development, in alignment with the ACMF Vision 2025 of being an interconnected, inclusive, and resilient ASEAN capital market.

We extend our heartfelt congratulations to ACMF on its 20-year journey and look forward to many more years of growth and shared success.



Dato' Mohammad Faiz Azmi

Chairman

Securities Commission Malaysia

I would like to congratulate the ASEAN Capital Markets Forum (ACMF) on the occasion of its 20th Anniversary. SC Malaysia has been a firm supporter and active participant of the ACMF since its inception in 2004. We have chaired the ACMF between 2004-2008 as well as 2014-2018 and will chair it again in 2025, concurrent with Malaysia's chairmanship of ASEAN.

The ACMF has been an invaluable forum for securities regulators to promote intra-ASEAN capital market development through various key initiatives, including the ASEAN Corporate Governance Scorecard, ASEAN Disclosure Standards and cross-border offering of funds under the ASEAN Collective Investment Schemes framework.

SC Malaysia is proud to lead the development of ASEAN sustainable capital markets alongside other ASEAN member nations in our role as Co-Chair of the ACMF's Sustainable Finance Working Group (SFWG). Through the SFWG, we also contributed to the publications of the ASEAN Green, Social, Sustainability and Sustainability-linked Bond Standards, ASEAN Sustainable and Responsible Fund Standards, the ASEAN Transition Finance Guidance, and participated in the ASEAN Taxonomy Board as ACMF's representative.

As Malaysia prepares to take on the ACMF Chairmanship in 2025, we look forward to advancing the ongoing efforts of the ACMF in creating a more integrated, efficient, and sustainable ASEAN capital market.



U Min Htut

Chairman

Securities and Exchange Commission of Myanmar

It is a privilege to be in front of us today as the ASEAN Capital Market Forum (ACMF) marks its 20th anniversary. During the last 20 years, the ACMF has influenced our region's capital markets, encouraging cooperation, and propelling expansion.

We will notice that we have achieved great success when we look back on our path. Our combined efforts have resulted in impressive advancements in resilience and sustainability as well as the integration and inclusivity of our capital markets. Our success has been largely attributed to our dedication to integration. We have improved market efficiency and allowed cross-border investments by standardizing regulations and establishing shared platforms.

The region's economic stability has been reinforced by this integration, which has also increased investment prospects. To create a smooth, cohesive capital market that meets the various demands of our member states, we will keep concentrating on strengthening this integration going forward.

ACMF's 20th anniversary is a call to action for the future as well as a celebration of our previous successes. Let's keep collaborating toward a common goal of creating a robust, sustainable, inclusive, and integrated capital market. As a result of our combined efforts, the ASEAN capital market will flourish and benefit all of our member nations' citizens.



Emilio B. Aquino

Chairperson and CEO
Philippines SEC

Our collective experience in the last 20 years has shown that the ASEAN Capital Markets Forum (ACMF) is instrumental in advancing the capital markets within the region. The open and welcoming dynamic within the ACMF has contributed greatly in encouraging constant constructive dialogue between members and steadfast professional relationships among fellow securities regulators.

The opportunity afforded the Securities and Exchange Commission (SEC) Philippines to be involved, and to facilitate and guide the development of both corporate governance and sustainable finance through the respective ACMF working groups has been an honor and a source of pride. On the one hand, we have been able to take great strides in promoting good corporate governance practices among our respective domestic companies. On the other hand, the region has become a proactive and visible figure, as well as a collaborative partner, in furthering the sustainability agenda.

The many years of work in the ACMF, with the exposure to emerging and innovative ideas on the capital market, has driven the formulation of, among others, our domestic Code of Corporate Governance, the Philippines' Sustainable Finance Taxonomy, and, more recently, our regulations on thematic bonds. As the ACMF turns its attention to Transition Finance, with the release of the Guidelines, we are gratified, once more, by novel, meaningful, and purposeful discussion in the Philippines.

The ACMF is a constant source of support and guidance as the SEC Philippines carries out its mandate. We value the friendships we have formed here, and a thriving ASEAN capital market strengthened by collaboration and mutual respect remains a shared vision we hold dear.

Happy 20th Anniversary and we look forward to more trailblazing years of the ACMF!



Mr Lim Tuang Lee

Assistant Managing Director (Capital Markets Group)
Monetary Authority of Singapore

It gives me great pleasure to congratulate the ASEAN Capital Markets Forum (ACMF) on its 20th anniversary. This is a significant milestone. For two decades, the ACMF has stood as a testament to the power of unity amidst diversity. ACMF's journey reflects the very essence of ASEAN — a tapestry of cultures, economies, and regulatory frameworks, woven together by a shared vision of improving the lives of all our citizens.

Over the years, ACMF has balanced ambition with pragmatism — where members can join the different initiatives based on market readiness. This, coupled with our diversity, has been a catalyst for innovation and growth. Through mutual cooperation, we have transformed challenges into opportunities. This is evident from key projects such as the ASEAN Disclosure Standards, the ASEAN Collective Investment Schemes Framework as well as the ASEAN Transition Finance Guidance.

MAS looks forward to our continued close collaboration with ACMF colleagues to deepen connectivity for the region, further develop capacity building, and support a sustainable regional capital markets ecosystem. I am confident that ACMF will have many more 20 years ahead as we work hand in hand to create a connected, vibrant, and sustainable ASEAN capital market.



Pornanong Budsaratragoon

Secretary-General

Securities and Exchange Commission, Thailand

As we celebrate the remarkable milestone of ACMF's 20th anniversary, I am honored to extend my heartfelt congratulations to this esteemed organization and its vibrant community. Over the past two decades, ACMF has been a linchpin in pursuing an integrated regional capital market. The SEC Thailand's engagement with ACMF initiatives has been profoundly rewarding in driving a positive change and promoting more sustainable and technologically sound capital markets.

As we look to the future, the SEC Thailand remains steadfastly committed to the works of the ACMF. I am confident that ACMF will continue to be a beacon, leading the way and inspiring us all to strive for excellence and sustainability. Together, we will navigate the evolving landscape of capital markets, leveraging digital innovation and sustainable practices to achieving collective goals.

Congratulations once again on this significant anniversary. Here's to many more years of success!



Madame Vu Thi Chan Phuong

Chairperson

SSC Vietnam

The State Securities Commission of Vietnam has had the honor of being an active participant from the inception of the ASEAN Capital Markets Forum (ACMF). We have actively engaged in numerous key initiatives, not only to enhance the regulatory framework but also to promote transparency and sustainability, aiming to create a more connected and reliable ASEAN capital market. Through these endeavors, we have strengthened regional cooperation and consensus, building an interconnected, sustainable, and inclusive investment environment.

Looking ahead, the State Securities Commission of Vietnam remains committed to actively participating in and supporting ACMF's new projects and initiatives to enhance the efficiency of ASEAN capital markets. We believe that through continuous collaboration and unwavering efforts from all members, ACMF will continue to be a driving force for the development and stability of the capital markets in the region, contributing to the mutual prosperity of ASEAN.

FOREWORD



Christine Engstrom
Director General
Sectors Department 3
Asian Development Bank

The Asian Development Bank (ADB) is pleased to celebrate the 20th anniversary of the ASEAN Capital Markets Forum (ACMF), marking the event with this volume. Indeed, this milestone has allowed both organizations to reflect on the enduring partnership that has helped achieve remarkable progress in developing ASEAN capital markets.

Established in 2004 under the auspices of the ASEAN Finance Ministers, the ACMF has been working for two decades to make ASEAN's capital markets deep, liquid, better connected, and resilient. It has striven also to integrate environmental, social, and governance factors into their operations and decision-making processes. In these goals, ADB has ensured that ACMF is ably supported with technical assistance funds, policy guidance, and financial sector expertise.

The ACMF has strengthened regional market infrastructure and connectivity. It has facilitated cross-border investments in ASEAN and enhanced the overall efficiency of its capital markets. It has established common standards on good corporate governance across the region and introduced innovative sustainable finance regulatory frameworks. These efforts have elevated ASEAN capital markets on the global stage, attracting both regional and international investors. ADB is proud to have partnered with the ACMF in developing regulatory frameworks and a financial environment that encourages sustainable and inclusive growth.

The launch of the ASEAN Transition Finance Guidance Version 2 during this 20th anniversary underscores ACMF's commitment to developing innovative financial solutions that address climate change and support the shift away from carbon-intensive industries. ADB's contributions in capacity-building and technical expertise have been instrumental in ensuring the ACMF advancements align with global best practices. ACMF has also been at the forefront of issuing green, social, sustainable, and sustainability-linked bonds as economies in the region have transitioned to a more sustainable and resilient financial ecosystem.

ACMF was instrumental, for example, in setting up the ASEAN Taxonomy Board which helped develop the ASEAN Taxonomy for Sustainable Finance, again, with ADB support. The taxonomy, as a unified classification system for sustainable economic activities across member states, guides investments toward projects with environmental objectives, thereby supporting the development of sustainable capital markets in ASEAN. In 2024, ACMF launched the ASEAN Taxonomy Version 3 and Version 4 is under development, both with ADB's support.

Likewise, ADB has assisted ACMF as it formulates the ACMF Action Plan 2026–2030 to keep pace with ASEAN capital market trends and needs. This will build on the 2021–2025 plan's successful fostering of growth and recovery, ensuring sustainability and greater inclusiveness, and contributing to orderliness and resilience. Through the new Action Plan, it will advance these objectives, and ADB remains committed to working alongside the Forum in ensuring that the ASEAN capital markets are more integrated, inclusive, and resilient.

In short, the ACMF demonstrates the strengths and effectiveness of regional financial cooperation in an increasingly integrated financial market in ASEAN. And so it is with pride, on this landmark occasion, that ADB commends ACMF's significant efforts and reaffirms our strong commitment to its progress, innovation, and collaboration.

INTRODUCTION

The ASEAN Capital Markets Forum (ACMF) has been instrumental in shaping the development and integration of capital markets across ASEAN since its establishment in 2004. As a high-level grouping of capital market regulators from all 10 ASEAN member states — Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam — the ACMF was formed under the auspices of the ASEAN Finance Ministers to develop a deep, liquid, and integrated regional capital market.

Over the past two decades, ASEAN member countries have made significant commitments and implemented numerous strategic initiatives to drive significant advancements in market integration and regulatory harmonization, as well as foster sustainable development in the region.

From its formation period (2004-2008), the ACMF laid the foundation for ASEAN capital market integration, leading to the formulation of the ACMF Implementation Plan to Promote the Development of an Integrated Capital Market (2009-2015).

In implementing this plan, the ACMF focused on strengthening financial intermediation, building capacity, and managing risks to support national and regional growth. Key achievements included the development of the ASEAN Disclosure Standards and the ASEAN Corporate Governance Scorecard, facilitating cross-border offerings of securities and supporting fund-raising activity in the region.

In advancing to the next phase of the regional integration agenda post-2015, the ACMF developed the ACMF Vision 2025 of being an interconnected, inclusive, and resilient ASEAN capital market, supported by the ACMF Action Plan (2016-2020).

To achieve its plan, it established the foundational elements for regional capital market connectivity, with the goal of narrowing the developmental gap among member countries. During this period, notable initiatives included the ASEAN Collective Investment Schemes Framework, the Professional Mobility Framework, the ASEAN Green, Social and Sustainability Bond Standards and the Roadmap for ASEAN Sustainable Capital Markets.

Additionally, the ACMF also launched the ASEAN Young Regulators Program under the ACMF Market Development Program to enhance capacity building among capital market regulators.

To further advance the ACMF's objectives, the ACMF Action Plan (2021-2025) was developed, with a focus on establishing frameworks for sustainability and mitigating the social and environmental risks linked to climate change. As part of this plan, the ACMF, a pioneering member of the ASEAN Taxonomy Board, contributed to the publication of various versions of the ASEAN Taxonomy for Sustainable Finance.

Several initiatives were introduced to support the sustainable development agenda including the ASEAN Sustainability-Linked Bond Standards, the ASEAN SDG Bond Toolkit, the ASEAN Transition Finance Guidance, the ASEAN Sustainable and Responsible Fund Standards and a study on a High-Quality Voluntary Carbon Market for ASEAN.

Additionally, an international collaboration has also been undertaken, including a collaboration with the International Financial Reporting Standards (IFRS) — International Sustainability Standards Board (ISSB) on the development of sustainability reporting in the region.

Also, the ACMF via its Sustainable Finance Working Group (SFWG) has become a member of ICMA's Advisory Council of the Green Bond Principles and Social Bond Principles Executive Committee ("Advisory Council") since October 2019. Representation in the ICMA Advisory Council is renewed on an annual basis and SC Malaysia and SEC Philippines who are co-Chairs of the ACMF SFWG have represented the ACMF every year.

To further enhance its sustainability agenda, the ACMF participated in the Asia Green Transformation Consortium (Asia GX Consortium) with the participation of the Financial Services Agency of Japan (FSA), the ASEAN Working Committee on Capital Market Development (WC-CMD), the Asian Development Bank (ADB), and various private industry participants. The Asia GX Consortium's objective is to promote and orient an orderly and just transition towards sustainable finance.

As ACMF marks its 20th anniversary, this book, "The ACMF (2004-2024): Twenty Years of Integrated, Inclusive, Sustainable, and Resilient Capital Markets," commemorates its journey. It provides a detailed narrative of its evolution, achievements, and the continued collaborative spirit in striving toward an ASEAN integrated economic community with robust and expansive capital markets.

CHAPTER 1

THE FORMATIVE YEARS
(2004-2008)

A BRIGHT IDEA

The ASEAN Capital Markets Forum was founded in 2004. It was the brainchild of Thirachai Phuvanatnaranubala, the Secretary-General of the Securities and Exchange Commission of Thailand (SECT) and the first chairman of the ACMF.

According to former Deputy Secretary-General of the Thailand SEC, Tipsuda Thavaramara, Thirachai's vision was for ASEAN markets to come together to become stronger and attract the attention of international investors as a single asset class.

"He saw that ASEAN markets individually are small and would not attract a lot of attention from investors outside. So, to help increase the visibility of ASEAN with the ASEAN growth story and high savings rate, he wanted to promote ASEAN as an asset class," she said.

Thirachai first presented the idea at the Asia Pacific Regional Committee (APRC) of the International Organization of Securities Commissions (IOSCO) but the idea failed to gain any traction. "It's probably because with IOSCO, the concern was regulatory, rather than liberalization or connectivity. Seeing that he could not get anywhere with that group, he decided to speak to the ASEAN regulators on his own. He invited them all for a first informal inaugural meeting in Bangkok in 2004."

KEEPING IT SIMPLE

"At the first meeting, all 10 [ASEAN countries] sent representatives but we didn't discuss anything difficult because we wanted it to be comfortable for the less developed markets to want to attend. Because you have to bear in mind the difference in developmental levels. Everybody was cautious. Middle-level countries like Thailand and Malaysia would wonder whether Singapore, a financial centre, would benefit more from the process, while smaller markets like Vietnam and the Philippines would wonder the same about Thailand and Malaysia.

"So, we wanted to be very inclusive. Thailand proposed the idea of developing our bond markets together and we shared experience. We did not push anything, really, in that first meeting. It was just us sitting down and getting to know each other. We stayed in a very nice hotel by the river and prepared some sessions where we just shared experiences about developing the bond market, without any particular objective that we would have to win at that meeting. It was just to get them to agree to want to have this annual meeting. Then, in the following year, I think, we started talking about harmonizing standards and assigning tasks."

Although harmonization may have not been pushed at that first meeting, it was clear that talk of integration was already in the air. Many of the ASEAN markets had suffered in the Asian

Financial Crisis just seven years before when both their currencies and stock markets had been attacked and pulverized. Banding together was a way of becoming stronger and more impervious.

News about the formation of the ACMF started filtering into the market. The Malaysian representative, Tan Sri Ranjit Ajit Singh, then a director of the Securities Commission Malaysia, had said in a speech back home on August 3 of that year:

"There are currently several initiatives that are being worked on under the auspices of the ASEAN Finance Ministers and the region's capital market regulators that provide a basis towards achieving this objective. These include efforts in looking at harmonizing rules and practices, fostering greater cross-border linkages such as among ASEAN exchanges as well as efforts towards developing and identifying a set of companies that can be promoted as an ASEAN benchmark. The end-objective of such efforts is to develop ASEAN as a more significant investment destination and to further accelerate the development of the region as a market.

"In addition, the trend towards integration means that, over the medium-term, the boundaries of the individual markets will expand to cover the whole region."

ACMF said in a press release that at the first meeting in Bangkok in June 2004, its members agreed to accept mutual recognition and harmonization of standards of key areas, namely:

(1) Information disclosure
(2) Accounting and Auditing
(3) Comparability of credit rating
(4) Securities distribution rules, and
(5) Cross-recognition of qualifications and certification and capital market professionals.

Members were assigned to study separately, the feasibilities and approaches for different issues.

The SEC Thailand's 2004 annual report listed the topics of discussion of that first meeting: "…the Asia Bond Mutual Fund Initiative, mutual recognition and harmonization of standards, exchange and settlement linkages, development of secondary markets for bond trading, the project of ASEAN 100 list of companies, and experience on enforcement and compliance."

Ranjit acknowledged in his speech that cross-border initiatives are difficult to execute. "…but the high-level commitment and support for increased regional cooperation seems to be there. Capital market players should certainly be considering ways to expand their business across the region and given that these are early days, they should invest resources into identifying opportunities and pursuing proposals with the relevant authorities."

Given that in 2004, there was already an organization pursuing capital market development in the region, namely the ASEAN Working Committee on Capital Market Development (WC-CMD), why was there need to form a separate organization?

HIGH-LEVEL SUPPORT FOR CAPITAL MARKET INTEGRATION

SC Malaysia Deputy Director of International Affairs, Neetasha Rauf, who was also involved with ACMF from the beginning, pointed out that "as the WC-CMD was represented primarily by a grouping of the Ministries of Finance, central bankers, and senior representatives of the respective organizations of

securities regulators, they felt that we ought to have a group at the chair level that can really drive the direction of regional capital market development and integration."

The need for a more high-level grouping with access to the highest levels of government in ASEAN was also what drove the vision for the ACMF. The Chairs knew that for its aspirations of harmonization and integration to be realised, it would need a voice at the highest political levels, namely the ASEAN Finance Ministers Meeting (AFMM).

Cross-border investments were difficult because each country had their own version of capital controls which impeded the free-flow of capital said SEC's Tipsuda. "It was difficult, even in 2007, for Thai investors to buy securities in a different country through our own intermediaries.

"Before, we were there as an observer, sitting at the side, but now, he (Thirachai) wanted a seat. So, at around 2006 or 2007, he started talking to Khun Surin [Pitsuwan], who was then the ASEAN Secretary-General, about the need to elevate ACMF in the AFMM. We talked to our counterparts such as [Tan Sri] Zarinah [Anwar] in SC Malaysia, and she was also in agreement and very supportive."

They sent letters to all 10 ASEAN Ministers of Finance in ASEAN to get their support to give the ACMF more presence at the AFMM annual meetings. And they succeeded. It was a turning point for the ACMF. "There was this recognition that to enable freer flow of capital you needed support at the highest political level because the status quo (in most of the ASEAN countries) was very restrictive.

"We threw a number of issues on the table such as the need for harmonized standards. And we asked who would be interested in spearheading the working groups on various harmonization work, for instance, the harmonization of equity disclosure standards and there was another working group on collective investment standards. There was even one on enforcement, and that was really difficult; we couldn't find someone to take charge of that for a while."

Tipsuda added that they were not just trying to harmonize standards within ASEAN; there were aspirations to eventually be in line with international standards. "The idea is that if you want visibility and you want to promote ASEAN as an asset class, you need a common standard and it has to be something that people find good enough."

The ACMF was not going to compromise on the quality of the standards, agreed SCM's Neetasha. "I think the challenge with ASEAN, as with other regional groupings, is the fact that we are at different stages of capital market development. For example, some were just establishing their bond and equities markets while others were exploring ways to facilitate greater cross-border activity, among others.

"But at the same time, we didn't want anyone to be left behind."

As part of the drive for inclusivity, the ACMF introduced its Market Development Program to focus on the developmental aspects and bring the different jurisdictions up to speed. "This was a key component of the whole ethos of the ACMF.

"We were trying to get international investments into the region. So, it was important that our standards were seen to be credible.

"Our frameworks needed to be benchmarked against international standards. So, the approach the ACMF adopted in developing any framework at the start was to look at the relevant IOSCO principles. For example, on the secondary market listings, we looked at the IOSCO disclosure principles. And for the ASEAN CIS Framework, we looked at IOSCO principles relating to Collective Investment Schemes.

"And another key component was that because it involved cross-border activity, we needed to ensure that domestic investors were going to be sufficiently protected. So, one of the pre-requisites to a number of our frameworks was being a signatory to the IOSCO Multilateral Memorandum of Understanding (MMoU). The MMOU is the international benchmark for cross-border enforcement cooperation and information sharing. The MMoU was to ensure that we can provide enforcement cooperation and share information among each other, where needed."

Tipsuda said that once the markets (or at least, a few of them) had common standards, the next question was whether they would accept each other's regulatory decisions based on what they believed was their common standard.

"There was time spent on trying to harmonize standards but you could not do everything on day one. So, it was more, before you harmonize it, can you accept standards which are not exactly the same, but may be good enough?"

Tipsuda said they even started out with a voluntary opt-in basis. "You can't force 10 members with different levels of development [to participate in all the initiatives]. The play then was that we would make it voluntary. Usually Singapore, Malaysia and Thailand would be the first to accept each other's standards. But that was only after a lot of deliberation at the working level. That went on for a while, until, I think, 2007. Till that time, we didn't have a lot of presence at the AFMM."

But it was not enough to have common standards. A major challenge with cross-border offerings was that some of these markets had capital controls and were not fully liberalized. To bring about this liberalization would require the help of higher powers, namely, the Finance Ministers, and central bankers at the AFMM.

"That was like a further push from trying to harmonize rules. Because harmonizing rules was something we could do on our own. We didn't need to get approval from Finance Ministers or the central bank. But it's one thing to harmonize rules and quite another to say that things that have been vetted by someone else will be accepted by you. That calls for recognition and trust and that in itself is not solely a regulatory question. It's also a policy question," said Tipsuda.

She said the ACMF recognized that being a policy question, the opening up of capital movement would have to be endorsed by the Ministries of Finance as well as the central banks. "So, we really needed presence at the AFMM."

DOMESTIC CONCERNS

However, it was not only the governments they had to contend with but the local players in each market who feared losing market share if borders were opened and competitors from the region were allowed to come in.

"The problem was not whether we could trust a regulator from another country. It was more like, if I open up my market for products and services from another country, will my players be able to compete?"

This was especially so if the competitors were from markets that had already been completely liberalised and had a long history of a dominating group of players. "Even with us (Thailand), we couldn't just go and do this without talking to our industry. We had to involve our industry players and they would have to agree. They would ask what is in it for them and we would say, you can also sell your products elsewhere. We would need to convince those who were used to just being domestic players to imagine being able to compete in a different country that is also more established."

In Malaysia, Neetasha said, domestic players would be advised to strengthen their capabilities to meet the challenge: "When domestic market participants were worried about regionalization, we would often tell them that it's an opportunity to have access to a bigger pie and for them to raise their game, by building capabilities to be able to compete regionally."

ASEAN AND PLUS STANDARDS

After starting out with goals of market integration and harmonization, the ACMF came to see that it would be a long and drawn-out process. "The mission of ASEAN is free flow of capital, or at least freer flow of capital," said Tipsuda.

But there were plenty of hurdles to leap over. "If you can't do something that's difficult, you do something that's easier first and try to add on from there, step by step. So that's how it worked out."

This led to the ASEAN and Plus Standards Scheme. "I remember that we started out with the lofty goals of harmonization and suddenly, it was clear that if we wanted full harmonization, we would not be able to announce our success. So, we did the ASEAN Plus scheme, and that was like making a compromise. The ASEAN Plus regime is where you have some common elements and then each country is allowed to add plusses that they really care about. One of the goals I recall was to eliminate the plusses, but they are still there."

The AFMM had announced the ASEAN and Plus Standards Scheme to facilitate cross-border offerings of securities in October 2008. In a press release it said the Scheme aims to promote the integration of the region's capital markets and will facilitate greater efficiency in cross-border capital-raising, providing cost savings to issuers making multi-jurisdiction offerings within ASEAN.

Under the Scheme, issuers seeking to issue equity or debt securities in more than one ASEAN country would be required to prepare only one set of disclosure documents, with additional limited wrap-arounds for multi-jurisdictional offers.

The additional requirements prescribed by individual members would be known as the Plus Standards.

The press release went on to say that the ASEAN standards were based on the standards on cross-border offerings developed by IOSCO. They would also fully adopt the accounting and auditing standards of the International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA).

However, as Tipsuda was quick to point out, the ACMF was not just about facilitating cross-border activity. It was about packaging the markets together to attract the attention of investors from outside.

In fact, at the AFMM in Dubai in 2008, Malaysia's Minister of Finance II, Tan Sri Nor Mohamed Yakcop had touched on this aspect of it: "The Scheme will increase the attractiveness of ASEAN as a combined capital market for fund-raising and raise disclosure standards among ASEAN members to an international level, further enhancing the region's competitiveness globally."

Neetasha said that this was why ACMF started to place more emphasis on corporate governance: "We wanted to show that corporate governance was taken seriously in the region. So, we came up with the Corporate Governance Scorecard, benchmarked against the OECD principles of good corporate governance. We wanted to show international investors that our companies were well governed by international standards."

Khairul Ridwan Abdul Kuddus, Securities Commission Malaysia's General Manager of International Affairs added: "Not all ACMF members are full members of IOSCO; some are not members yet, some are associate members and some have signed the Multilateral MoU (MMoU). I think one of the implicit objectives of the ACMF is to raise the standards of securities to global standards. So, the global standard here is membership of IOSCO.

"A lot of our initiatives serve as a carrot and a stick to raise their standards to that level. If you want to participate in cross-border offerings of unit trusts or collective investment schemes (CIS) or cross-listings, you have to be able to sign on to that IOSCO MMoU because at the end of the day, when you offer these products cross-border, you want to ensure your investors have the same level of protection as they would have in your market.

"The MMoU allows cross-border investigations, supervision and it shows you are of that level; your governance and standards are of that level. It is something where we're slowly seeing countries come onboard. Originally, it tends to be Malaysia, Singapore and Thailand who first sign on to these connectivity initiatives but others are slowly coming onboard. For example, the Philippines came onboard a bit later for the cross-border offerings of CIS and I think other countries are looking at it as well."

It was true that Malaysia, Singapore, and Thailand seemed to always be the first three markets to participate in ACMF's initiatives. In March 2012, the securities regulators of the three jurisdictions signed an MoU for an Expedited Review Framework for Secondary Listings to speed up the processing of secondary listing applications together with the relevant disclosure documents. A year later, they signed another MoU to establish the ASEAN CIS Framework for cross-border offerings of Collective Investment Schemes. This Framework would enable fund managers operating in a member jurisdiction to offer CIS, constituted and authorized in that jurisdiction, to retail investors in other member jurisdictions under a streamlined authorization process.

Thirachai, the SEC secretary general and ACMF chairman in 2009, proposed the Implementation Plan to the AFMM at the 13th AFMM in Pattaya, Thailand in April of that year. The plan was officially endorsed by the Ministers at the same meeting. One of the main objectives of this plan was to present ASEAN as an asset class, appealing to global investors, and to enhance the competitive edge of ASEAN capital markets in the global area.

Tipsuda pointed out that for the industry players in Thailand at least, it was not so much about intra-Asean fund flows as it was about money flowing into ASEAN from the outside. "All the harmonization work for cross-border offerings seem to support the idea of fund flow in ASEAN. But I have to be frank, the industry in Thailand were more enthusiastic about trying to attract flows from outside."

Neetasha added that in addition to promoting ASEAN as an asset class to attract fund flows into the region, it was also critical to engage with the private sector. "Regulators can build the roads but if there are no cars, or if people don't want to drive on the roads, there's really no point, is there?"

She pointed out that developing any regional framework is resource-intensive and time-consuming. "There's regulatory mapping and benchmarking that needs to be done. The different jurisdictions would have to compare notes on their frameworks and processes, such as how they reviewed offering documents and prospectuses and what factors they took into consideration."

CHAPTER 2

THE ACMF TAKES SHAPE

THE FORMALISATION OF THE ACMF

For Neetasha Rauf, Securities Commission Malaysia Deputy Director of International Affairs, the ACMF Implementation Plan was when things really got into focus for the grouping.

"The detailed roadmap for ASEAN capital markets began with the development of the 10-year ACMF Implementation Plan, with the assistance of the Asian Development Bank (ADB)," she said.

Neetasha said the group got together to brainstorm on key components of the plan through "visioning" workshops, proposed by the-then SC Malaysia Chairman Tan Sri Zarinah Anwar. "There were breakout groups with the Chairs and senior reps.

"For me, that crystallised a more structured vision of where the ACMF, and ASEAN capital markets would be heading," she highlighted.

In August 2008, Thailand Securities and Exchange Commission Secretary-General, Thirachai Phuvanatnaranubala, was elected Chairman of ASEAN Capital Markets Forum (ACMF), taking on the major task of formulating the Implementation Plan for ASEAN Capital Markets Integration under the objectives of the ASEAN Economic Community Blueprint 2015.

The drafting of the Implementation Plan began after the ASEAN Capital Markets Integration initiative was accepted by the ASEAN Finance Ministers Meeting (AFMM) with technical assistance from the ADB.

ENGAGING WITH THE PRIVATE SECTOR

The ACMF proposed to establish a Group of Experts (GOE) to assist in drafting a proposal for an Implementation Plan to promote the Development of an Integrated Capital Market to achieve the objectives of the AEC Blueprint 2015 (Implementation Plan 2015) and to present that Plan to the Finance Ministers for their consideration at AFMM 2009.

The Group of Experts were the Former Secretary of Finance of the Philippines, Jose Isidro Camacho, who at that time was the Credit Suisse Asia Pacific Vice Chairman, Phatra Securities Company ltd Chairman Banyong Pongpanich, Bursa Malaysia Berhad Director Dr Thillainathan Ramasamy and Citibank N. A. South East Asia Pacific CEO Piyush Gupta.

Neetasha said the Group of Experts tried to keep the ACMF members on track in terms of what they had announced or planned. "The Group of Experts had been identified from each of the ASEAN Five, very senior people like the ex-Secretary of Finance from the Philippines, Lito Camacho and the-then CEO of the DBS Group, Piyush Gupta. Subsequently, the Group of Experts was formalized into the ASEAN Industry Consultative Panels (AICP)."



A meeting of the chairs in 2013

Kosintr Puongsophol, who is now a senior financial specialist at the Economic Research and Development Impact Department of the ADB, and who was with the Thailand Securities and Exchange Commission when the Implementation Plan was being developed, said the ACMF as regulators, had a careful balancing act to manage between market development and investor protection.

The GoE, being icons from the private sector who were used to quick results, naturally wanted everything liberalized as quickly as possible. "There was some discussion about following the EU (European Union) process, the UCITS (Undertakings for Collective Investment in Transferable Securities Directive) where a fund approved in one country can be sold in another country immediately without the host regulator's approval. That was something we thought may not have been suitable for ASEAN."

He said as regulators, the ACMF had to maintain a delicate balance between different, and sometimes competing, interests. "If investors are overly protected, the market cannot develop. So, it's okay to have something fail, investors can learn from it and at the same time, we also allow markets to develop and be more innovative."

AEC ASPIRATIONS

The Implementation Plan was nothing if not ambitious. Looking towards the AEC 2015, this regionally integrated market would be a place where capital could move freely, issuers could raise capital anywhere and investors could invest anywhere. "In such a market, anyone would be able to trade in ASEAN capital market products freely in any ASEAN market at a competitive fee from a single access point, with capital market intermediaries being able to provide services throughout ASEAN based on home country approval," the ACMF said in a formal paper it had come up with to detail the plan and its objectives.

The Implementation Plan would be defined by six key principles:

(1) Adoption of international standards to the maximum extent possible;
(2) Progressive liberalization to facilitate more open access and cost reduction through greater competition;
(3) Sequencing of regional integration initiatives, taking into account ease of implementation, market preferences and technical linkages;
(4) Adequate coordination of ASEAN-level working processes;
(5) Consistent implementation of policies to support regional integration at country level, with effective monitoring mechanisms; and
(6) A strong communications plan and consultative processes to build consensus and set priorities for integration initiatives.

There were two main reasons why ASEAN needed to support regional financial cooperation and integration, according to the ACMF paper: firstly, to strengthen financial intermediation, capacity, and risk management to support national and regional growth. Secondly, to cooperate to reduce vulnerabilities to external shocks and market volatility.

This second point had become more significant after the Asian Financial Crisis that began in 1997 and lasted two years. When the Implementation Plan was being introduced in 2008, there was another financial crisis taking place, this time on a global scale.

"In this context, regional integration can facilitate both domestic capital market development as well as global integration by providing the liquidity, scale, and capacity to compete globally. Moreover, integration will contribute to financial stability by expanding the market which can be accessed by regional players in the region, hence facilitating diversification and reducing domestic volatility resulting from global shocks," the ACMF went on to explain.

Additionally, regional cooperation would be able to provide ASEAN with a greater voice on financial stability and development issues in global fora. "This last consideration has become particularly important for designing coordinated responses to the current global financial and economic crisis. In addition, regional integration initiatives and the associated alignment of national regulatory standards with international standards provide an opportunity to draw the lessons of the crisis for risk management, regulatory surveillance, asset securitization and market microstructure."



Press briefing and presentation about ACMF activities (including elements of Implementation Plan) in 2015

To build such a market in ASEAN, there would be two closely-related approaches. The first would be to focus on full harmonization of domestic laws, regulations, and operations to facilitate cross-border access based primarily on international principles, standards, and best practices. This would be supported by mutual recognition in any sectors that are not subject to harmonization and by liberalization measures that would ensure an absence of national restrictions on access.

This, the paper pointed out, is broadly the approach taken in the European Union.

Another approach was to create enabling conditions for access with broad harmonization, and supported by mutual recognition and greater freedom for capital movements. This, it added, is the vision and approach implicit in the ASEAN Economic Community Blueprint 2015.

The two approaches would be complementary because effective implementation of a mutual recognition regime necessarily requires adequate progress in strengthening and harmonization of key laws and practices to safeguard investor protection, market integrity and systemic stability.

"The objective of regional capital market integration, regardless of the approach, should be to help build the efficiency, capacity and liquidity needed to compete effectively amidst global markets and players. Thus, implementing regional integration should not exclude non-regional participants but should focus on enhancing the capacity to compete both regionally and globally."

DIFFERENCES AND CHALLENGES

This was a very ambitious proposition, given the diversity of the ASEAN markets, so the ACMF recognized early on that there would be obstacles.

First and most significantly, were the differences in levels of development of capital markets and the extent to which they observed global standards. This naturally led to focusing on domestic capital market development and to a varied perception of costs, risks, and benefits of regional integration among market players and country authorities. According to the ACMF, these perceptions were influenced by the concerns in some countries about limited new business opportunities in less developed markets and in others, by the perceived competitive threat from the more advanced market players.

In addition, some of the markets felt that ASEAN should be integrating with the rest of the world rather than just within ASEAN and that the value of regional integration and of promoting ASEAN as an asset class remained unclear. Thus, there was a pressing need for an effective communication plan to articulate the objectives and benefits of ASEAN capital market integration.

As member states had varying opinions on the perceived costs and benefits, they differed significantly in the extent to which their national development plans included the measures to enable and benefit from greater regional integration. Thus, regional initiatives were not translated into country policies, in many cases.

Also, the existence of capital controls and exchange restrictions in many jurisdictions, differences in the withholding tax regimes, the uneven development of institutional investors and the portfolio restrictions on them, constrained regional integration. Moreover, differences in the range of products, particularly the lack of derivatives markets or of regionally-focused products in many jurisdictions, hindered both domestic market development and regional integration. In any case, the large differences in regulatory regimes and market infrastructure — as reflected in the degree of observance of global supervisory and market standards — raised transactions costs for cross-border transactions. Addressing this was beyond the remit of securities regulators.

It was suggested that these be further assessed by the relevant authorities such as the Ministries of Finance, central banks, stock exchanges and also the various working committees under the ASEAN process, especially the working committee on Capital Account Liberalization and the Working Committee on Financial Services Liberalization to develop and put in place the necessary action plans. "As these issues cut across several parties, the ACMF is of the view that the ASEAN Secretariat as a central body can play a key role in driving and coordinating the implementation of the initiatives to achieve the recommendations under the Plan."



Signing ceremony after Chairs' meeting in 2015; MAS's Lee hands over ACMF chairmanship to SCM's Ranjit

Finally, there was a lack of clarity on the coordination and monitoring mechanisms in ASEAN.

"The key challenge, therefore, is to set up a well-sequenced program of regional integration initiatives to achieve the goals of AEC 2015, support it by embedding regional considerations into domestic capital market development programs and reinforce the above through a well-designed ASEAN-level monitoring and coordination mechanism," the ACMF added.

FIRST THINGS FIRST: A SCORECARD FOR CORPORATE GOVERNANCE

The ACMF had pointed out that a large number of the recommendations specified in the Implementation Plan could be worked upon by the ACMF as they related directly to the capital market. Other initiatives, such as the liberalization of capital account restrictions and the reform of the tax system would require further coordination and action by the relevant authorities and working committees.

In 2011, the ACMF worked to profile ASEAN as an asset class by introducing the ASEAN Corporate Governance Scorecard (ACGS), which aimed to attract greater investor participation by raising the corporate governance standards and practices of ASEAN Publicly Listed Corporations (PLCs).

The Scorecard was created by a group of corporate governance experts from the six participating countries — Indonesia, Malaysia, the Philippines, Thailand, Singapore, and Vietnam — using the Organization for Economic Co-operation and Development (OECD) Principles of Corporate Governance as the main benchmark and it incorporated both international and regional best practices that, in some cases, would go beyond national requirements.

The ACGS would serve as an objective assessment of corporate governance practices among ASEAN PLCs, making the particularly well-governed companies more visible to the international investing community.

The Scorecard evaluated corporate governance across key principles, including the rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency and responsibilities of the board. Beyond serving as a benchmark, it offered national regulators a tool to assess and refine their own corporate governance frameworks.

Since its inception, seven rounds of ACGS assessments have been conducted, with participation from Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. To facilitate continuous improvement, the ACGS country reports and assessments are made publicly available via the ACMF website, offering insights into assessment results, individual country reports, and recommendations for enhancing corporate governance standards.

In 2015, the ACGS gained further recognition when top ASEAN PLCs with exemplary corporate governance practices were honored during the inaugural ASEAN Corporate Governance Conference.

Mohd Sani Ismail, a director with the ADB who was handling ADB's technical assistance to the ACMF from 2012 to about 2023, felt that the CG Scorecard was a huge success, in fact, one of the biggest successes achieved by the ACMF.

He said that following the Asian Financial Crisis there had been a perception internationally that companies in ASEAN were poorly governed. "At the ADB, we did our own mission diagnostics when we were talking about the Asian Financial Crisis. We actually travelled to these countries, spoke to the banks, the private sector and the listed companies."

It became clear that the main challenge was the lack of corporate governance in the financial sector. "So that was why we set up the ASEAN CG Scorecard; to demonstrate to the world that ASEAN can get its act together and collectively have companies with good corporate governance. It was to overcome the perception that ASEAN PLCs didn't care about corporate governance."

However, even though the CG Scorecards were based on OECD corporate governance principles, it was not a case of "one-size-fits-all". "It's not like we had one corporate governance rule for all countries. What we had was a common Scorecard which different countries could compare their own standards against.

It provided a benchmark for national regulators to assess their own corporate governance frameworks.

"Then, they would need to decide whether they want to tweak their local regulations and legal systems to match the requirements of the CG Scorecard. In that sense, these initiatives did provide what good practice would look like," Sani added.

In fact, these ACMF CG Scorecards were so successful that they were showcased by the IESE Business School in Barcelona, one of the top 10 business schools in Europe. "They did a detailed study of the scorecard and found a causal relation between the scores and a company's ability to attract foreign investors."

In fact, the ASEAN CG Scorecard was the only initiative at the time to get buy-in from six ACMF members – Singapore, Malaysia, Thailand, the Philippines, Indonesia and Vietnam – from the get-go.

Dzung Vu Chi, Director General of the International Cooperation Department, State Securities Commission of Vietnam said the country had been keen on the CG Scorecard because this was an area in which it was deeply interested, having launched its own corporate governance charter, also based on OECD principles, in 2003.

EARLY EFFORTS AT HARMONIZATION AND INTEGRATION

However, the efforts did not stop at improving the corporate governance of ASEAN PLCs. The members were still looking to bring down barriers to harmonize their rules and integrate their capital markets, to truly create an ASEAN asset class.

In March 2012, the ACMF announced that the securities regulators and stock exchanges of Malaysia, Singapore and Thailand had signed a memorandum of understanding on Expedited Review Framework for Secondary Listings to speed up the processing of secondary listing applications together with the relevant disclosure documents. "This Framework is available to corporations which are incorporated and whose shares are primarily listed on the main market of an exchange in jurisdictions which are signatories to the MoU. Where corporations satisfy the requirements set out in the Framework, signatories to the MoU will review these applications within a shortened time period of 35 business days," said the ACMF in a press statement.

The SCM's chairman at the time, Tan Sri Zarinah Anwar, had commented that the framework would foster greater capital market integration in the region and promote ASEAN as a global fundraising destination. "This initiative represents another significant achievement on the part of the ACMF in promoting a facilitative and efficient environment for greater intra-ASEAN activities."

The Expedited Review Framework for Secondary Listings was expected to encourage more listed companies to seek cross-listings in the region as a means of broadening their investor base.

Roughly a year later, the ACMF made another announcement — this time about an MoU to establish the ASEAN CIS Framework for cross-border offerings of collective investment schemes (CIS). This Framework was developed to create an integrated and inclusive mechanism that would enable fund managers operating in a member jurisdiction to offer CIS, constituted and authorised in that jurisdiction, to retail investors in other member jurisdictions under a streamlined authorization process.

This framework was officially launched in 2014, with Malaysia, Singapore, and Thailand as the initial signatories, marking a significant milestone in promoting cross-border investment products while fostering greater regional cooperation. The Signatories also agreed to adopt a set of common standards to govern the cross-border offerings of ASEAN CIS. These standards were designed to ensure that the fund managers who tapped on the Framework had the necessary expertise and experience, and schemes offered under the Framework were managed based on industry best practices.

The adoption of common standards would allow fund managers to establish a suite of CIS that could potentially be offered in all three jurisdictions (which at the time was not possible).

At the same time, in April 2013, the ACMF announced that the regulators of Malaysia, Singapore, and Thailand had implemented the ASEAN Disclosure Standards Scheme, which allows an issuer making a multi-jurisdictional offer of securities to provide a single set of disclosure documents to investors in each jurisdiction.

In 2015, the ACMF announced that the same three regulators had signed an MoU to establish a Streamlined Review Framework for the ASEAN Common Prospectus. Under this Framework, issuers planning to offer or list equity or plain debt securities could expect a shorter time-to-market and faster access to capital across signatory countries through a streamlined review process.

In most cases, only Thailand, Malaysia, and Singapore participated in the initiatives to begin with. The Monetary Authority of Singapore (MAS)' Assistant Managing Director (Capital Markets) Lee Boon Ngiap who took over as ACMF chair in 2014 said right from the outset, they had decided on a 'three + X' system.

"We agreed very early on that we could not wait for all 10 countries to be ready before we launched an initiative. When the ACMF worked on a common framework across ASEAN, the discussion would involve all 10 countries and benchmarked at a level that could stand up to scrutiny globally.

"Once all ACMF members agree on the framework, as long as three countries were ready, we would proceed to sign an MoU to implement this particular framework or initiative. Other countries could join when they were ready."

LANDING ON HARMONIZATION

Working on the Implementation Plan gave ACMF members a chance to see where their aspirations had been too idealistic and what needed to be tweaked to make it more realistic. For starters, the aim of the ACMF shifted from integration to harmonization. ADB's Sani pointed out that this shift had occurred quite early. "That was a more realistic position to take. Integration was aspirational, like having the EU common market, and it was never going to happen.

"I think it was good that the ACMF realized early on that we were not going to be an integrated market. The best we could achieve was harmonized regulations, harmonized issuance processes, harmonized approvals and harmonized corporate governance standards."

SC Malaysia's Neetasha added that the initiatives were not just about stimulating cross-border activity; they were about raising standards. "Without higher standards, you were not going to be relevant globally. International investors will want to ensure that investors are protected and that the markets they were investing in are efficient and transparent."

CHAPTER 3

A NEW VISION AND A WAY FORWARD

TAKING STOCK

AEC 2015 came and went and the ASEAN Capital Markets Forum (ACMF) took stock of what it had and had not achieved in carrying out the Implementation Plan. For one thing, while the more developed capital markets eagerly participated in the regional integration frameworks and linked to each other through common standards, the less developed markets faced capacity constraints and were unable to participate.

In 2016, it came up with an Action Plan to map the way forward. This was successful to some extent but many felt that the younger members were not getting equal benefit.

Consequently, in 2019, the ACMF chair at the time, Thailand Securities and Exchange Commission secretary-general Rapee Sucharitakul, commissioned the Asian Development Bank (ADB) to do a study on the ACMF to measure progress and come up with suggestions about how this aspect could be better managed so that all ACMF members could benefit equally from its programs and initiatives.

The ADB report summed up the matter thus: "Integration of ASEAN capital markets is limited to the more developed countries, and the benefits of integration are yet to be reaped by all. This discrepancy slows the pace of integration because countries that do not benefit naturally chose not to participate in regional integration initiatives, thus perpetuating the cycle."

A VISION FOR THE ACMF

In 2016, the ACMF had come up with its Vision 2025 which aimed at turning the ASEAN capital market into one that is "interconnected, inclusive and resilient." The ACMF Vision 2025 was to support the AEC Vision 2025 for the AEC to be "highly integrated and cohesive; competitive, innovative and dynamic; with enhanced connectivity and sectoral cooperation; and a more resilient, inclusive and people-oriented, people-centred community, integrated with the global economy."

ACMF's Vision 2025 had three strategic objectives:

1. Enhancing and facilitating growth and connectivity;
2. Promoting and sustaining inclusiveness; and
3. Strengthening and maintaining orderliness and resilience.

The ACMF had planned to achieve these strategic objectives in two phases over a 10-year period to enable a more targeted approach while retaining flexibility to re-evaluate ACMF's priorities against prevailing market conditions.

In 2015, Securities Commission Malaysia (SCM) chairman Tan Sri Ranjit Ajit Singh took over as chairman of the ACMF, a role he was to maintain for the next four years. When he assumed the chair, the focus shifted from working within the AEC agenda to coming up with a vision for what needed to be done for the region's capital markets. "Setting a clear strategic direction was

AEC Vision 2025

ASEAN Economic Community to be "Highly integrated and cohesive; competitive, innovative and dynamic; with enhanced connectivity and sectoral cooperation; and a more resilient, inclusive, and people-oriented, people-centred community, integrated with the global economy"

ACMF Vision 2025

"Inter-connected, Inclusive and Resilient ASEAN Capital Market"

Strategic Objectives

- **Enhance and facilitate growth and connectivity**
- **Promote and sustain inclusiveness**
- **Strengthen and maintain the orderliness and resilience**

- **Phase 1: Action Plan 2016-2020**
- **Phase 2: Action Plan 2021-2025**

Key Priorities for Phase 1

1. **Regional market infrastructure and connectivity**
2. **Cohesive regulations and practices**
3. **Promote ASEAN asset classes**
4. **Mobility of professionals**
5. **Greater investor participation**
6. **Stakeholder interaction**

important with the objective of having more interconnected, open and stronger capital markets in ASEAN and with the hope of having more intra-regional presence of players, common set of standards and greater intra-ASEAN flows of capital."

This is when the ACMF started moving towards being more interconnected. "Interconnectedness was a theme. What could we do together? What links could we create? And we also wanted to be more inclusive. I was keen to involve the CLMV (Cambodia, Laos, Myanmar, Vietnam) countries because before this, they would listen in on the meetings but not participate in the initiatives.

"Moving forward we were looking to see what it meant to be an inclusive ASEAN and one that was much more interconnected, having frameworks like the green, sustainability and social bond frameworks. There was a social dimension to it as well because we wanted to ensure that more people were benefitting from the ASEAN interconnectedness."

Ultimately too, it was important to recognize that the ASEAN markets needed to be resilient. "This was the phase after the Global Financial Crisis and given the volatility that the world markets were subject to, we wanted resilience among our own markets."

Has this been achieved? "Yes, I certainly believe it has. If you think about it, it was demonstrated during the multiple shocks that the world has gone through including during the Covid period. ASEAN has remained resilient."

A TIME FOR DEPUTIES

The post-2015 era saw the rise of the importance of the "deputies" in the ACMF context. Eugene Wong, who was the SCM's managing director at the time, and is now Sustainable Finance Institute Asia's CEO, said the members realised that there was a lot to do and they would have to move faster.

"Therefore, we got the Chairs to agree to create the group of deputies, consisting of the second-liners. This group would be empowered to make decisions which would be endorsed or ratified by the Chairs, and from then on, things moved very quickly because we had people on the ground who were subject matter experts being able to come together with less demanding national schedules, to actually look after things," he said.

SCM general manager of international affairs Khairul Ridwan Abdul Kuddus expanded on this: "So, you have this level where they are senior enough to make key decisions while at the same time not too senior to really dig deep into the nitty gritty of the initiatives. I think that's how the deputies' meetings came about and how the friendships (between deputies) were formed.

"Apart from the deputies' level meetings, they did have other opportunities to meet and communicate among themselves. And the deputies would meet before the Chairs and the idea was that by the time an issue came to the Chairs' level, it would have been sorted out. It added another layer because we had the working groups, we had the deputies and we had the Chairs. But a lot of the work and issues could be settled at the deputies' level."



ACMF Collaborates with International Capital Market Association to Introduce ASEAN Green Bond Standard - Sept 2015

INTRODUCING THE SUSTAINABILITY AGENDA

Very quickly after the deputies were given the responsibility for more structured and accelerated action, the ACMF decided to focus on sustainability, which had not been in the original 2016-2020 Action Plan. "The deputies had conducted a lot of stakeholder engagement to arrive at this decision, which we brought to the Chairs for endorsement.

"The ACMF then agreed that sustainability was critical to the future of the capital markets and vice versa. So, we started working with the International Capital Market Association (ICMA) to create the ASEAN Green Bond standards and at the time, we wanted to be stricter than the ICMA standards themselves because we felt we needed a "pure" green approach, as the anchor," said Wong.

Many viewed this approach as being unrealistic. "I remember that SEC Philippines and SC Malaysia were co-Chairs of the Sustainable Finance Working Group and there were people telling us that this was a very bad idea and not to do it because we were trying to be more advanced than developed countries. And that no one was going to actually use the standards."



But they went ahead anyway. In 2017, during its 26th meeting in March, the ACMF announced and endorsed the cooperation between it and the ICMA to introduce the ASEAN green bond standards that would be applied across capital markets in ASEAN.

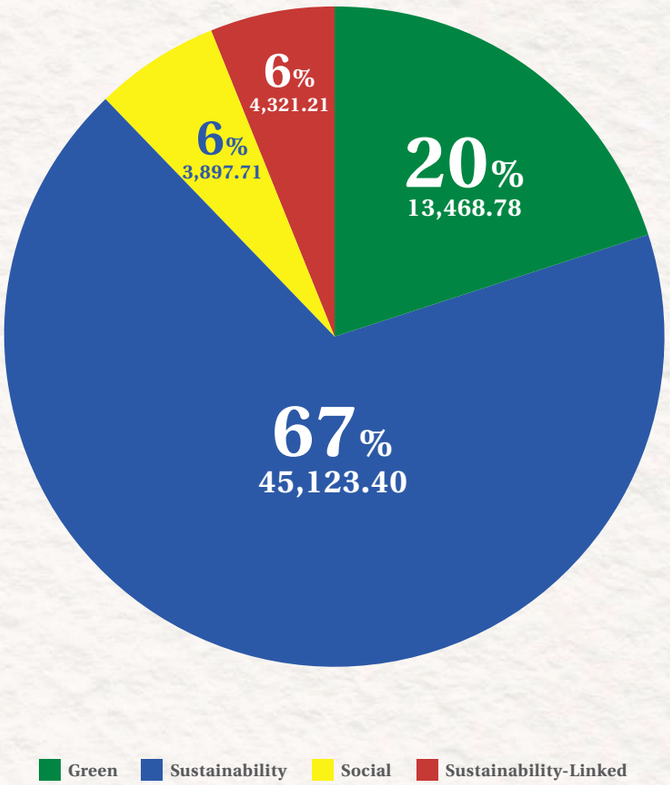
"This initiative will facilitate ASEAN capital markets in tapping green finance to support sustainable regional growth and meet investor interest for green investments and is part of the ACMF's broader efforts in developing green finance for the region. The ASEAN Green Bond Standards will be developed based on ICMA's Green Bond Principles (GBP). The standards are intended to provide additional guidance on the application of the GBP, as well as to enhance transparency, consistency and uniformity of ASEAN green bonds which will also contribute to the development of a new asset class," the ACMF said in a press release issued after that meeting.

The ASEAN Green Bond Standards were launched in November 2017 and almost immediately, there were three issuances from Malaysia and Singapore carrying the ASEAN Green Bond label. In addition, the first sovereign sukuk in ASEAN issued by Indonesia was aligned to these standards.

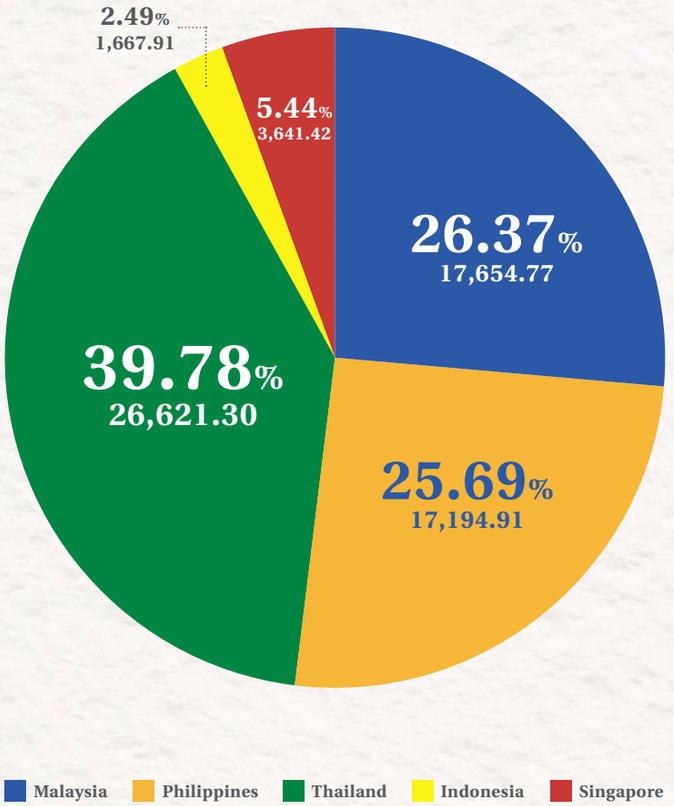
A year later, the ACMF launched the ASEAN Sustainability Bond Standards and the ASEAN Social Bond Standards to complete its suite of standards to accelerate the development of sustainable finance in the region.

Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand,

Issuance of labelled ASEAN Green, Social, Sustainability and Sustainability-Linked Bonds (USD mil)

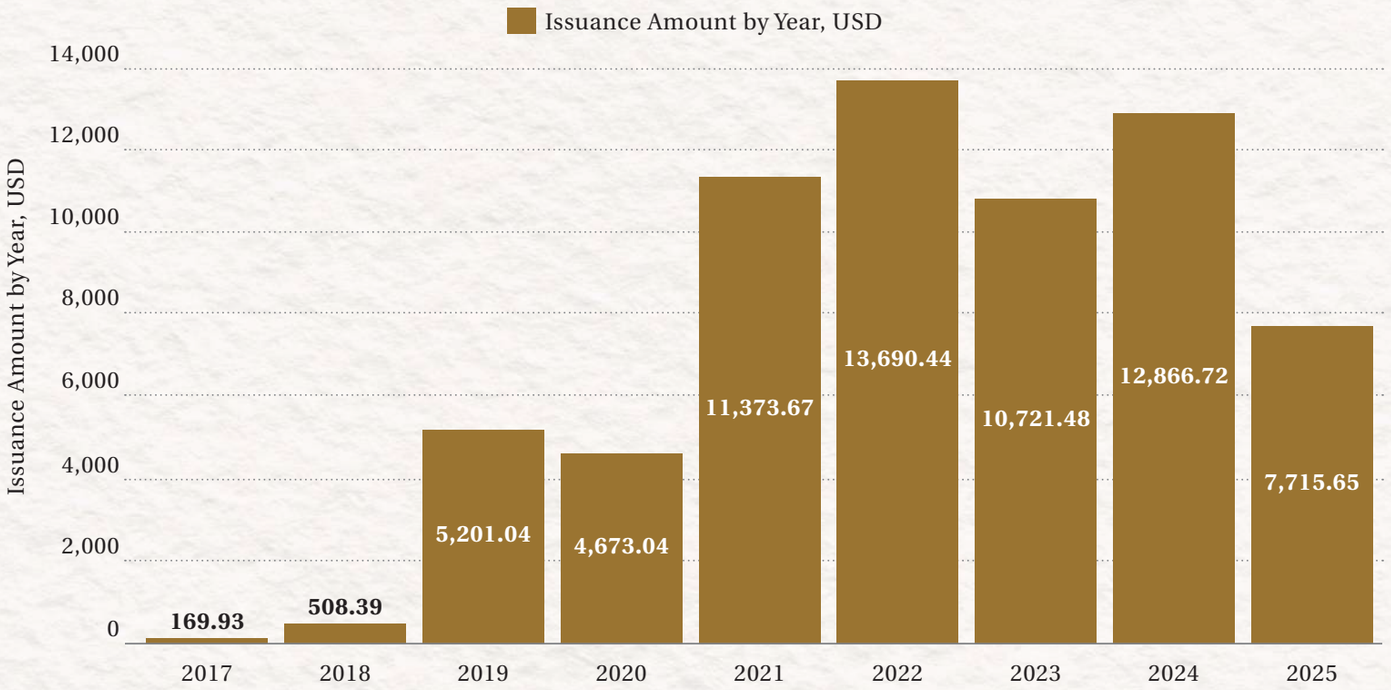


Issuance of labelled ASEAN Green, Social and Sustainability Bonds by Country (USD mil)



**Note: There is an issuance of an ASEAN Green Bond from Cambodia amounting to USD 1.48 million.*

Charts from ACMF Sustainable Finance Statistics, data as of April 4, 2025



and Vietnam immediately adopted the standards which were intended to enhance transparency, consistency and uniformity of the ASEAN green, social, and sustainability bonds. In addition, these standards were intended to reduce due diligence costs and assist global investors in making informed decisions. The ASEAN Social Bond Standards were developed based on ICMA's Social Bond Principles while the ASEAN Sustainability Bond Standards were developed based on ICMA's Sustainability Bond Guidelines.

The proceeds from social bonds would be used to finance projects that were socially beneficial while the proceeds from sustainability bonds would be used to finance a combination of both green and social projects, that is, projects that offer environmental and/or social benefits.

"Today, it's a US$53 billion asset class, and that too, if only labelled issuances are taken into account. There are others who use it as a reference but don't use the label, which means that the value of issuances that actually look to these three ASEAN Standards is actually larger," Wong pointed out.

ACMF's move to promote interconnected and sustainable capital markets in the ASEAN region was especially welcomed by one of its major partners and supporters, the ADB.

ADB's Senior Financial Sector Specialist of the Finance Sectors Office, Peter Rosenkranz pointed out that sustainability has become part of the global architecture and it is very much the focus in the financial sector at present.

THE INSTITUTIONALISATION OF THE ACMF

During the third phase of the ACMF, another key development was the streamlining of the ACMF with the ASEAN Working Committee on Capital Market Development (WC-CMD). Wong pointed out that when the WC-CMD was first formed, its members were drawn from capital market regulators, central banks and Ministries of Finance.

"The ACMF was subsequently formed to address capital market needs at a more targeted and granular level. Both bodies worked side by side but there were inevitable overlaps. In 2016, when the Monetary Authority of Singapore was co-chair of the WC-CMD, it mooted the idea of streamlining with the SCM, which at the time, was chair of the ACMF."

Both the bodies agreed to streamline and divide their tasks in this way – the ACMF would take charge of capital markets at the policy and implementation levels while the WC-CMD would look at government and quasi-government perspectives as well as cross-cutting issues that would involve other financial sector policymakers and regulators.

"When SCM assumed co-chairmanship of the WC-CMD in 2017 while still retaining the ACMF Chair, the two bodies further optimised their functions," said Wong, who, at the time, was co-chair of WC-CMD and the Chair of the ACMF deputies.

The establishment of the deputies' group and the streamlining of tasks between the ACMF and WC-CMD were key steps in the institutionalisation of the ACMF.

Others included:

- Developing the ACMF Action Plans to enhance commitment and structure;
- Rotating the chairmanship to achieve inclusivity;
- Formalising dialogue with capital market participant groups;
- Increasing public transparency through the ACMF website; and
- Establishing the Industry Advisory Panel under the ACMF-WC-CMD Joint Sustainable Finance Working Group.

Institutionalisation was a major milestone for the ACMF. "We went from being a convening forum to being a body," said Wong.

The SERC Director General H.E. Sou Socheat felt that this was a key achievement for the grouping. "Before this, the ACMF was just a meeting outside of the ASEAN meeting; we didn't belong there. But right now, the capital markets regulators' meeting is part of the ASEAN meetings and related summits. This institutionalisation enhanced the importance of the ACMF and we got recognition from all the leaders of the ASEAN states and we are also present at the ASEAN Finance Ministers' Meeting where we summarise [capital market developments in ASEAN]."

INCLUSIVENESS AND CAPACITY-BUILDING INITIATIVES

The 2019 ADB report on the ACMF also highlighted the differences in the capacities of the regulators. "Regulatory capacity is low in Cambodia, Lao PDR, Myanmar and to a lesser extent, the Philippines and Vietnam. Capacity-building programs that are implemented without ACMF coordination often lack sequencing and are implemented on an ad hoc basis.

"Inadequate capacity has limited the ability of the regulators of these capital markets to participate in ACMF regional integration initiatives. For example, Malaysia, Singapore, and Thailand are the only countries to participate in the ASEAN disclosure standards, expedited review framework, and collective investment scheme network.

"The other regulators do not have the capacity to participate. Moreover, more advanced ASEAN jurisdictions cannot rely on the review process of the less-advanced jurisdictions to allow products from these countries to be sold in their countries.

"There is also insufficient understanding and information sharing on newly emerging areas such as financial technology and green and sustainable financing for infrastructure investment. Structured and sequenced capacity building, especially for the regulators of the newly developing capital markets, is required to widen participation in ACMF integration initiatives," the ADB said in the report.

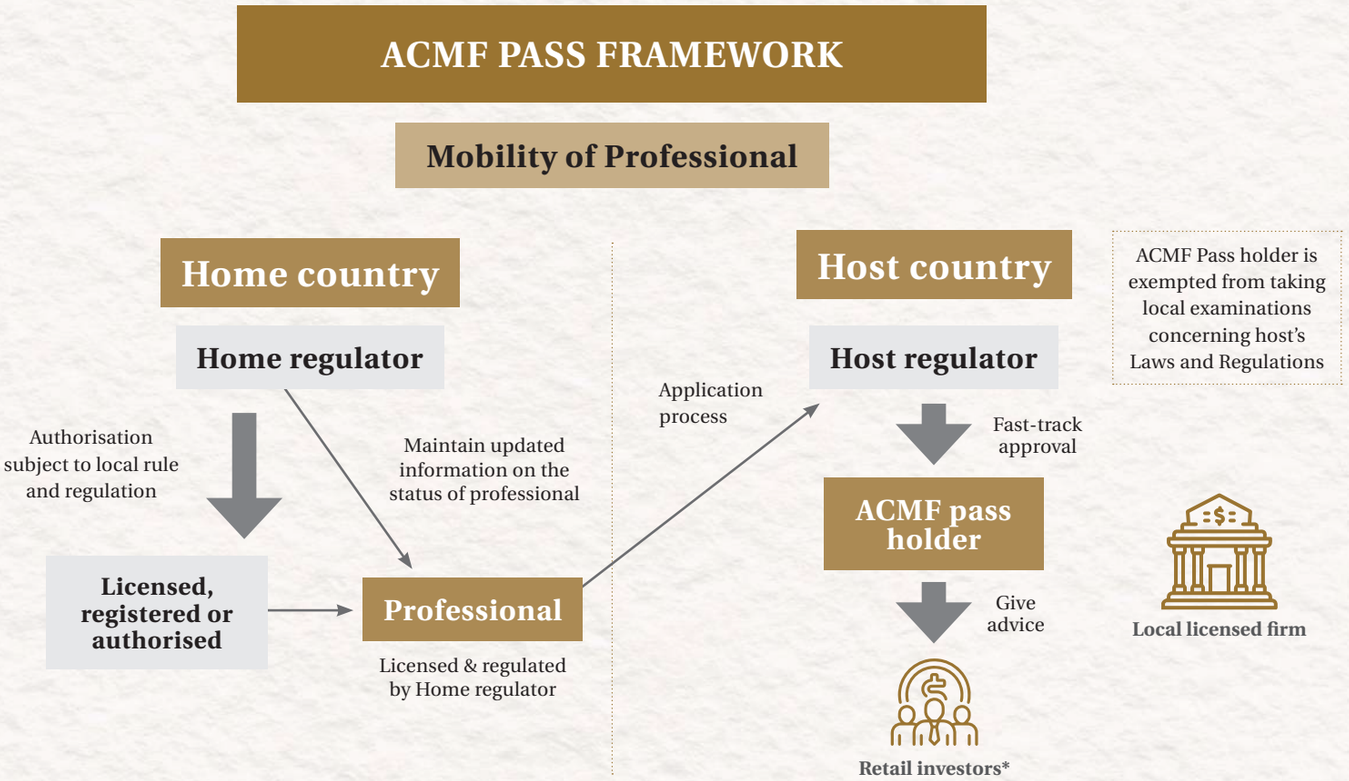
H.E. Mr Sou Socheat said Cambodia had raised the question of the aspiration of creating a single ASEAN asset class at one of the ACMF meetings. "How could we make that happen? We talked with the other regulators such as Thailand, Indonesia and Singapore that have developed markets. And we raised the establishment of one program that could benefit the young regulators, but also, could benefit all the regulators, that we call A-MDP – ACMF Market Development Program. This program would allow the young regulators like Cambodia, Lao, and Myanmar to benefit from the experience of the other regulators."

There were two approaches to this program. One, to allow officials from one regulator to work with another regulator to see for themselves, firsthand, how the host regulator actually worked to supervise and develop their market. "That is one way, so we could disperse our officials – three, four, five – according to the negotiation between regulators, and also with the support of the ADB. So, with this, we could also have a few months to work alongside the other regulators. It was not just for learning but also for working as a regulator.

"The other one we established is the program that benefits young regulators. But the program is not established by the big markets but by the markets that need the support. It is based on what we need and the topic we want to hear about from other regulators that have experience in it. So, we developed that kind of program, year by year, with support from the ADB."

The ASEAN Market Development Program (A-MDP) was launched in 2016. It was aimed at responding to critical capacity-building needs based on regional priorities as well as member countries or groups of countries on a "needs" basis.

SCM's Khairul explained that this program benefited all the markets, regardless of their level of development. "This was a program where any ACMF member can host, according to the



**For giving advice to non-retail investors, attachment is subject to host's Laws and Regulations.*

request received, a few young officers at a time, to learn more about that jurisdiction. For example, Malaysia has hosted colleagues from Cambodia and Laos, who were stationed for about three to four months, sometimes up to six months, to work within the SC and learn more about how we do things. And our officers have been seconded to Singapore.

"So, you have that co-development among colleagues and counterparts and also, establishing that rapport of the next generation of regulators going forward. All this can only be good for the capital markets, especially on the regulatory side," Khairul pointed out.

But perhaps what regulators have found most useful is the honest sharing of experience by the more developed markets. As Thailand's Sucharitakul observed, it was a learning for everybody.

"In a lot of sessions, rather than only talk about our successes, we would also talk about our failures. It became, if I remember correctly, quite a frank platform in which regulators could say that looking back, they would not have done a certain thing, or rather, would have done it differently. They would caution against certain areas," he pointed out.

Former MAS Capital Markets Group Head and Assistant Managing Director Lee Boon Ngiap agreed: "In the capital market space, if a country is thinking of establishing a stock market or a derivatives market and they come to MAS, we would be happy to share all the mistakes we made and the obstacles we faced in developing our own markets. We can share all this openly."

Deputy-Secretary General of Lao Securities Commission Office (LSCO), Alounna Sivongthong said the A-MDP programs have been especially beneficial to Lao because it is conducted on a "needs" basis. "We have sent a number of our staff members to participate in the secondment programs in countries such as Thailand, Vietnam, and Indonesia. These comprehensive programs equip our team with valuable knowledge that can be applied to the development of our market."

PROFESSIONAL MOBILITY WITHIN ASEAN

During the first phase of the Action Plan, there was a lot of discussion about the greater mobility of professionals within the region. The ACMF approved the establishment of a working group on professional mobility to introduce rules and to facilitate the cross-border movement of capital market professionals on a phased basis. It engaged with the industry through the ACMF Industry Consultative Panels to develop proposals that met their needs and said it would continue to work with them to implement the proposals on a phased basis, starting with investment consultants, research analysts and individuals who are licensed to carry out fund management activities.

The first phase of the ACMF Professional Mobility Framework, launched in 2018, was the introduction of the "ACMF Pass" which would allow licensed professionals to provide advisory services within participating ASEAN jurisdictions with fast-track registration and no additional licensing requirements. Malaysia, the Philippines, Singapore and Thailand were the first countries to participate in this initiative.

The following year, ACMF launched a framework on the cross-border publication of research reports to facilitate better information flow of ASEAN capital market products as part of its ongoing efforts to promote professional mobility and wider investor participation in ASEAN capital markets products and services which contribute towards greater regional connectivity. The same four countries signed the MoU on Cross-Border Publication of Research Reports. This MoU was said to complement the cross-border movement of investment advisers under the "ACMF Pass" initiative.

Julawadee Worasakyothin, Director of Strategy and International Affairs at the Securities and Exchange Commission Thailand, which headed the working group on Professional Mobility, said the working group set up to explore professional mobility was closed after that. "It came up with two things. Firstly, it set up some parameters around which research reports issued in one country could be distributed in another country without having to go through any licensing or approval process.

"Second, it allowed professionals, licensed in one jurisdiction, to provide generic investment advice to the investors in another jurisdiction, without having to be licensed in that other jurisdiction."

There were certain conditions attached to this arrangement, as in, there would have to be local licensed intermediaries

effectively "chaperoning" the foreign professionals. "The reason this initiative was mentioned a lot in the first half of the Action Plan was that research and advice were viewed as enablers for key initiatives back then, such as the cross-border offering of products – plain equity, bond, CIS as well as exchange linkage."

She said this initiative also gave regulatory clarity regarding the publication of research and the support of information flows, without having to worry about going through another approval process from the host regulator. The ACMF Pass was also deemed a success with some 30 analysts and advisors registering for it.

So, while the two initiatives related to professional mobility saw some uptake, the working group was dissolved because the members concluded that it had been taken as far as it could go.

TWEAKING THE ACTION PLAN ACCORDING TO MARKET DEVELOPMENTS

ASEAN markets were also starting observe the rise of cryptocurrencies and digital assets and its regulators were wondering how to deal with this new challenge. In 2019, it established a Digital Asset Oversight Network to promote information sharing amongst regulators. The ACMF had started working together by sharing practices on investor education and educational materials. In the longer term, it expected to share alert lists and scams, as well as updates on digital asset regulatory regimes and developments among the ACMF members.

In 2018, Tan Sri Ranjit, who had already been ACMF Chair for four years and was retiring, proposed the rotation of the chairmanship, and that it be aligned with the chairmanship of ASEAN. What this meant is that the country that was chairing ASEAN for the year would automatically become the ACMF chair. This would give each member a chance to be at the helm and promote inclusivity. Before this, the chairmanship had usually rotated between Malaysia, Singapore and Thailand.

As Thailand would be taking over chairmanship from Malaysia in 2019, the real rotation would effectively begin in 2020 when Vietnam took over.

Commenting on the achievements of the first half of the Action Plan, Wong pointed out that it was a combination of vision and flexibility that allowed it to succeed. "If you look at our original five-year plan, it didn't include sustainability. We inserted it because the market had a need for it. Which means the plan was actually alive and every time we come across a new issue, we could add to it.

"One of the biggest things we have to say about ACMF is that firstly, ASEAN has a very different structure from the European Union (EU) and yet we still managed to come together through ACMF. We come together for things that affect the region and ACMF tries to enable all members to support national and regional agendas on the ground. It connects the real economy with the financial sector.

"The second thing is that the ACMF is very much ahead in its thinking. When we decided to focus on sustainability, many others were doing it, but not in the same way. Our efforts were very considered and concerted. And the ACMF has a very 'glocal' approach. So, it looks at something globally but considers how to implement it locally."

CHAPTER 4

RESILIENCE AND INCLUSIVITY



A SHOW OF SOLIDARITY

The years 2020 to 2024 were probably some of the most exciting and challenging in the history of the ACMF. For one, it was the start of the rotation of the chairmanship, with Vietnam taking the helm for the first time in 2020. And, if that were not challenging enough, almost as soon as Vietnam became chairman, there was a global pandemic and the whole world went into lockdown.

Chairmanship Record of ASEAN Capital Markets Forum (ACMF) Meetings

ACMF meeting	Chaired by
1st ACMF meeting (2004)	Securities and Exchange Commission, Thailand
2nd ACMF meeting (2004)	Monetary Authority of Singapore
3rd ACMF meeting (2005)	Indonesia Financial Services Authority (OJK)
4th – 9th ACMF meetings (2006 - 2008)	Securities Commission Malaysia
10th – 13th ACMF meeting (2009 – 2010)	Securities and Exchange Commission, Thailand
14th ACMF meeting (2011)	Securities Commission Malaysia
15th – 21st ACMF meeting (2011-2014)	Monetary Authority of Singapore
22nd – 29th ACMF meeting (2015 - 2018)	Securities Commission Malaysia
30th – 31st ACMF meeting (2019)	Securities and Exchange Commission, Thailand
32nd – 33rd ACMF meeting (2020)	The State Securities Commission of Vietnam
34th – 35th ACMF meeting (2021)	Brunei Darussalam Central Bank
36th – 37th ACMF meeting (2022)	Securities and Exchange Regulator of Cambodia
38th – 39th ACMF meeting (2023)	Indonesia Financial Services Authority (OJK)
40th – 41st ACMF meeting (2024)	Lao Securities Commission Office

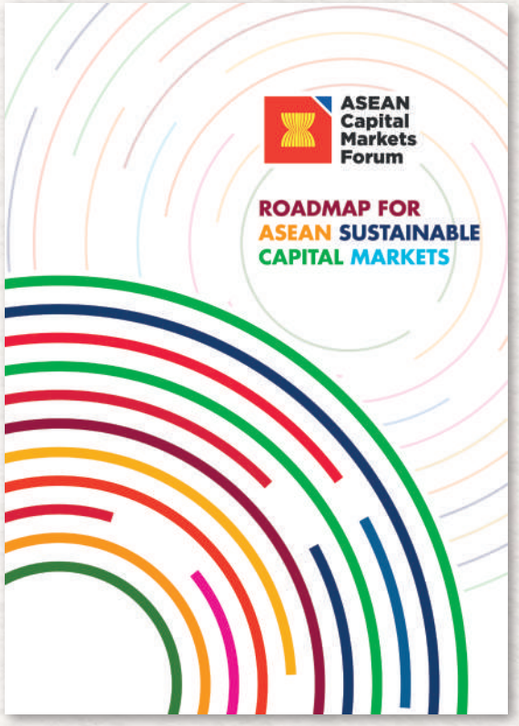




Figure 1 details the 17 goals agreed upon by UN member nations.
Source: UN SDG Knowledge Platform

In the early months of the year, before the lockdowns, all the ACMF members gathered in Hanoi to kick off Vietnam's chairmanship. Monetary Authority of Singapore (MAS) Deputy Director, Markets Policy & Consumer Department Zhan Daowei recalled how in 2020, the ACMF managed to have two meetings early in the year – a deputies' meeting and a Chairs' meeting – even though fears of the effects of COVID-19 had already begun to surface.

"I recall during the Chairs' meeting, our ADB friend, Sani (Ismail) had to be quarantined in the hotel. So, he was physically in Hanoi but he couldn't join us in the meeting because someone in his hotel had tested positive for COVID.

"This demonstrated the level of commitment of the people in ACMF, coming to Hanoi for meetings in the first few months of 2020 to support Vietnam. I thought that really showed the solidarity amongst the ACMF members."

Dzung pointed out that despite the pandemic, the ACMF stuck to its guns and rolled out initiatives as per the priorities listed out in the Action Plan 2021-2025.

"During this time, we rolled out the Sustainability-Linked Bond Standards, the Transition Finance Guidance and most of the Taxonomy. So, we did everything according to our priorities and very much in line with our Action Plan," he said.

PRIORITIES, REGARDLESS

A year earlier the concept of the Roadmap for ASEAN Sustainable Capital Markets had been endorsed by the 5th ASEAN Finance Minister and Central Bank Governors' Meeting and ACMF finalised actionable recommendations under the Roadmap at the first meeting in March, in Hanoi.

The Roadmap, primarily targeted at the private sector, provided the strategic direction and recommendations for creating a sustainable asset class in ASEAN to support its sustainable development agenda for the next five years. It set out recommendations under four priority areas, namely strengthening foundations, catalysing products and enabling access to under-served areas, raising awareness and capacity building, and increasing regional connectivity.

During the Vietnam chairmanship, the ACMF also endorsed the key priorities for its Action Plan 2021-2025 to realise the ACMF Vision 2025 of being an interconnected, inclusive, and resilient ASEAN capital market. These were

i) Driving higher levels of transparency and disclosure;
ii) Continuing with regulatory harmonization;
iii) Intensifying capacity building;
iv) Amplifying communication and awareness; and
v) Strengthening cooperation and coordination

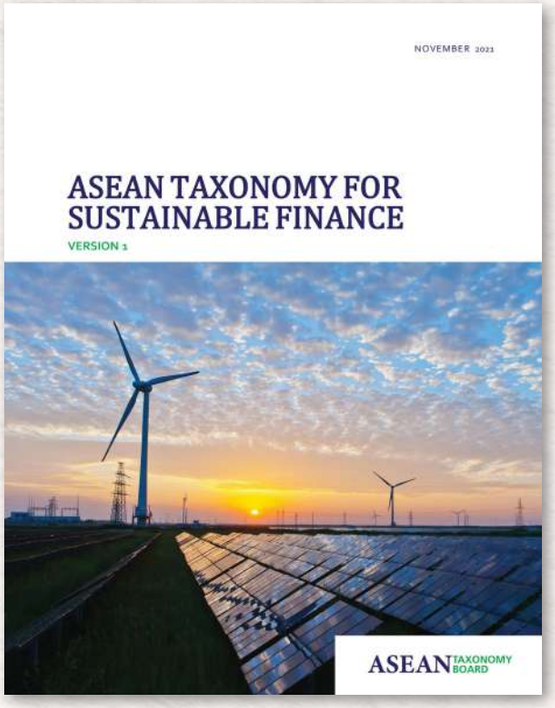
Dzung also noted that ACMF members did not rest during this time; if anything, they worked harder. "During the pandemic, we had more meetings than before. The only difference is we did it online. We were committed to our actions."

He added that even though the priorities for these five years were approved during Vietnam's chairmanship, the real work was done before that by the members through emails and meetings. "People were at home and we didn't know what might happen tomorrow. But during this time, we were not only adapting to the changes brought about by the pandemic, we were also following through on the Action Plan. And this is what we call the ACMF spirit."

Dzung, who has been in the ACMF since its inception in 2004 said he had witnessed a huge change in the way the members related to each other. "Real friendships developed among the members and a greater level of commitment in looking towards the future of all ASEAN and its economic pillars as well as capital market regulations."

Vietnam handed over the chairmanship to Brunei Darussalam in 2021. During Brunei's chairmanship, the ACMF Action Plan 2021-2025 was actually launched and the Philippines was finally admitted into the Framework for Cross-Border Offerings of the ASEAN Collective Investment Schemes (ASEAN CIS) on May 11, 2021.

Brunei Darussalam Central Bank ACMF Deputy Faadzilah Abu Bakar admitted that when the chairmanship was handed over to BDCB in 2021, it was somewhat of a daunting prospect. "Observing the seasoned experience and high standards of excellence demonstrated by our colleagues in ACMF, we recognized the importance of striving to meet those expectations in fulfilling our responsibilities as Chair and ACMF Secretariat.

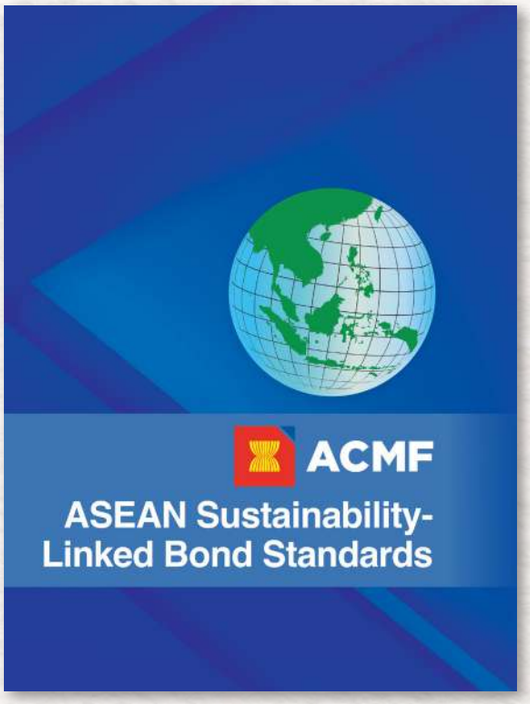


"As a result, we collaborated closely with previous and future Chairs, as well as with key partners such as the Sustainable Finance Institute Asia (SFIA) and the Asian Development Bank (ADB). We believe that this collaboration has been instrumental in effectively fulfilling our chairmanship role."

In November 2021, the ASEAN Taxonomy Board (which comprised the ACMF, ASEAN Insurance Regulators Meeting (AIRM), ASEAN Senior Level Committee on Financial Integration (SLC) and the ASEAN Working Committee on Capital Market Development (WC-CMD)) launched Version 1 of the ASEAN Taxonomy for Sustainable Finance. The ACMF said in a statement that following the release of Version 1, the ATB would undertake targeted consultations with stakeholders from both official and private sectors, and use the input received to develop the next version of the ASEAN Taxonomy.

During its chairmanship the following year, Cambodia launched the Sustainability-Linked Bond Standards and the ASEAN Sustainable and Responsible Fund Standards, as part of its efforts to support ASEAN in narrowing the gap toward the 2030 Agenda in combating climate change. The two standards were supposed to widen the range of sustainable investments in ASEAN, thereby accelerating sustainable development across the region.

During this time, the ACMF also engaged with the International Sustainability Standards Board (ISSB) to discuss and convey the ASEAN perspective on the draft ISSB standards, focussing on the areas of interoperability, proportionality in





implementation and phasing in of industry-specific metrics. "The engagement with the ISSB lays the foundation for future collaboration, and would help ACMF evaluate the feasibility of adopting ISSB standards based on each jurisdiction's own legal and regulatory arrangements with respect to international standards, in a way that promotes consistent and comparable sustainability disclosures across ASEAN," the ACMF said in a press statement after the second chair's meeting in 2022.

DOUBLING DOWN ON BUILDING UP CAPACITY

During this time, great emphasis was laid on the ACMF Market Development Programs. Over 40 senior-level officials had participated in the training program on Sustainable Finance held in December the previous year during Brunei's chairmanship. This training program had been the first part of a collaboration with the Program in International Financial Systems (PIFS) of Harvard Law School with the support of the Asian Development Bank. In the first half of 2022, PIFS would provide training on Fintech and Crypto.



37th ACMF Meeting in Cambodia - Oct 2022

H.E. Mr Sou Socheat, Delegate of the Royal Government in charge as Director General of the Securities and Exchange Regulator of Cambodia talked about the stress laid on training that year. “Inclusivity was a prime goal of Cambodia’s Chairmanship of the ACMF. We wanted to ensure that all ASEAN member states could benefit from developments in the capital markets through capacity building as well as information exchange.”

During this time, the ACMF also undertook the first phase of a study on Voluntary Carbon Markets (VCM).

After two and a half years of virtual meetings, the ACMF members finally managed to meet in Phnom Penh in October 2022. “We managed to restart the physical meetings in Cambodia where DG Socheat very kindly hosted us in Phnom Penh and we were grateful for their excellent hospitality,” said Zhan.

During the meeting, Zhan said, the sense of friendship and camaraderie was very palpable in the room. “We had not met for more than two years and I remember DG Socheat smiling happily as he toasted to the ACMF friendships and the Asian Development Bank (ADB) TA (technical assistance).”



ACMF International Conference - Bali, October 2023

H.E. Mr Sou Socheat added that recognition should be given to the working groups as they do the bulk of the work for the ACMF. He pointed out that the members of the various working groups meet more often (than the chairs or deputies) and do the actual heavy lifting. "The Chairs just meet twice a year to adopt everything."

THE IMPORTANCE OF TRANSITION

Indonesia was the ACMF chair in 2023. During this time, the ASEAN Taxonomy Board launched Version 2 of the ASEAN Taxonomy for Sustainable Finance and it launched the first version of the ASEAN Transition Finance Guidance which serves as a common standard guidance for what constitutes a credible, transparent, and inclusive transition, with a focus on aligned and aligning transition opportunities. This Guidance



Signing ACMF - IFRS Foundation Dialogue on IFRS Sustainability Disclosure Standard at the 39th ACMF Chairmeeting

complemented the ASEAN Taxonomy and the ACMF intended to refine it further by taking into account stakeholder feedback.

"We all needed a guidance for transition and instead of each member developing their own, we decided to develop it collectively. The members who did not have a plan yet to develop their own transition guidance could take this as an ASEAN product. We launched the first one although it was not perfect because we had to start somewhere. And we decided together, during the Lao chairmanship of the ACMF to come up with the second version of the guidance," said Retno Ici, lead analyst for the capital market for Otoritas Jasa Keuangan, the Indonesian securities regulator.

The ADB was keeping a keen eye on these developments and Rosenkranz noted that the debates with regards to this particular guidance were between the developed versus the less developed members of the ACMF. "It's a heterogenous group in terms of capital market development, and that's natural. Hence, some of the members perceived that the rules of this first version of the transition guidance are too loose, while others think they may be too strict.



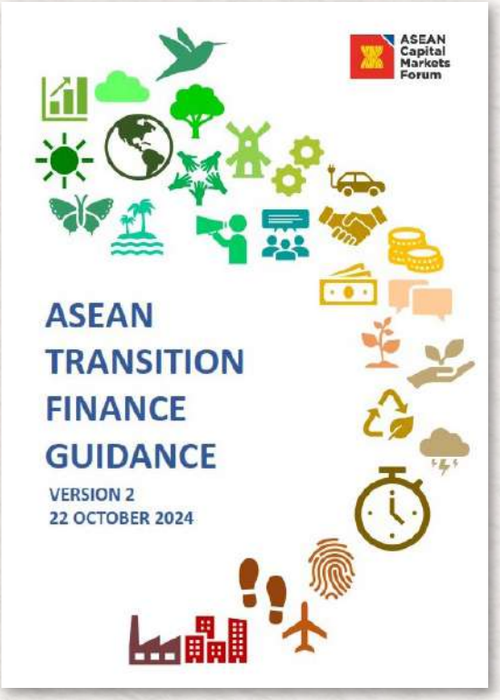
40th ACMF Chair's Meeting - Mar 2024 Lao PDR

"In a collaborative and solutions-oriented spirit, ACMF members jointly agreed to releasing what they call 'Version One', while agreeing to refine and improve it further the following year. This is a good way to go, I think.

"The ACMF has a strong spirit of leaving no one behind but while developing regional standards, no country is forced to adopt them immediately, only if and when they are ready," he pointed out.

During Indonesia's chairmanship, the ACMF decided to commence Phase 2 of the VCM study, focussing on disclosure and transition-related aspects. The work on transition disclosure guidelines and VCM were to be completed under the joint sustainable finance initiatives between the ACMF and the WC-CMD.

The ACMF also agreed to strengthen its collaboration with ISSB by having regular engagement sessions and joint events/conferences, prioritizing capacity-building programs, and exploring the potential for future ACMF-ISSB cooperation to promote consistent and comparable sustainability disclosures across ASEAN.



In addition, it endorsed the Sustainable Finance Knowledge Hub, available on the main page of the ACMF website, to serve as a one-stop center to raise awareness and educate participants on sustainable finance-related issues.

As ACMF chair, Indonesia signed the protocol for the ACMF-IFRS Foundation Dialogue on IFRS Sustainability Disclosure Standards with an ISSB Board Member. The protocol would serve as a guide for ACMF's future engagements with ISSB.

As part of ACMF's objective to promote consistent and comparable sustainability disclosures across jurisdictions, it was assessing the feasibility of adopting IFRS Sustainability Disclosures Standards, taking into account each jurisdiction's own legal and regulatory arrangements. The ongoing engagement between the two would allow ACMF to provide ongoing feedback to ISSB on its standards development and the delivery of capacity-building for ACMF members and stakeholders.

In 2024, Lao PDR took over the chair. During this time the ACMF launched the ASEAN Transition Finance Guidance (ATFG) Version 2 as well as Version 3 of the ASEAN Taxonomy for Sustainable Finance, both incorporating feedback from consultation with stakeholders.

The ATFG provided additional guidance and clarity on different types and applications of Transition Finance, helping to unify terminologies and foster better understanding among market participants on what constitutes a just, affordable, credible, and orderly transition to a low carbon economy. It



Asia GX Consortium Photo during ACMF International Conference - Oct 2024 Lao PDR

also provided guidance on reference pathways to assist ASEAN companies to develop their individual transition plans while helping investors and financial institutions understand and evaluate them.

While the ATFG's main focus is on climate change mitigation, moving forward the ACMF said it would explore how capital markets can support the building on climate adaptation pathways.

In the first meeting of the year, the members noted the launch of the Sustainability Innovation Lab in Singapore, a joint effort by the ISSB and the Global Reporting Initiative (GRI), which was set up to advance regional capabilities in sustainability reporting, especially for companies that report on a multi-stakeholder basis.

October saw the launch of the Asia Green Transformation Consortium (Asia GX) in Tokyo, Japan, with the participation of representatives from ACMF, the Financial Services Agency (FSA) of Japan, WC-CMD, ADB and various private industry

participants. The objective of the Asia GX Consortium is to promote and orient finance towards an orderly and just transition by developing common approaches to transition finance including through case studies, the ASEAN Taxonomy, the ATFG, Japan's approach to transition finance and other relevant frameworks and guides.

ALL ABOUT SUSTAINABILITY

Zhan pointed out that sustainability was the key word that characterised the ACMF journey in the last four to five years.

"There are two aspects of sustainability; one is what we commonly refer to as the sustainability of our planet, which is why we have the Roadmap for ASEAN Sustainable Capital Markets that was launched in 2020 under Vietnam SSC's chairmanship. But also, there is the sustainability of the ACMF as an organization.

"The commitment and trust between member states has solidified over the years and, in addition to the institutionalisation of the ACMF within the ASEAN process, one significant development highlighting this over the last few years was the commencement of the rotating ACMF chairmanship."

Zhan pointed out that in the early years of the ACMF, its chairmanship was usually undertaken by a combination of Malaysia, Thailand and Singapore. "But in 2018, under then ACMF Chair Tan Sri Ranjit, the ACMF agreed to rotate the chairmanship according to the ASEAN Chair. This allows different jurisdictions to take up the mantle and lead the ACMF forward."

He went on to add that each country discharged their chairmanship duties admirably. Not only that, being at the helm helped them to engage more deeply with the whole ACMF process and take ownership of it.

Speaking about environmental sustainability per se, he pointed out that the ACMF had shown prescience in deciding to pay attention to this theme early on. "The Roadmap was developed in 2019, and launched in 2020. That was even before many of the influential and prominent sustainability organizations were formed."

GFANZ (The Glasgow Financial Alliance for Net Zero) was formed in April 2021 and ISSB was formed in November 2021.

"So even before global attention, the ACMF was thinking about sustainability, what it meant for the ASEAN region, and how we can organise ourselves to not only supervise and regulate, but to also develop our markets in a more sustainable and responsible manner."

He added that MAS was privileged to lead the working group on sustainability disclosures, one of the priority recommendations in the Roadmap.

"Working Group A on disclosures has been working very closely with all the other ACMF members to explore the feasibility of having one common standard across ASEAN, consciously taking into account the different jurisdictional requirements and local contexts that we have within the region. We have come a long way, helped by the establishment of the ISSB, to where we are today with one single major standard to look towards, as we help our members build capacity and align the region with global standards."

But it goes beyond aligning with global standards. By embracing sustainability, capital markets can act as a catalyst to mobilise private finance, which is needed to support the development agenda.

DIGITAL ASSET MATTERS

Another topic that surfaced more significantly in the last five years was the rising importance of digital assets and cryptocurrencies. Vietnam's Dzung said this was discussed in all the capital markets regulator meetings.

"Most of the ACMF members are IOSCO members and some are even working group heads of IOSCO. We bring the international practices into the region. We also very much aware that the impact of things like digital assets on the investors in the region.

"In Vietnam for instance, we are only second in terms of cryptocurrency investment, to the US. There are things we see that are not internationally recognized, and these are the regional and national impacts of cryptocurrencies. That is an issue we have been discussing for the last four to five years. And it is also a subject for training," he pointed out, referring to the ACMF Market Development Program trainings organised for the members.

Unlike advanced markets, ASEAN capital market regulators are involved, not only in the regulation, but also the development of the markets. So, they have to view digital assets from both lenses. "We have to develop the market but we also have to make sure that we can regulate these markets. It's not only a matter of training, but for the issues that may arise, the reports, recommendations by the Chairs to give guidance to the market and also, guidelines for all members," Dzung pointed out.

Zhan added: "As Dzung mentioned, digital assets is an international issue and a lot of us are also part of the IOSCO fraternity. In 2022, IOSCO set up a Fintech Task Force, which is chaired by MAS' Assistant Managing Director, Lim Tuang Lee. Its initial focus areas were digital asset regulations for cryptocurrencies and decentralised finance.

"The Task Force issued a set of IOSCO recommendations on crypto and digital assets for IOSCO members to follow and this has been a useful framework, not only for parties in the region, but also, internationally. It sets a benchmark for how to regulate for risks of investor protection and market integrity in crypto and digital assets."

He added that Singapore benefitted a lot from the discussions at both the IOSCO and ACMF levels in informing its own crypto regulations. "In ACMF, we have the Digital Asset Oversight Network. There is very frequent sharing amongst ACMF members. Cambodia has been sharing quite regularly as well on its fintech initiatives, digital assets regulations and sandboxes.

"And then, Singapore, Malaysia, Vietnam…we have all been sharing our experiences in regulating cryptocurrencies and digital assets. I think such sharing is very important because digital assets are borderless. If there are any nefarious actors, they tend to exploit regulatory arbitrage. Together as a region, acting as an IOSCO community, we can help lessen and reduce the regulatory arbitrage available for bad actors to exploit."

Zhan shared Singapore's perspectives on digital assets, "Whilst MAS recognises the potential of the underlying distributed ledger technology (DLT), and is working with private and public partners on promising use cases, we firmly discourage cryptocurrency speculation, especially by retail investors or members of the public."

He added that the MAS began regulating digital payment token, or cryptocurrency services, as part of the Payment Services (PS) Act which came into force in 2020. While the PS Act initially regulated for money laundering and technology risks, the focus has shifted to reducing the risks of consumer harm, with regulatory measures on consumer access and business conduct that will be fully implemented by 2025.

Eugene Wong, Sustainable Finance Institute Asia CEO and formerly Securities Commission Malaysia managing director and one of the ACMF deputies who was most active in the implementation of the first phase of the Action Plan commented: "From here, you can observe two very important elements: the first is that as Dzung was saying, we never sit still in the ACMF because although there is an Action Plan, we always look at current developments and we may actually augment the Action Plan.

"Sustainability and crypto were things that were brought in; they were not originally in the plan. The other comes back to Daowei's (Zhan) point about how our younger capital markets have really been successful as ACMF Chairs. For instance, during Vietnam's time, we produced the ACMF Roadmap. During Cambodia's time, not only did we launch the Sustainability-Linked Bond Standards, Cambodia also launched its first green bond.

"The members themselves were able to leverage on ACMF's work and also ensure that this becomes very inclusive and brings the whole region forward. So, we can see that there was a lot of effort and it is a good thing that all members actually have a chance to chair the ACMF, to ensure that the ACMF agenda is fully inclusive."

FUTURE DIRECTION

Going forward and looking towards the next five years, Dzung said the ACMF wants to keep up its momentum. "In looking into the ASEAN Economic Community strategy and Action Plans, you see that the capital market is playing a very important role. And so, we are working on our Action Plan to meet with the demand for ASEAN leaders."

He said the ACMF will also be looking at the latest developments in capital markets worldwide, and, as always, seeing how this can be adapted to the ASEAN markets. "We will see new products and services in the capital markets linked to sustainability disclosure requirements as well as new financial products and new types of services."

Dzung added that in all its efforts, the ACMF is always keenly aware of its need to support companies in the region. "And we need to make sure that we enhance corporate governance among companies in the region. Because, this is really the whole image of the ASEAN companies. We need to have something to show the world."

In creating an ASEAN asset class, the member states need to have things in common. "We have policies in common, the

ASEAN taxonomies, the Corporate Governance Scorecard. And we have the standards."

He added that over the next few years, he wants to more engagement with ASEAN stock exchanges and for these to be involved in the efforts of the capital market regulators. "They've been silent for the last five years and now, we want to see more engagement with them. And we want to see industry associations play a greater role in the region. Let the markets do things themselves through the associations rather than have all the effort made by the regulators.

"We want to support companies through the extended arms of the associations and the stock exchanges. Regulators simply come up with policies to make sure that the market is well conducted. But there are a lot of new products and services emerging and I feel it is time for the market to do things for themselves through their industry associations and stock exchanges."

Dzung said ASEAN regulators need to step up their game, coming up with a common format with regards to sustainability disclosures and regulations to combat greenwashing and fintech-related scams. Also, all members need to be supported and developed through the sharing of experience and certificate programs to bring the young regulators up to scratch.

"We also need to prepare for the next generation of regulators for the capital markets in the region," he added.

H.E. Mr Sou Socheat is of the opinion that the capital markets should be included in the discussion of policies that deal with climate change and climate mitigation. "We need to develop everything we can in terms of products and markets to support these two issues. It's all about how we use the important roles of capital markets to protect the planet and the people. So, capital markets are not only about raising profits; we want to structure the market to support the government in terms of climate mitigation."

In talking of future directions, he was also concerned about digital assets. "Regulators have two things in mind when it comes to this; one is how to protect the investors and the other is how to catch up with new innovations. We don't want to ignore the innovations and simply focus on protecting investors. So, we need to achieve a balance between how we can use the new technology, the new innovation, to develop the market, but keep in mind that regulators need to protect investors. So, a lot of things will need to happen in terms of this structure of balancing innovation and protecting investors."

H.E. Mr Sou Socheat also believes that the ACMF should go back to basics and address its original intent which is connectivity between the markets. "For example, we have the CIS, but only four ASEAN states are able to participate in this. We want all 10 states to participate. The point is that the ACMF needs to strengthen and connect its markets, not only through the CIS but in other ways. We need to talk about how to do this, together.

"We want ASEAN to become one asset class but not all the markets are at the same level. That's why we need to bring the young markets up to speed so we will be able to connect with each other."

This, he pointed out, is what the ACMF meetings and engagement are all about. "When every member is at the same level, we will be able to connect. One day, we want to have product that will be able to travel around the ASEAN countries.

And we want to collaborate with other markets in the world. In fact, bring ASEAN to the world."

BRINGING ASEAN TO THE WORLD

He pointed to ACMF's engagement with the ISSB and its participation in the Asia GX Consortium as signs that the work it has done thus far is gaining global recognition. "That comes with us having made ASEAN a vibrant market that people want to work with. Why are they interested in ASEAN? Because we have something for them also. So, year by year, we are bringing ASEAN to the world."

Zhan pointed out that the ACMF is a work in progress. "It will continue to evolve, improve, and formulate new policies. I do believe it has attracted global interest. The ASEAN Taxonomy has been cited in many other jurisdictions as something that's credible and something that works for the region.

"Likewise, our Transition Finance Guidance and Green, Social, Sustainable and Sustainability-Linked Bond standards have all seen very healthy uptake amongst the investing community, people who are wanting to come into ASEAN to tap the bond market. The Corporate Governance Scorecard has created a good awareness of ASEAN PLCs amongst the international investors and is something that has encouraged international investors to look at the ASEAN markets and see the hidden gems.

"We've come a long way and we can still go further, but I think we have generated a lot of interest in ASEAN as an asset class, ASEAN as a market and ASEAN as somewhere exciting and vibrant that investors, companies, regulators, policymakers should pay attention to, and participate in the growth of the region," he concluded.

THE JOURNEY

CHAIR MEETING AND CIS MOU

1 OCTOBER, 2013



ACMF CHAIRS MEETING

7-8 SEPTEMBER 2016
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ACMF GREEN BOND STANDARD ROUNDTABLE

20 MARCH 2018
DANANG VIETNAM




ASEAN GREEN BOND
STANDARDS
ROUNDTABLE
Tuesday, 20 March 2018
Da Nang, Vietnam
IFC
Commission
of Vietnam


ASEAN GREEN BOND
STANDARDS
ROUNDTABLE

ACMF CHAIRS AND CONFERENCE

10-11 OCTOBER 2018
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ASEAN Capital Markets Forum
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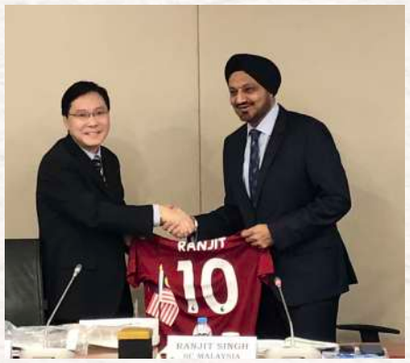
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ASEAN Capital Market Conference 2018



35TH ACMF CHAIRS MEETING

18 OCTOBER 2021



36TH ACMF CHAIRS MEETING

21 MARCH 2022



39TH ACMF CHAIRS MEETING

16 OCTOBER 2023
BALI, INDONESIA



ACMF INTERNATIONAL CONFERENCE

17 OCTOBER 2023
BALI, INDONESIA



ACMF DEPUTIES MEETING

5 FEBRUARY 2024
VIENTIANE, LAO PDR




ASEAN Capital Market Forum (ACMF)
Deputies Meeting



40TH ACMF CHAIRS MEETING

15 MARCH 2024
LUANG PRABANG, LAO PDR




ASEAN Capital Markets Forum
ASEAN LAO PDR 2024
The 40th ACMF Chairs Meeting
ASEAN: "Enhancing Connectivity And Resilience"
The 40th ACMF Chairs Meeting
ASEAN: "Enhancing Connectivity and Resilience"
15th March 2024 Luang Prabang, Lao PDR


ASEAN Capital Markets Forum
ASEAN LAO PDR 2024
The 40th ACMF Chairs Meeting
ASEAN: "Enhancing Connectivity and Resilience"
15th March 2024 Luang Prabang, Lao PDR
ASEAN LAO PDR 2024
ASEAN: Enhancing Connectivity and Resilience








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41ST ACMF CHAIRS MEETING

21 OCTOBER 2024
VIENTIANE, LAO PDR






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20TH ANNIVERSARY OF THE ASEAN CAPITAL MARKETS FORUM

22 OCTOBER 2024
VIENTIANE, LAO PDR




ASEAN Capital Markets Forum
ASEAN LAO PDR 2024
ADB
The 20th Anniversary of the ACMF and International Conference 2024
"The ACMF at 20: Facilitating the Growth of the Region through Enhancing Connectivity, Sustainability and Resilience across ASEAN Capital Markets"

THE ACMF INTERNATIONAL CONFERENCE

22 OCTOBER 2024




ASEAN Capital Markets Forum
ADB
From Strategy to Action
Operationalising the Action Plan 2021-2025 and What's Next
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Panelist
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Deputy Director, Strategy & Research
Securities Commission Malaysia
Mr. Kelvin Lester K. Lee
Senior Financial Sector Specialist,
Asian Development Bank
Dr. Intan Murnira Ramli
Senior Policy Fellow,
Economic Research Institute
for ASEAN and East Asia
Mr. Michael Heaney
Partner, Ernst & Young Consulting
Mr. Souliyo Vongdala
Co-founder & CEO of LOCA Laos



ACMF-ISSB TECHNICAL TRAINING

23 OCTOBER 2024
VIENTIANE, LAO PDR




ASEAN Capital Markets Forum
IFRS Sustainability
ADB
ACMF-ISSB Technical Training
on the IFRS Sustainability Disclosure Standards
23 October 2024, Vientiane, Lao PDR



WELCOME DINNER - CHAIRS

2024

LUANG PRABANG



WELCOME DINNER – CHAIRS AND DEPUTIES 2024

2024

LUANG PRABANG













WELCOME DINNER - CHAIRS

2024

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WELCOME DINNER – CHAIRS AND DEPUTIES 2024

2024

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A LEAGUE OF EXTRAORDINARY REGULATORS



BRUNEI DARUSSALAM

Road to Interconnectedness, Inclusivity and Resilience

Brunei Darussalam is a unique member of the ASEAN Capital Market Forum in that it does not have a stock exchange as yet. Brunei Darussalam Central Bank (BDCB) serves as a single integrated regulator that regulates and supervises all financial services, including the securities market.

Even without a dedicated securities exchange, BDCB remains an active member, eagerly participating and contributing to various initiatives and using ACMF frameworks to build capacity and develop its own market.

Brunei Darussalam Central Bank ACMF Deputy Faadzilah Abu Bakar said that Brunei recognizes the importance of promoting ASEAN as a single asset class, one of the main aims of the ACMF, especially considering the relatively small size of individual ASEAN markets.

"This is also essential in fostering a regionally integrated capital market. Each stakeholder plays a vital role in this effort, especially in facilitating fundraising activities, creating a diverse range of investment products — particularly those specific to ASEAN — and enabling cross-border investments for investors," she said.

Faadzilah added that a well-executed and market-facing communication plan can significantly enhance and sustain investor interest.

Brunei Darussalam has been active within the ACMF and kept a close watch on its developments and the initiatives that that organization has introduced, adopting some of the ACMF standards in its local market.

"We are proud to have adopted the ASEAN Green, Social, Sustainability, and Sustainability-Linked Bond Standards. However, as a pre-emerging market, Brunei Darussalam is taking necessary preliminary steps to enhance our participation in ACMF initiatives.

"The BDCB is actively engaged in the development of various ACMF standards and initiatives, collaborating with key stakeholders to ensure that the potential adoption and application by capital market intermediaries and issuers in Brunei Darussalam are practical and achievable."

She admitted, however, that the absence of a securities exchange in Brunei Darussalam is unique within the context of its participation with the ACMF. But the oil-producing nation has benefitted from its membership, nonetheless. "At this stage, the ACMF processes and programs have significantly contributed to our capacity-building efforts, shaping our policies and regulatory frameworks, and facilitating the sharing of information and exchange of views that are crucial to further strengthen collaboration among ACMF members."

Also, the absence of a securities exchange does not mean that there are no plans for one. “We are actively working to establish a securities exchange in Brunei Darussalam. This development project is led by the Ministry of Finance and Economy (MOFE) with support from the BDCB. The MOFE and BDCB have been collaborating closely to build and develop the necessary legal and regulatory frameworks, as well as the infrastructure and systems essential for the successful establishment of a securities exchange.”

Brunei Darussalam has already made considerable progress in developing its capital market through active consultations with various stakeholders, including the financial industry (banks and capital market intermediaries), audit firms, law firms, and Chambers of Commerce, relevant departments within the MOFE, and companies with the potential to be listed, such as government-linked enterprises. “From BDCB’s perspective, the legal and regulatory framework for listings has been developed and is currently in the finalisation stage.”

Brunei Darussalam chaired the ACMF for the first time in 2021 when the pandemic was raging and the world had gone into lockdown. It was a difficult and challenging time but it managed to acquit itself admirably.

“While the pandemic brought forth numerous challenges, we believe that it should not stand to impede our progress or aspirations. We had always operated in-person, so adapting



Faadzilah: Brunei taking necessary steps to enhance participation in ACMF initiatives

to virtual work required a period of adjustment. However, we successfully transitioned to a fully virtual work environment during the height of the pandemic — all hosting and facilitation of meetings, discussions, events, and awareness events for the ACMF initiatives were conducted purely in a virtual format,” Faadzilah said.

She admitted that the BDCB would have preferred to hold these events in person so that its ACMF colleagues and friends could have experienced Brunei hospitality, and especially its cuisine. “But we made the best of the situation. As we adjusted to the ‘new normal,’ in the background, with our Business Continuity Plan activated, our teams were organised into shifts,

with some working in the office, while others worked remotely at any given time.

"While commonplace today, chairing an ASEAN meeting remotely from home was an extraordinary occurrence at the time, and it remains a memorable experience," she added.

In 2021, the ACMF launched its next five-year Action Plan (2021-2025). "We extend our heartfelt gratitude to our previous Chair, the State Securities Commission of Vietnam, for their initial contributions that became the foundation that paved the way for its successful adoption.

"We also recognize that the Working Groups and other ACMF members played a crucial role in finalising the Action Plan. "Following the publication of the ACMF Action Plan for 2021-2025, we successfully organised virtual stakeholder engagement sessions across all ASEAN countries to raise awareness and familiarise participants with the plan."

Some 150 individuals participated in the sessions representing 110 organizations across ASEAN. "We considered this a significant achievement for a virtual event at that time."

Brunei is also the chair of the ASEAN Taxonomy Board, a role it takes very seriously. "We advocated for the completion of concept notes on ASEAN taxonomy, transition finance and the Sustainable Development Goals (SDG) Bond framework as essential components supporting ACMF's sustainable finance agenda, as outlined in the ACMF Roadmap for Sustainable Capital Markets.

"Thanks to numerous discussions and unwavering support from the Sustainable Finance Working Group, along with contributions from various agencies — including the Sustainable Finance Institute Asia (SFIA), the Asian Development Bank (ADB), and ASEAN workstreams such as the Senior Level Committee on Financial Integration (SLC), Working Committee on Capital Market Development (WC-CMD) and the ASEAN Insurance Regulators' Meeting (AIRM) — we successfully established the ASEAN Taxonomy Board and issued the SDG Bond Toolkit in 2021."

One of the most popular initiatives to come out of the ACMF has been the ACMF Market Development Program or A-MDP. Has Brunei Darussalam availed itself to it?

Faadzilah said it has, both in terms of helping design the program as well as participating in it to build its own capacity. "Since the establishment of the A-MDP in 2015, BDCB has actively participated as a member of the Working Group responsible for implementing its initiatives. We recognize that capacity-building is essential, as it helps bridge development and knowledge gaps, enabling ASEAN to effectively address regional human capital challenges."

Acknowledging the importance of the Working Group, she said BDCB has contributed to its efforts by conducting a capacity-building needs analysis for capital market regulators, which culminated in a report produced for the ACMF by the ADB in 2016.

"We also provide annual updates regarding country-level capacity-building needs to inform the design of future programs. Internally, we ensure that these insights are integrated and aligned with our own capacity-building plans.

"Additionally, BDCB participated in the ASEAN Young Regulators Program, with three officers gaining invaluable experience through attachments at the Monetary Authority of Singapore in 2016 and 2024, and one officer at the Securities Commission Malaysia in 2019 and 2023. These opportunities have equipped our young regulators with hands-on exposure to the regulation and supervision of capital markets in other ASEAN jurisdictions, which has enhanced their regulatory knowledge and directly contributed to their effectiveness in their daily roles."

Furthermore, she said, BDCB has also participated in training programs organised by A-MDP focusing on bond market development, as well as recent trends and emerging issues such as financial technology, crypto-assets, and sustainable finance. "The experience shared by ASEAN regulators via these avenues have served as a valuable reference point for Brunei Darussalam, instrumentally shaping our regulatory and supervisory framework, enhancing our capacity and refining our processes."

The ACMF has always been a consultative and collaborative forum, allowing its members to opt-in to its various initiatives rather than imposing these on them, given that each is at a different level of development. How does Brunei Darussalam view such an approach?

"We believe that the opt-in approach is beneficial as it carefully considers each member's capability to meet the established standards, along with the readiness of the regulatory and supervisory framework, market infrastructure, and industry landscape in each ASEAN country. As a member of ACMF, BDCB actively monitors the progress of various ACMF initiatives to identify opportunities that can support our capital market development.

"Drawing upon our experiences, we understand that a stock market serves as a vital engine for economic and financial sector growth. However, in Brunei Darussalam, the absence of a stock market limits the full development of the capital market ecosystem," she pointed out.

This is because while a legal and regulatory framework is in place, it cannot be effectively tested or advanced to a larger scale without an operational stock market. "Consequently, some ACMF initiatives, such as the ASEAN Corporate Governance Scorecard, have yet to be adopted and implemented, pending the readiness of both the industry and regulatory environment."

Faadzilah added that the opt-in approach has allowed Brunei Darussalam to gradually prepare for ACMF resolutions and initiatives and in a manner that would not have been feasible had it been required to immediately impose them.

Another noteworthy example of the opt-in approach would be the ASEAN Taxonomy on Sustainable Finance. "We believe that the ASEAN Taxonomy initiative is unique due to the critical nature of its push factors; the ASEAN Taxonomy Board (ATB) has developed a multi-tiered approach to address the distinct differences among ASEAN member states and their varying stages of development and exposure to climate change."

When ACMF started, it had ambitions of uniting the ASEAN markets into a unified trading bloc, thereby making it a more attractive proposition for outside investors. After some real-world experience in trying to implement these ideals, it has realised that harmonization and mutual recognition were more feasible.

"While integration efforts have fostered the growth of ASEAN capital markets to their current size, new challenges continue to arise as ASEAN seeks to establish itself as a unified bloc where seamless cross-border activities can thrive," Faadzilah noted.

She added that despite progress, differences in regulatory frameworks across ASEAN, countries have yet to effectively reduce costs for market participants, which are ultimately passed on to investors, thereby hindering seamless cross-border interactions within the region.

"The harmonization of regulatory frameworks, including the establishment of various ASEAN standards, has been effective in addressing some of these challenges. To date, the total net asset value (NAV) of authorised ASEAN Collective Investment Schemes (CIS) has reached approximately US$320 million, and the total issuance of ASEAN Green, Social, Sustainability, and Sustainability-Linked Bonds has grown to around US$7.4 billion.

"Additionally, a study has shown that the ASEAN Corporate Governance Scorecard has played a key role in boosting investor confidence in ASEAN companies, among other contributions," she said.

The ACMF has probably been most successful in its harmonization efforts in the area of sustainability. Faadzilah

agreed: “In terms of sustainability, there are significant growth opportunities, given the current state of minimal regulatory frameworks and infrastructure in this area, making convergence relatively achievable.

“This is evident in our ability to adopt the ASEAN sustainability-related standards, as mentioned earlier. We recognize the urgency and time sensitivity of the sustainable finance agenda, which is essential for supporting the global transition to more environmentally-friendly economy activities.”

What should be the future direction of the ACMF? Faadzilah envisions strengthened collaboration that fosters a more integrated and resilient financial landscape across member countries.

“As we embrace emerging trends and increasingly complex technological innovations, Brunei Darussalam believes it is essential to prioritise continuous education and training. This ensures that our workforce is equipped with the right skills and knowledge to effectively navigate the rapid changes in the global market.

“Furthermore, the growing risks associated with online fraud and scams, particularly those that transcend borders, call for a collaborative response at both the international and ACMF levels. We must come together to address these challenges head-on,” she asserted.

The ACMF is unique in that, although a formal organization with the purpose of bringing ASEAN regulators together to collaborate on issues related to the capital market, it has also fostered close ties, even friendships between the various members. Most talk fondly about how they only need to pick up the phone to get help on various issues or templates for legal frameworks. Brunei Darussalam has found this to be true, especially during its chairmanship in 2021.

Faadzilah acknowledges that the camaraderie shared within the ACMF is truly special. “It is characterised by a genuine spirit of support and teamwork. When the chairmanship was handed to BDCB in 2021, we found ourselves in an entirely new position and we admit that we were faced with a somewhat daunting challenge.

“Observing the seasoned experience and high standards of excellence demonstrated by our colleagues in ACMF, we recognized the importance of striving to meet those expectations in fulfilling our responsibilities as Chair and ACMF Secretariat. As a result, we collaborated closely with previous and future Chairs, as well as with key partners such as the SFIA and ADB. We believe that this collaboration has been instrumental in effectively fulfilling our chairmanship role.”

She added that while interactions focus on the work at hand, such as their collaborative endeavours, they have been able to cultivate genuine friendships with fellow regulators, sharing long hours and light moments together.

"Additionally, the social gatherings we hold outside of formal meetings further strengthen our relationships. Many who have retired from their roles as regulators continue to maintain connections with one another. We feel honored to have built these lasting relationships with our fellow ASEAN regulators."



CAMBODIA
Full Steam Ahead

As one of the less developed countries without its own capital market when the ASEAN Capital Market Forum started in 2004, Cambodia is one of the members that has really developed and grown in the last 20 years. Now, it has its own stock market with 23 listed companies which include 11 equity listed companies and 3 sustainable bonds listed companies. It is actively investigating developments in the digital market. And it has concrete plans to continue to develop its market in a structured and orderly manner.

H.E. Mr Sou Socheat, Delegate of the Royal Government in charge as Director General of the SERC (Securities and Exchange Regulator of Cambodia) talked about how when the ACMF first started, Cambodia had yet to establish its own stock market and regulator, although plans for these were on the cards.

"We had a representative from the Ministry of Economy and Finance to join the ACMF meeting as an observer. This was because, at that time, we had nothing to discuss; we had no market, no regulation, nothing."

However, in 2001, Cambodia had already, with the support of the Asian Development Bank, come up with a 10-year blueprint to map out the financial development of the country.

"This was a 10-year blueprint that showed the mapping for the establishment of the stock market in Cambodia. With this blueprint, we had the plan to adopt the law on the issuance and trading of non-government securities in Cambodia in 2007, and with this law we could establish the stock market and also put in place a regulator.

"The SERC started in 2008 and we had our first listing in 2012, the year that marked the first trading of stocks in Cambodia. Between those years, we put in place everything to get the market going. And then, Cambodia could benefit from the ACMF. The SERC joined the ACMF in 2009."

Although the ACMF only held meetings twice a year, between meetings, the SERC would connect with other members to request support. "We would request information and sometimes also get input from the other regulators in terms of legal frameworks, or feedback about what we had done so far.

"So, from then on, we benefitted a lot from the ACMF, and not only during the meetings. But the meetings themselves were quite interesting. We were the young regulator so we needed to learn first. Step by step, we started to understand what the other regulators were doing and put that in place in our own market," he pointed out.

He added that this is why SERC refers to the ACMF as a hub of knowledge, a hub of sharing experience and a hub of

networking. "We meet each other, talk to each other, and learn from each other. And aside from that, we also work together. Regulators need to supervise their markets and at the core of this supervision is investor protection and enforcement.

"I mean, each regulator can supervise and develop their own markets but what about when something crosses borders? How can they do it together? The ACMF is like a bridge from one regulator to another and we can work together. We benefitted a lot from the ACMF, although we only formally joined it (as a regulator) in 2009."

One of the early aspirations of the ACMF was the harmonization of rules and regulations across the 10 ASEAN markets. One challenge was the heterogenous nature of the ASEAN markets. "It is not easy to harmonize with the others. We had to start from scratch, from nothing, but we needed to go along with the others, many of whom were big markets, developed markets. So how could the SERC put ourselves in that group?

"We raised that question during one of the ACMF meetings because we want ASEAN to be one asset class. How could we make that happen? We talked with the other regulators such as Thailand, Indonesia, and Singapore that have developed markets. And we raised the establishment of one program that could benefit the young regulators, but also, could benefit all the regulators, that we call A-MDP — ACMF Market Development Program. This program would allow the young regulators like Cambodia, Lao, and Myanmar to benefit from the experience of the other regulators."



H.E. Mr Sou Socheat: Cambodia has benefitted from ACMF engagement and training to develop its market

There were two approaches to this program. One, to allow officials from one regulator to work with another regulator to see for themselves, firsthand, how the host regulator actually worked to supervise and develop their market. "That is one way, so we could disperse our officials – three, four, five – according to the negotiation between regulators, and also with the support of the ADB. So, with this, we could also have a few months to work alongside the other regulators. It was not just for learning but also for working as a regulator.

"The other one we established is the program that benefits young regulators. But the program is not established by the big markets but by the markets that need the support. It is based on what we need and the topic we want to hear about from other regulators that have experience in it. So, we developed that kind of program, year by year, with support from the ADB."

With these programs in place, he said, Cambodia started its harmonization journey with the other ASEAN countries. "Right now, you could see that what the other regulators, what the big markets can have, Cambodia could also have. We may still be small in size but we can introduce all kinds of products. Why? Because we learned from the ACMF and especially from the A-MDP programs."

When is Cambodia planning to participate in the ACMF Corporate Governance Scorecard? "Right now, we have started doing it internally because we could not go to the ASEAN level yet. With the scorecard, you need to separate — one is national level and another is ASEAN level. We learn from ACMF and we do our own scorecard where we put the scores of all our listed companies. It's not yet at the ASEAN standard because we could not ask our companies to go to that level yet. But we've made a start and I think we could get to the ASEAN level in the next three to five years."

Right now, the Cambodian stock market is still in the nascent stage with only 11 equity listings. Does the SERC have a role in encouraging its companies to list? "I think that this is the core role of a regulator, especially in a young market like Cambodia. We cannot have a market without products. So that's why we need to convince companies to list. And we have the support of our government in terms of tax and non-tax incentives to convince the companies to take the step.

"That's why Cambodia started with the listing of state-owned enterprises on the Exchange. These were instructed by the government to get listed. But right now, step by step, the private industry, banking sector, trade sector and even the real estate sector are starting to think that if they put their companies up on the market, it would not only help them raise funds but also prepare them to expand in a more sustainable way. In the next five years, we could get more and more companies to list."

One area that Cambodia is already active, is the Green Bond Standards. "As I said before, we had a blueprint to develop our market and we put in place the products step by step, year by year, according to the plan. But in terms of sustainable products and green bonds, we had to learn from the ACMF. I can still recall the trip where we all went to the UK to learn about this from the European market.

"In our ASEAN markets, we had already established our bond market but green products or sustainable products, how could we make that happen in ASEAN?"

He said in Cambodia the corporate bond market is just at the beginning. "So, we don't make it compulsory for them to issue the corporate bonds as green or sustainable bonds. We allow them to issue plain bonds but we also try to convince those that meet the criteria to issue sustainable or green bonds."

He added that Cambodia has its own internal guidelines for green and sustainable bonds. "Our Cambodian companies issue the bonds with what we call Cambodian standards but they also meet the standards of ASEAN. And right now, more and more companies are thinking about this, because they think that if they could meet the criteria for sustainable bonds at the ASEAN level, they could also attract more investors, not only from ASEAN but also from Europe. Our ASEAN standards meet the criteria from other standards, such as the ICMA (International Capital Market Association) principles, because we used that as a guide in coming up with our standards.

"So, with these guidelines, our companies have a choice; they can either issue normal bonds or green bonds. If they can meet the standards, they issue green bonds because then they can attract more investors."

Although a young market, Cambodia is embracing the latest developments in capital markets such as digital assets. "We are very interested in digital assets, but we also have the challenge in terms of them being very new."

The key issue here is how to protect investors. "When we introduce these new digital assets, we need to know that we could also have the capacity in terms of supervision. We need to understand about things like blockchain and we need to understand the appetite of investors, because it's not the same product as before. That's why we go step by step. We understand that there are big markets like Thailand, Malaysia, and Singapore that are going so much more quickly into this.

"We observe them and start to learn: What are they starting? What kind of investors do they allow in first? What kind of preparation do they need before they start the market? Right now, we have introduced what we call the sandbox regulatory framework, for one year. If you have an innovative product or platform, you could work with the SERC and test the market with real investors. But we don't allow all investors to join the sandbox, only the high net-worth ones, who understand the risks."

Right now, it has two companies using the sandbox to test the market but the SERC has requested the government to allow more companies to participate.

Next year, he said, the SERC plans to put in place the regulations for digital assets. “Let’s see what we can make happen there. We will try our best but not move too quickly because investor protection is still the most important thing.”

Looking forward, H.E. Mr Sou Socheat said that Cambodia has provided its input into the next five-year plan. “We have discussed the five-year plan and everyone wants to see three things in it. The first thing that we want to see is more development in terms of sustainable finance, sustainable products. We want all ASEAN countries to move in terms of this. We know about climate change and although Cambodia is a small country, we face the same problems related to this. So, we want the market to move forward much faster in terms of sustainable finance and sustainable products.

“The other thing is digital products and digital platforms. Right now, this market is not just local. It’s a very connected market. One digital asset could be traded not only in one country but in more and more countries. Look at bitcoin or other cryptocurrencies; they leap from one market to another. But how can the markets get together and supervise this? That’s why we need to get together to have proper regulation on this.”

And finally, it is interested in cross-border enforcement. “Right now, each regulator concentrates only on their own country. When you talk about cross-listings, cross-products, we get involved, just not in terms of enforcement.

“So, in the next five-year plan, I think that we need to move from how two regulators can do enforcement together. Because companies right now can raise funds from more than one market. So that’s why we need to work together on cross-border enforcement, in the next five-year plan.”

What does he think about the relationships that have been cultivated between the different ACMF regulators? “Why do we always need face-to-face meetings? Because it’s not just only the collaboration from country to country, it’s also the networking from person to person. We always know the dates of the first meeting in March and the second meeting in October. Why? Because we want to make sure that the leads of all the regulators can join.

“It’s not only about the topics that they discuss but also for the friendship and collaboration from one person to another. So that is the point, the ACMF is not just a forum or meeting, it is the hub of networking, the hub of collaboration. And we can connect with each other at any time.”

He said it was important for these regulators to meet at least twice a year, face to face, to share things that they could, perhaps, not disclose to the public. “I just wanted to end

by saying that the ACMF is not only about the meetings; we use the platform every time we want to get experience and information on how to develop the market together. What we want to see is ASEAN become an asset class that could go along to talk to big markets like Europe and the US. And this would also benefit small markets like Cambodia."



INDONESIA
A Family Spirit

Retno Ici, lead analyst for the capital market, for Otoritas Jasa Keuangan, the Indonesian securities regulator, has been with the ACMF since its beginning in 2004. Affectionately known throughout the forum as "Ibu Retno," she has watched the organization grow and develop from a fledgeling body to the ASEAN powerhouse it is today.

When the ACMF first started, there was an acknowledged need for the securities regulators of the ASEAN countries to communicate and work together.

"I think the ACMF was built together to develop the ASEAN capital markets for the benefit of its members, taking into consideration each member's stage of development. In the process, we worked out strategies, including the development of the ACMF Action Plans, together. Working out the plans involved all members and we also considered the different situations or conditions of our respective members as well," she said, emphatically.

While everyone had input into the various plans and initiatives, not everyone would choose to participate in them. It depended on their own domestic laws and situations. "If there was a product or process that was beyond the development stage of a particular member, we could consider that as a guidance and the members may use it or adopt it or align the domestic with the ASEAN standard, according to their readiness. So, there is no obligation to join."

Retno touched on the development of ASEAN sustainability standards. "Indonesia really needed it and our domestic market players asked for it. So, we jointly developed the standards at the ASEAN level so that all ASEAN members could use it. We discussed it with our domestic stakeholders and market players, not to mention the international principals, so when we finally came out with the product, there were no doubts about it. We had involved everyone in the creation process."

Indonesia chaired the ACMF for the first time in 2023. During that time, it came out with the first version of the ASEAN Transition Finance guidance. "We all needed a guidance for transition and instead of each member developing their own, we decided to develop it collectively. The members who did not have a plan yet to develop their own transition guidance could take this as an ASEAN product. We launched the first one although it was not perfect because we had to start somewhere. And we decided together, during the Lao chairmanship of the ACMF, to come up with the second version of the guidance."

Retno pointed out that ACMF was developing products, not for the region but for the world. Part of its mandate was to turn ASEAN into an asset class that was attractive to global investors. The members were all at different stages of development and there needed to be some common standards to bring them together.



Retno: We plan our products with local wisdom; implement the global need in a local way

"We need to profile some common standards or platforms for ASEAN so international players will be drawn to take a look at this region. We look both to the needs of our ASEAN members as well as international stakeholders."

And members contribute according to their capacity. "There are some who can share their experience and ones that try to upgrade their industries. We plan our products with local wisdom; implement the global need in a local way."

One effort towards creating an ASEAN asset class was the ASEAN Corporate Governance Scorecard. "I feel this was a very good initiative to apply corporate governance principles in our markets, especially among the public companies, according to the G20 OECD principles. Most of our members already had some form of corporate governance. The difference was not in the principles themselves, but how they were implemented. The Corporate Governance Scorecard standardised our implementation of these principles."

Although Indonesia has participated fully in coming up with the various initiatives and standards, it was observed, especially during the early days, that it did not participate in some of the harmonization efforts or frameworks.

"We did not join in some of the frameworks, but that does not mean that the principles we implement are different. For instance, if you take the CIS Framework, Indonesia did not join it because of our domestic law relating to cross-border transactions. According to our legal system, if foreigners offer CIS products in Indonesia, that does not only relate to the offer of products but investment management services. Under our capital market law, only investment managers licensed by our capital market regulator can manage the money of investors in our country.

"So, there are many considerations before we sign on to a framework. We need to find a way to do things that fit the legal frameworks of all members. But even if we don't join, we appraise the frameworks and are involved in their development," she said.

Retno pointed out that each country has its own economic, political, and legal frameworks that they have to operate within. “So, when it comes to ACMF frameworks or initiatives, we cannot make it obligatory. Each member has to consider their own domestic legal framework first.”

One initiative that Indonesia was especially pleased with was the ACMF Market Development Program (A-MDP). “Indonesia’s Financial Services Authority (OJK) and Securities Commission Malaysia were the first co-Chairs of the A-MDP and this program was really good for the members to share and to provide capacity building for the officials of its member countries as well as to assist the members who needed support in developing their markets. We would like to grow together. Each member should get the benefits of ACMF instead of only certain members.”

Retno expressed pleasure that there have already been indications that next year, there will be even more capacity building within the ACMF.

Many of the members have expressed interest in learning more about the management and regulation of digital assets. Little understood assets such as cryptocurrencies have burst upon the horizon of the ASEAN countries and enticed the younger investors, especially. It is fine as long as they are making money but if fraud is perpetrated, many do not know where to go for redress. Then, they turn to the regulators, most of whom have limited knowledge of this particular subject matter.

“It’s a growing market. So, we have to deal with it and as regulators, we need to upgrade ourselves on how to supervise the industry. We need capacity building on this matter.

“I know that Malaysia, Singapore, and Thailand have taken some steps and are more advanced in this area compared to the others and they can share their experience with us, but we need more than that. All members require capacity building on how to handle digital assets,” she said.

Another program she would like to see in the A-MDP would be around the development of voluntary carbon markets as well as other programs related to sustainable finance. “As regulators, it’s not enough to provide the guidance on the transition, we have to be ready to regulate and supervise the companies. We can’t expect the companies to develop the best practices for transition on their own. They require our support and guidance. So, we all need to build capacity in this area as well.”

Why sustainable finance? “Because that’s the way the world is going, that’s where the global demand is. We want to make ASEAN attractive to global investors and to do so, we need to embrace global trends.”

Has there been a shift in ACMF's focus from harmonization to sustainability? She does not think so. "Harmonization is embedded in ACMF's agenda. We do not need to focus on it exclusively anymore because that's already part of the work. It's understood. We don't have to keep repeating it."

With the growing importance and cross-border trading of digital assets, another area that requires emphasis in the coming years is enforcement. "In our next five-year plan, there will be more programs around enforcement."

There are two things on which she wishes to see more emphasis. The first is the working group on dispute resolution and enforcement mechanisms. "We are trying to provide a platform for retail investors to settle disputes between the investor and financial institutions as well as public companies. Why do we focus on retail? Because they have no power, no funds to hire professionals to ensure that settlements are executed.

"Actually, this is the hard part. Let's say there is an arbitration on a certain case and one of the intermediaries is expected to deliver the securities: the decision is in Indonesia and the asset in Malaysia. How do we effect the transfer from Malaysia to Indonesia? There are formal legal processes that should be followed, so this is an area we have to look at and settle."

The other working group Retno believes should be revived is the one on communications. "It was actually established during SC Malaysia's chairmanship, maybe eight years ago. Now it is dormant and each member handles its own communications. But for the ACMF, we actually need a dedicated team, and that's hard to arrange."

Despite this, Retno is excited about the upcoming five-year plan because it was not just developed by the regulators of the ACMF countries; domestic and global stakeholders were also involved. "Previously, we invited the industry to give their views on the formulation of our Action Plans, but it has never been done to this extent. At the end of the day, it was still something that the regulators came up with.

"Now, with the involvement of industry in our Action Plan, charting our subsequent development, our hope is that ASEAN will be considered an attractive place for investment by global investors and that all the members will get the benefits of this."

To Retno, the relationship between ACMF members extends beyond friendship; it's more like family. "I think every member feels it. When I meet Pak Eugene (Wong, formerly SC Malaysia's managing director), for instance, it's like I'm reuniting with a brother. That's how we all feel. And when one of our member countries does something successfully, such as Cambodia's recent conference on green bonds, it feels as if all of us succeeded. We feel so proud. And that is the spirit of the ACMF!"



LAO PDR

Developing at its Own Pace in Alignment with ASEAN Standards and Frameworks

When the ASEAN Capital Markets Forum (ACMF) first started, Lao PDR didn't have a stock market or a securities regulator but it was already several decades into opening its doors to the world and improving its investment climate based on policies put in place in 1986.

Gradually, the economy was growing and developing. And this is why, when the ASEAN Capital Market Forum (ACMF) kicked off in 2004, Lao PDR, on the cusp of starting its own capital market, was primed to benefit from closer collaboration with other ASEAN regulators.

Deputy-Secretary General of Lao Securities Commission Office (LSCO), Alounna Sivongthong said over the past decades, the Lao government has continued implementing commitments to improving the investment climate with open-door policies, transparency, fairness, and a competitive market environment.

These efforts played an important role in advancing the agenda for the establishment of a securities regulator and a securities exchange. "The policy, which had been introduced and implemented for a few decades, contributed to the growth of the key sectors of the economy, including securities. So, when the ACMF was established in 2004, the government had already set a clear direction for the development of the economy, including a plan to set up the capital market at the end of the sixth 5-year National Socio-Economic Development Plan (2006-2010).

"We saw that financing from commercial banks was not enough to respond to the demand for fundraising in the new phase of development of Lao PDR. So, the government set that plan in the national strategy (to develop the capital market) and assigned the Bank of the Lao PDR to work on this project. This was a period of study and preparation. The relevant parties made an effort to make a comprehensive study on how to establish the capital market and also learn from other friendly countries, including ASEAN and other neighbouring countries."

The ACMF members had been very helpful in this process. "They shared information and accepted our officers on study visits to find out what is important in the development of the capital markets and also what we would need to focus on. They also shared valuable lessons on how they developed their markets."

In 2010, the Lao Securities Exchange was successfully established as a joint venture between the Bank of Lao PDR and the Korean Stock Exchange. "We established the Lao Securities Exchange on October 10, 2010 and the first trade on the stock exchange was on January 11, 2011," she said, calling attention to the numbers: 10 10 10 and 11 1 11.

2024 marked the 14th anniversary of the establishment of Lao's capital market. "It's important to recognize that the capital market development has been essential to the socio-economic development of the Lao PDR. The capital market has provided another channel for enterprises from both the public and private sectors to raise long-term capital at a reasonable cost through the issuance of shares, corporate bonds, and government bonds."

Sivongthong added that, at the moment, Laos only has three products — common shares, corporate bonds, and government bonds — that trade on the Lao Securities Exchange but together, these have raised capital contributing to approximately 20% to the country's GDP.

"Over the past decade, the capital market has strengthened our enterprises in terms of accounting, auditing, and corporate governance, as well as transparency of business operations and administration. It has also enhanced competitiveness of the enterprises and generated a variety of investment opportunities for various types of investors. The number of listed companies has steadily increased, with the market expanding its range of financial products. Also, some of Lao's companies are now able to do a cross-border offering of shares and corporate bonds, giving them access to a broader investor base and more fundraising opportunities."



Sivongthong: By participating in the ACMF, we have gained valuable experience, especially when others share lessons learned in developing their markets

She added that although the market is comparatively smaller than its regional peers, there is potential for growth and investment. "Currently, our market comprises 10 listed companies, 4 securities companies and over 15 securities intermediaries, but we have ongoing efforts to encourage greater participation of companies in our capital market."

She said the LSCO is doing its best to attract more companies to the capital market. "In promoting the companies to list on the Securities Exchange, the government of Lao has provided incentives, particularly tax incentives, for newly-listed companies, reducing the tax rate from 20% to 13% for the first four years."

Right now, Lao PDR is undergoing a process of assessment for the further development of the capital market. "We are currently assessing our achievements and exploring strategies to further develop the market over the next decade. This will culminate in a new 10-year strategic plan for Lao PDR's capital market development which will include direction for expanding fund-raising activities. One of the main projects will be to attract more companies into the market.

"And with this, we will also coordinate with the relevant government authorities and stakeholders to identify potential listed companies in key sectors, including renewable energy, services, agriculture and transportation."

Additionally, the LSCO is conducting research on the privatization and reform of state-owned enterprises. "We are working with the Ministry of Finance to explore the possibility of state-owned enterprises privatizing through capital market mechanisms. In consequence, we also plan to propose some amendments to the existing regulatory framework to support these initiatives."

The ACMF is a very important component of all this. "The ACMF meetings and processes are where capital market regulators in ASEAN as well as the relevant stakeholders meet and provide updates, discuss, and approve ACMF initiatives toward developing deep, liquid and integrated capital markets. By participating in this collaborative platform we have gained valuable experience, especially when other markets share the lessons learned in developing their markets."

Sivongthong added that the LSCO has benefitted from studying the regional practices and standards developed by the ACMF. "We use ASEAN standards as our key reference in the development of our market framework. We have also studied the standards from other countries and regions but we find that some of these are not suitable for our market, being mainly designed for more developed countries."

Accordingly, she added, LSCO has developed its own regulatory framework using the ASEAN standards and frameworks for reference. "In particular, we used the ASEAN CIS framework when developing our national regulatory framework regarding the CIS. We have also used the ASEAN frameworks for corporate governance and corporate disclosure, sustainable finance, and also, the digital assets oversight networking."

Of course, one of the most relevant ACMF programs for Lao PDR is the ACMF Market Development Program (A-MDP). "We consider the A-MDP as being very essential to our market. We have sent a number of our staff members to participate in the secondment programs in countries such as Thailand, Vietnam, and Indonesia. These comprehensive programs equip our team with valuable knowledge that can be applied to the development of our market."

There are concrete examples of applying what has been learnt from these programs into the Lao capital market, she pointed out, including developing risk-based supervision for market intermediaries and also, as mentioned before, the regulatory framework governing collective investment schemes. In addition, Lao has also benefitted from the A-MDP in terms of the development of its capital market supervision systems including reporting systems, electronic filing, and approval systems. "I think the A-MDP has been based on our actual needs."

Sivongthong said that LSCO helps guide this process. "Based on the strategic plan of our market, we can propose to members that we would like to learn more about a particular topic. Then the training is customised based on our requests. With this, we have been able to develop the framework we are now using in our market."

With regards to harmonization and mutual recognition with the rest of the ASEAN markets, Sivongthong pointed out that Lao has to develop at its own pace. "As I previously mentioned, we have applied some of the ASEAN CIS framework, but not entirely. We have to look at our own market development conditions. We do a feasibility study on all the initiatives that the ACMF has come out with and while we may not be able to comply with them at the moment, we do use them as a reference."

Does Lao have a time-frame with regards to the harmonization of regulations with the rest of ASEAN? "We have made considerable efforts to gradually integrate with regional capital markets, taking into account our market development conditions. For each activity, it will depend on our current market circumstances. For example, we currently have the CIS framework in place, However, the relevant stakeholders have not yet been established within the country, such as the CIS operators and intermediaries. So that is something we also have to consider; our own market conditions."

Lao is doing its best to bring up the standards of its market. For instance, it has taken onboard the ACMF Corporate Governance scorecard to try and improve corporate governance standards for its listed companies. "We have also issued the guidelines on corporate governance for listed companies, which is in line with the ASEAN standard."

Its internal CG guideline was issued in 2019 and it had its own action plan to implement a CG assessment based its CG scorecard. It completed its first actual evaluation of listed companies based on this CG scorecard in 2024.

Currently, she said, LSCO is paying a lot of attention to ASEAN green, social and sustainability bond standards. "As we work to align our capital market with the global and regional sustainability goals, we have issued our own green, social and

sustainability bond guidelines this year (2024) and established opportunities for companies and investors to explore these as financial options for sustainable projects."

Sivongthong pointed out that this is a very new concept, not only for its stakeholders, but for the LSCO as a regulator. "Currently, we still don't have green bond issues in our country but we have seen interest from corporates who want to issue these thematic bonds. We have growing interest particularly from clean energy and renewable energy, tourism, infrastructure as well as agriculture companies. We are still working with them to come up with something. And we have support from the Asian Development Bank to facilitate the first green bond issuance in Lao and pave the way for more companies to explore this innovative financing option."

The year 2024 has been particularly interesting for LSCO, marking its maiden chairmanship of the ACMF. It has learnt a lot in that time. "We felt very honoured and it was also a remarkable opportunity for LSCO, and also for Lao PDR. This role provided us with a platform to lead key regional initiatives, fostering collaborations among ACMF member countries. Our responsibilities included coordinating with ACMF member countries and also the various working groups and relevant stakeholders to facilitate critical discussions, and drive collective progress in the implementation of critical plans, including the ACMF Action Plan (2021-2025) and the Roadmap for ASEAN Sustainable Capital Markets to achieve our collective goals and objectives of the ACMF.

"We have learned a lot from chairing the ACMF and our staff were involved in helping facilitate the meetings as the ACMF secretariat. We organised the ACMF Chairs and deputies' meetings and also its international conferences and technical trainings. And it was our privilege to host the 20th anniversary of the ACMF."

Sivongthong also remarked on the incredible closeness among ACMF members. "I recently returned to work with the ACMF, having previously been involved from 2010 to 2012. When I came back, I noticed familiar faces and with some ACMF members, it was the same person involved from the beginning.

"I think the people involved in the ACMF don't rotate as much. So, we're very close and also our connections extend beyond formal meetings, with regular communication maintained through group chats. This has contributed to the ACMF's strong sense of collaboration and shared purpose. The enduring relationships among members have enabled effective coordination and knowledge-sharing, which are crucial for advancing regional initiatives. For Lao PDR, this support has been instrumental in building capacity and enhancing the expertise of our team. The ACMF's inclusive approach ensures

that even smaller nations like ours can actively participate and benefit from regional integration efforts. This sense of unity and mutual support has made the ACMF a valuable partner in our journey toward developing a robust and sustainable capital market.

"So, apart from participating in the meetings, our staff has built connections with the staff of the relevant ACMF members, enabling them to exchange lessons and practices with each country."



MALAYSIA

The Importance of Having a Clear Vision

Tan Sri Ranjit Ajit Singh has been actively involved with the ACMF since its inception and was the longest-serving chairman of the ASEAN Capital Market Forum (ACMF), holding the office from 2015 to 2018.

But he was also there earlier, when the seeds of the ACMF were being put in place during a series of informal meetings at an island resort in Malaysia. "The initial seeds of the ACMF were planted during some very informal conversations among selected capital market Chairs, which was held sometime in 1994, if I recall correctly. The idea of cooperation among ASEAN capital market regulators began at a weekend retreat, with a view to develop greater cooperation among the regulators at that time."

These conversations were resumed from time to time, creating a bond among the ASEAN regulators, which proved to be invaluable as time went on and also during the Asian Financial Crisis, when they were dealing with an unprecedented situation of attacks on their respective currencies and the panicked selling which led to a freefall in the region's stock markets.

"Those conversations were important because during the Asian Financial Crisis, we were able to leverage on the ties between us and share views and perspectives even if the structure of our relationship had not been formalised."

The regulators continued to meet at various ASEAN meetings although they did not have representation at the prestigious ASEAN Finance Ministers' Meeting (AFMM). "It was a little ad-hoc, where the deputies participated, and it was only around that time that the conversations gravitated towards having something much more formal being created through the setting up of the ACMF.

"The view we had was that there ought to be a collective forum for the ASEAN regulators to meet periodically and discuss issues of cooperation and to be able to engage with other policymakers and the industry."

Given the growing importance of capital markets in the region, capital market regulators also wanted to have their voice heard during the AFMM and to be able to update issues of relevance to the region's industry to the Finance Ministers. "That was the early stage thinking, primarily about getting more cooperation within the ASEAN capital markets."

He said it was around that time that the emergence of North Asian and Indian capital markets was already having a substantial impact on order flows and portfolio allocations across the region. "Basically, the point was that strategically, ASEAN, by creating a larger, more cohesive and stronger marketplace, would have the ability to strengthen its proposition to attract more capital and cross-border flows in what was becoming a competitive environment for capital flows."

Ranjit hastened to add that the notion of an integrated capital market did not mean they had to create a single market like the European Union (EU). "That was not the point. Nobody saw that as the vision of what is going to happen. But integration meant that clearly there were more cross-border linkages between the different capital markets and a greater flow of intra-ASEAN capital between them."

It was also motivated by the idea of creating an ASEAN asset class, which could be significant in terms of capital market size and its relative position in investment benchmarks. "We were looking to create a more visible asset class with the idea of greater size and to have more ASEAN savings channelled among the ASEAN capital markets."

When the ACMF members put all these priorities together and started to figure out how to go about implementing them, certain things emerged. "There were industry engagements and the more regionally-orientated firms wanted to benefit from the ability to offer their products and services in other countries.

"However, there was also strong resistance by domestic players who did not want to see the opening of their markets to other regional players and wanted to preserve the status quo."

But the general thrust of the idea was to establish common standards benchmarked against international standards and to find ways to have interconnection between the markets.



Ranjit: Setting a clear strategic direction was important

There was clearly much to do. "Take streamlining disclosures: when you actually got down to the details, it wasn't so easy because there were clearly certain requirements that each country had which had to be accommodated and there were certain policy positions which existed in different countries that did not easily allow for a common set of rules.

"Cross-border primary offerings where a company could create an offering in one market and offer it elsewhere was also not easy to achieve given different regulatory regimes."

The ACMF also looked at the mobility of financial market professionals, with the intent to streamline licensing requirements and recognize respective regimes. "Although the

European model was clearly a reference to consider there was no intent to achieve that level of integration."

This was clearly a very busy period for the ACMF. "These are not easy things to do and there were very many technical pieces of work to be taken care of. At that stage, it was primarily driven by Malaysia, Thailand, Indonesia, Philippines, and Singapore, who often led the ACMF and drove a lot of the initiatives."

To infuse some industry perspective in its discussions the ACMF created a Group of Experts for the Implementation Plan. "I proposed several names including Piyush Gupta and Lito Camacho, both of whom I had known well. Piyush had served as Head of Citi in KL (Kuala Lumpur) and Lito was ex-Secretary of Finance of the Philippines. The idea of the expert group was to basically provide some advice. We also engaged with the ASEAN Business Council. Although the private sector experts were helpful some of them just wanted the pace to quicken in terms of opening and implementation of the so-called ASEAN Economic Community agenda.

"But reforms and efforts across jurisdictions just take time and there is a need to engage a wide group of stakeholders," he pointed out.

Ranjit said a lot of the initial work was driven by the agenda of the ASEAN Economic Community. "Within the AEC agenda, there were different components and the ACMF was contributing towards the capital markets section of the agenda."

When he became Chair in 2015, the focus shifted from working within the AEC agenda to coming up with a vision for what needed to be done for the region's capital markets. "Setting a clear strategic direction was important with the objective of having more interconnected, open and stronger capital markets in ASEAN and with the hope of having more intra-regional presence of players, common set of standards and greater intra-ASEAN flows of capital."

This was a busy time for the ACMF. "We were extremely active, visible, and had quite a substantive set of programs which we put in place. We launched the ASEAN mutual recognition frameworks including the ASEAN Funds Framework, streamlined disclosure standards, and worked on promotion of the ASEAN asset class through ASEAN benchmarks and promotional roadshows with the Finance Ministers.

"We also worked on the ASEAN Green Bond Standards and the Social and Sustainability Bond framework. We also managed to be a regular attendee at the ASEAN Finance Ministers Meetings (AFMM) and presented an update of our work program to the AFMM."

Ranjit pointed out that ultimately, ASEAN needed to be resilient. "This was the phase after the Global Financial Crisis and given the volatility that the world markets were subject to, we wanted resilience among our own markets."

Has this been achieved? "Yes, I certainly believe it has. If you think about it, it was demonstrated during the multiple shocks that the world has gone through including during the Covid period. ASEAN has remained resilient."

The vision was not just about creating new products and opportunities but also about making sure that the markets were able to withstand external shocks. "This is where efforts at benchmarking against global best practices, compliance with proper corporate governance standards and building strong supervisory capabilities were key. The broad vision was very carefully thought through in the themes of interconnectedness, inclusiveness, and resilience. Looking back at it 10 years later, it seems to have borne out quite nicely."

There was also the question of greater inclusivity. "There were two themes that were very important for the CLMV countries, and they were inclusiveness as well as resilience. Many of them needed to put in the foundations to build stronger capital markets and this where the idea of the ACMF Market Development Program (AMDP) came about.

"Prior to that, the CLMV countries were attending the meetings and listening in, but they were still a little removed from some of the more substantive discussions that were taking place," Ranjit observed.

For instance, if there were discussions about creating the ASEAN funds framework, the CLMV countries did not have the pre-conditions in place. "They were obviously benefitting from the conversations in terms of understanding and knowledge, but they were not able to directly apply it in the context of their own jurisdictions because they did not have that sort of frameworks in place or those sort of market structures developed.

"The idea of the market development program was basically to bring these countries up to speed. We recognized that the more developed markets in ASEAN clearly had a lot of experience to share.

"So, we ran bond market development programs and other capacity-building programs. The idea of the AMDP resonated well with many of these countries. The ADB was an important partner of the ACMF and was involved and supported the efforts tremendously," he added.

Ranjit was also keen to introduce sustainable finance to the ACMF agenda. "I had initiated the work on sustainable finance previously both in Malaysia, and IOSCO – the global body of

capital market regulators – and felt that it was appropriate for ASEAN and ACMF to work on this important area."

Although, there were sceptics on the importance of sustainability as an agenda for capital market regulators, he managed to push it through in IOSCO, where he was chairman of the Growth and Emerging Markets Committee and through initiatives by the Securities Commission Malaysia through the SRI Sukuk Framework in Malaysia and various other initiatives.

"I wanted to bring it to the table in ASEAN and fortunately, there was buy-in and understanding among the ACMF members. The whole sustainability and climate finance agenda really took off only around 2020 during the Covid period."

One of the last things he did before retiring as ACMF chairman was to launch the ASEAN Green Bond Standards and the Sustainable and Social Bond frameworks at an ACMF meeting in Singapore.

"Clearly, when I look at what ASEAN has been doing since the 2018 launch, it seems to me that the focus in Phase 2 of the ACMF has been primarily around sustainability. The same with IOSCO and some of the key areas they have pursued."

He has watched with interest the subsequent developments that have taken place since then. "Given the prominence of the sustainability and climate theme globally, I see quite a bit of work around this area as a central feature of what the ACMF's work has been in the last three to four years."

Reflecting on his many years in the ACMF, Ranjit highlighted the esprit de corps that was such an important part of the ACMF both among the main leadership of ACMF member countries organizations as well as among the staff and deputies.

"We were passionate about the ACMF agenda of interconnected, inclusive, and resilient ASEAN capital markets. There was intense work that went into the various initiatives and thorough understanding of respective capital markets.

"We shared a deep sense of pride, a unified purpose, and some amazing camaraderie, working side by side, sharing meals, and forming lasting friendships," he recalled, fondly.

This sense of camaraderie was evident even in their informal get-togethers. During Ranjit's retirement party, his counterpart in Singapore, Lee Boon Ngiap, Monetary Authority of Singapore (MAS) Capital Markets Group Head and Assistant Managing Director, presented him with a football jersey of their favourite team, Liverpool, with the number 10.

"We were both huge Liverpool fans and the number 10 represented both the ASEAN 10 and also, in football, it holds a

special significance, symbolizing leadership, skill, and creativity and is worn by the team's main playmaker. It was a touching gesture and reflected the mutual respect and friendship we had," he said.

When asked about the ACMF's future, Ranjit said this was something that the current leadership of the ACMF would be better placed to comment on but from his viewpoint, the ACMF needs to decide whether it develops a specific agenda around some key objectives and outcomes or operates as a mature forum for ASEAN capital market regulators to discuss thematic issues of relevance to ASEAN capital markets.



MYANMAR

A market in the making

Myanmar has been a member of the ASEAN Capital Markets Forum since 2004. At that time, though, it did not have its own stock market or securities regulator, so it sent representatives from the Ministry of Finance and Revenue (MOFR) (now known as the Ministry of Planning and Finance) and its central bank to ACMF meetings.

The country came up with its Capital Market Development Plan in 2008 and various committees were formed to establish a stock exchange, which culminated in the formation of the Securities Exchange Law in 2013.

The Securities Exchange Law was enacted to establish a systematic Capital Market in Myanmar, to protect investors through Rules and Laws and to regulate market participants such as Public Companies, Securities Companies and Stock Exchange.

The Securities and Exchange Commission of Myanmar (SECM) was established in 2014 and the Yangon Stock Exchange was formed as a joint venture between the Japan Exchange Group, Daiwa Institute of Research and Myanmar Economic Bank in the same year.

In 2015, SECM released the Securities Exchange Rules and the Yangon Stock Exchange officially opened later that year. Trading on the Exchange commenced in March 2016.

Although it was not active in the ACMF to begin with, Myanmar has always supported its objectives of integration and harmonization, according to the SECM Director General U Min Zaw Win. "As ASEAN continues to grow both economically and demographically on the global stage, market integration and harmonization will be key to enhancing connectivity across the region."

As a frontier market, Min said that Myanmar is keen to learn from the experiences of the other ACMF member states that are in a more advanced state of capital market development. "Our focus is on advancing capital market literacy and strengthening capacity-building initiatives, with particular emphasis on promoting inclusivity and financial empowerment."

Although it only established its securities regulator fairly recently, Myanmar had already begun planning the establishment of a capital market some 30 years ago. "The Myanmar Securities Exchange Centre was set up in 1996 as a joint venture between the Myanma Economic Bank and the Daiwa Institute of Research, Japan."

He added that shares and Government Treasury Bonds were traded on this exchange.

Min gave credit to the Japan Financial Services Agency (JFSA) for its technical assistance and training which helped Myanmar develop its capital market.

Today, there are eight companies listed on the Yangon Stock Exchange and one on its pre-listing board.

While Myanmar has been a member of the ACMF since the beginning, it has only been actively involved since 2014, with the formation of the SECM. Since then, it has participated in various capacity-building programs, said Min.

These include awareness programs on green bonds and the supervision of digital assets in the region.

Which of the ACMF's initiatives have been of the most significance to Myanmar? "As a frontier market, it is crucial for us to establish a solid regulatory framework while raising awareness and fostering understanding among all stakeholders. We are committed to focussing on enhancing capital market literacy, ensuring that key players are well-informed, and equipped to navigate the market.

"Additionally, we aim to strengthen capacity-building initiatives, with a particular emphasis on promoting inclusivity and financial empowerment. By doing so, we hope to create a more transparent, accessible, and resilient capital market that benefits all sectors of society," Min said.



U Min Zaw Win: We aim to strengthen capacity-building initiatives, wih a particular emphasis on promoting inclusivity and financial empowerment

Most of the ACMF members have spoken fondly of the camaraderie between members and the friendships that have been formed which facilitate the formal work of the ACMF, especially in areas of common interest. In fact, most have said that the real work happens outside of the formal meetings.

Has Myanmar had a similar experience with the ACMF? "We share the same view on the importance of fostering strong friendships among members, as it facilitates effective collaboration, particularly on issues of mutual interest. This is especially crucial for cross-border investment and the supervision of emerging digital assets."

Moving forward, he added, Myanmar recognizes the importance of actively participating in the ACMF's journey towards building a more sustainable and resilient capital market ecosystem. "Despite being a smaller, developing market, Myanmar is determined to engage with the ACMF and learn from the collective expertise and best practices of its member states.

"There is much to be done in Myanmar's capital markets, and ACMF's initiatives offer invaluable opportunities to strengthen our regulatory frameworks, improve market infrastructure, and promote financial literacy.

"By collaborating with ACMF, Myanmar aims to enhance its capital market development and contribute to a more integrated and resilient ASEAN financial landscape."



THE PHILIPPINES
Stepping Up Engagement

The participation of the Securities and Exchange Commission (SEC) Philippines in the ASEAN Capital Markets Forum (ACMF) has increased significantly through the years. In the early days of the ACMF, the SEC Philippines had minimal visibility in the various ACMF initiatives. Today, especially as chair of the Working Group on Corporate Governance and co-chair of the Sustainable Finance Working Group, its vice chairmanship of the body this year (2025) and chairmanship next year, the SEC Philippines has been devoting much attention and manpower to the work in the ACMF.

SEC Commissioner Attorney McJill Bryant Fernandez, who joined the SEC in January 2022, is very eager to ensure that the Philippines maximizes its participation in and benefits from the ACMF at the same time. He acknowledges that the ACMF stands out among international organizations that the SEC Philippines engages with, as it fosters uniquely close relationships and collaboration among its member countries.

"How I look at the ACMF compared to most other multilateral bodies is that it enables swift, concrete, tangible, accomplishments. We can call on our fellow regulators when we need some reference or benchmarking on some matter that we want to explore, in terms of capital markets, in terms of being a corporate regulator or any of the hats that the SEC is wearing," he said.

The SEC Philippines is both a corporate registrar and a securities regulator. "We do understand that in other jurisdictions, this (corporate registrar function) is lodged with various bodies which may not necessarily be a member of the ACMF."

But this is how Fernandez sees it: "If we want to explore a new policy or a new regulation that we want to implement in the Philippines, for which we have no precedent, one of the first things we do is see how it gets benchmarked with peers. This, maybe more than the formal meetings and engagements with the ACMF, makes our lives easier.

"For instance, we could go to the MAS (Monetary Authority of Singapore), SCM (Securities Commission Malaysia), or the Thai SEC (Securities and Exchange Commission) to ask how they are implementing, say, regulations over financing and lending companies if that falls within their jurisdiction."

He recalled a meeting for the deputies in Lao PDR, where during the excursion after the formal meeting, he engaged with colleagues from OJK, Indonesia, and the Lao Securities Commission, on a casual level. "I was getting useful practical information outside of what you would be able to obtain online, without the need to visit the respective jurisdictions. That gives us the ready perspective and an immediate opportunity to benchmark."

The Philippines has been especially active with thematic bond issuances and Fernandez points out that its regulations are largely adapted from the ACMF. "We don't need to reinvent the wheel. Of course, we have to look at the guidelines and adapt them to our local situation, but at least, we have a ready draft to look at. And so, it makes our roles much easier, gives credibility and integrity to what we're doing, because this is something that other jurisdictions in ASEAN have already recognised."

Fernandez added that sustainable finance is an emerging area and everyone is paying close attention to it. "The Working Group A on Disclosure Standards and Streamlined Review Framework provides us with valuable resources for drafting our own jurisdictional roadmap, for example, for the ISSB (International Sustainability Standards Board) adoption.

"We look at our peers — what their calendars and timelines are — and that gives us options for consideration while ensuring we carefully balance the interests within our jurisdiction."

He talked about the way the ACMF works where it is not about majority ruling but finding a solution that is palatable to all. "Inasmuch as we want to push for more and more implementation of good corporate governance practices, we remain attentive to the reservations expressed by some members and explore possible adjustments to the (Corporate Governance) Scorecard where needed."



Fernandez: ACMF has been beneficial in our policy formulation and rule-making.

For instance, if a jurisdiction has difficulty accomplishing a certain chapter of the (Corporate Governance) Scorecard because they are constrained by domestic legislation, the other members will explore how they can be accommodated.

"We try to figure out how to go about it because this would immediately place the member in question at a relative disadvantage so they might be scored less. But if it's their national law, it's not something that the regulators can immediately do something about. But that's not to say that there's non-cooperation at the outset.

"Instead, this gives us room for debate, deliberation, and discussion, to arrive at what can be worked on. Maybe this particular item could just be a bonus in terms of our CG rating, or optional."

This, he explained, is the ASEAN way. "We try to find a win-win situation for all. We tend to be polite, avoid confrontation, and, where possible, make accommodations to maintain harmony. While this approach ensures collaboration, I do acknowledge that critics could also see this as potentially limiting progress by prioritizing compromises over optimization."

However, he understands that it is a matter of culture, noting that this has been instrumental in the ACMF's achievements.

"Definitely, from the SEC Philippines' standpoint, we see that ACMF as a forum has been beneficial in our policy formulation and rule-making, as well as a platform for us to share what has been done in the Philippines. And maybe, it's also a platform that challenges us to do better."

He gave the example of sustainable finance issuances, that is, thematic bond issuances. "We look at our peers to see where we are in terms of the GSSS (Green, Social, Sustainability, and Sustainability-linked) bond issuances. We're proud to say that we're second to Thailand."

He said it makes sense for the Philippines to go into GSSS bond issuances given that for the third year in a row, it has been one of the most disaster-prone countries in the world. "So, the idea is these investments are not just business but, in the long run, a matter of survival. That's something that we highlight to our regulatees. We tell them, that is the thrust of the ACMF and we have various jurisdictions gearing up for sustainability so maybe we can walk alongside them, or even be at the forefront.

"That challenges us, but in a good way. For me, it gives me ideas. Say we're looking at new products to introduce to our markets. It's not been done, there's no regulatory framework at present in the Philippines, but through the sharing at the ACMF, we know that there are already some existing mechanisms, say between Singapore and Thailand on the cross-border offerings of their depositary receipts. We see that it has been working for them and allows them, while having access to that other jurisdiction's equities, to also market theirs. "

This is something the Philippines is particularly interested in. "We want to market the equities in our local exchange but we also recognise that our retail investors want to tap the equities from other jurisdictions. How do we balance it? Looking at what others have done in the region gives me some ideas. Again, I don't have to reinvent the wheel; especially if there's already a mechanism that is working. Ultimately, the ACMF gives me a reference to make my job easier, being the Supervising

Commissioner of the SEC Philippines' Markets and Securities Regulation Department."

The Philippines has certainly become more active in the ACMF, making the most out of the opportunities it offers. But this was not so, to begin with. Having only come on board the SEC in January 2022, he can only speculate as to why it was not more active before.

"It's something to which I'm not privy but I don't want to look at it as something where the Philippines deliberately decided not to participate. I suppose, back then, there were resource constraints from the SEC side."

As stated earlier, the Philippines SEC wears a number of hats. "There was a study done by Daiwa (Institute of Research) in 2016 and 2020 which showed that while we're doing both company registrar and securities regulator functions, we were just 700 in terms of manpower while our counterpart in, say, Malaysia whose function as company registrar is lodged with CCM (Companies Commission of Malaysia) and securities regulator with SCM has a total of 2,100 staff. The study showed that even in terms of capital market development, our people have to work five times harder to be able to equal how much Malaysia is allocated in terms of manpower resources."

This, he said, came about because the SEC Philippines was dependant on the General Appropriations Act for staffing requirements. "We had to lobby as to how much should be lodged with the Commission. But in 2019, things changed when the Revised Corporation Code was enacted. That afforded us some fiscal autonomy to the extent that we are now able to retain our collections and these collections can now be allotted to all aspects of our operations. This gave us the power to make organisational changes within the Commission. We didn't have to go through further approvals with respect to creating positions."

The upshot of this is that, since 2020, the SEC has been beefing up its manpower and creating offices as it saw fit. "We have been allocating funds to activities that were previously not allocated that much. One anecdotal example I learned was that even in ACMF engagements before, because of budget constraints, only the commissioner would be sent to the meetings. Now, the commissioner is accompanied by technical people from the working groups."

This is Fernandez's best guess as to why the Philippines may not have been as active in ACMF initiatives before. "In recent months, you would have noticed that we've been very visible in the various workstreams of the ACMF. Now we're part of the Working Group B, the Sustainable Finance Working Group, where we are co-Chairs with Malaysia, and we're on the Taxonomy Board as well, so I'd like to think that the efforts are there."

Moving forward, he will be focusing on the next five-year agenda.

What does he think about ACMF's seeming preoccupation with sustainability to the exclusion of all the aspirations it was set up for such as integration, or more realistically, harmonisation of regulations?

Fernandez has pondered deeply on the issue and he thinks it is time to take into consideration some of the other aspects of regulation. "Even outside the ACMF, you're already hearing whispers asking about the focus on sustainability. A while ago, I was at the United Nations in Geneva, at the International Standards for Accounting and Reporting inter-governmental working group of experts. Discussions since 2023 were on sustainability reporting and this time around, there were voices saying that maybe it's time for us to look at other aspects of accounting and reporting; we need not talk about sustainability reporting for two, or three years. We've talked a lot about this already.

"Bringing it back to the ACMF, I don't mean to take anything away from the importance of sustainability. Definitely, for a country like the Philippines, sustainability is one of the priority or more important items across the national government, given that we're talking about survival and the effects of climate change. But we do not need to confine ourselves to the E (environment) (of ESG).We can also look at the S (social) and the G (governance).

"I acknowledge and applaud the incoming chair, SC Malaysia — in one of our planning of strategic outcomes, there were discussions on how we could include enforcement in our strategic objectives. After all, investor protection and scams, all this is now cross-border. And therefore, it should also form part of our strategic initiatives, and in fact, I was among the first to second that."

He added that given the proliferation of Ponzi schemes and scams that are now online, there is relevant work for the ACMF to do beyond the sustainability space. "I am in agreement in terms of looking at other aspects outside of sustainability but at the same time, I value and concur, especially in our jurisdiction, that sustainability should remain as one of the key objectives or areas that we want to and must focus on."

Fernandez said that the SEC Philippines' engagement and participation with the ACMF has been at all levels — from departments to directors to commissioners. "My point is from top to bottom, there's been support and active participation in the various efforts. And we remain committed to maintaining that active engagement especially as, by 2026 we're taking the position as chair. This year [2025], we've committed to being an active and supportive vice-chair to Malaysia. We definitely have our hands full starting this year and we'll be working on what we want to set as our objectives from our end, and the accomplishments we hope to achieve during the time that we're chair."

He said the SEC Philippines is supportive of SC Malaysia in terms of its initiatives related to climate action and sustainability and expanding and nurturing the sustainable finance space. "In the past year or so, we've been very active in that space. And I'm personally pushing our corporate governance department to develop the domestic corporate governance space locally.

"We are aware of the country assessments of the Asian Corporate Governance Association [ACGA], and that's something we are looking at, given that corporate governance is part and parcel of our efforts in increasing and preserving the integrity of our capital markets."

Additionally, the Commissioner noted that the SEC Philippines is also keen to further build capacity with its peers in areas it has not explored before. "For instance, we want to develop our Islamic finance and we are collaborating with Malaysia to learn as much as we can in terms of what we can develop. We will also continue our work with the Corporate Governance Scorecard and we have expressed our plans to align with peers in terms of our journey towards ISSB adoption."

As mentioned earlier, he finds the ACMF a particularly close grouping where the relationships are on a more personal rather than collegiate level. "Coming in, you would see the unique closeness of the people there. I attribute this to the fact that most of them have been there for years, or, in the case of some regulators, since the beginning.

"From our end, our commissioners' terms end. You have Ephyro Luis Amatong, who was very active, almost an institution in ACMF, and his term ended, and you have Kelvin Lee, who has now gone over the ADB, and his term too, ended. And now I have taken over. For the Commissioner level at the SEC Philippines, we're limited to seven years. But our directors, our career officers, provide the continuity and institutional knowledge to help us in our ACMF work."

Fernandez posited that in other jurisdictions, officers have held the ACMF portfolio for a very long time. "And they have had the opportunity to cultivate relationships from previous to current to maybe next generation officers from other jurisdictions. This enables the environment where you have that give and take, those compromises, and the attempts to have a common approach. Because we've been here, we are friends. We work during the day and maybe, we party hard at night.

"You can clearly see this at every meeting and conference, where the real highlight often comes in the evenings — with singing, dancing, and, of course, sharing a meal."



SINGAPORE
Moving Forward Together

As one of the more advanced financial markets in ASEAN, Singapore is a particularly important member of the ASEAN Capital Markets Forum (ACMF) and it has provided a lot of input to the grouping, always being one of the first three to sign up for ACMF initiatives as well as frequently acting as host for the training and secondments of officers from other member states.

Former MAS Capital Markets Group Head and Assistant Managing Director Lee Boon Ngiap, who was also the ACMF chair in 2014 was always a keen advocate of the ACMF and worked very hard to help it move towards its goals of integration and harmonization.

He pointed out that unlike many of the securities regulators in the region, MAS is an integrated regulator, a combination of both central bank and banking, insurance, and securities regulator. Before he was transferred to the capital markets division, he was actually a banking and insurance regulator and he was able to bring that perspective to the regulation of securities markets.

"I took over the capital markets portfolio in 2014. At that time, MAS was the ACMF chair so I took over the chair as well. And then, I passed it on to Ranjit (Singh, Securities Commission Malaysia chairman) at the next change of term."

It may have been a challenge to come into the role as securities regulator and ACMF chair at the same time, but Lee took it in his stride. "I was learning along the way, but I wouldn't say I had concerns about it. Having come from banking and insurance supervision, I found that the issues facing ASEAN regulators in the different financial sectors were quite similar."

He pointed out that unlike some other unified blocs where the development of financial markets is roughly at the same stage, in ASEAN there were 10 countries at different stages of development.

"In the capital markets, you have some countries with no stock markets, some countries that may have a cash stock market but no derivatives market. And so, the stages of development, both in terms of the industry, as well as the regulations are very different."

He said that the ACMF tended to use words such as "harmonization" but Lee himself was cautious about the use of such terms. "Harmonization to me meant striving to make everything the same but I thought it was impossible to do so with respect to securities regulations across 10 countries at very different stages of capital market development."

The ACMF's approach was more about facilitating regulatory and market development through consensus and collaboration rather than imposing that kind of uniformity.

Which is why, right from the outset, the ACMF came up with a "3 + X" system. "We agreed very early on that we could not wait for all 10 countries to be ready before we launched an initiative. When the ACMF worked on a common framework across ASEAN, the discussion would involve all 10 countries and benchmarked at a level that could stand up to scrutiny globally.

"Once all ACMF members agree on the framework, as long as three countries were ready, we would proceed to sign an MoU to implement this particular framework or initiative. Other countries could join when they were ready."

What was good about this approach, Lee pointed out, was that the countries that had already signed up would be the forerunners, helping the others on a collective or even bilateral basis with what they would need to do to sign on to the initiative as well.

"If they have the intention to join, help is there on a regular basis. In all my years as a regulator, this is probably the most close-knit group [I have been a part of]. If any member needs information or assistance at any time, they can just call up a fellow member without worrying if they are disturbing the other person.

"Through this approach, the ACMF could strive for convergence in securities regulations over time amongst the



Lee: Over time, we have everyone progessively moving faster in the right direction

ASEAN countries to an ASEAN standard that is comparable to global best practices."

Lee added that the other point was that one could not create a common market simply by mandating it. "Right from the start, I think we were quite realistic in terms of how we were going to achieve what we set out to do. As long as we could help the group collectively build the regulatory infrastructure and frameworks necessary for sustained market growth, we would have achieved a lot."

If these markets try to achieve these developments on their own it would take much longer. If they individually brought in consultants to help them, they would likely have to fork out

millions of dollars. “But here you have 10 regulators, some with experience in supervising more advanced markets, constantly being in touch and being available to offer insights on suitable solutions to employ if any member encountered such and such a problem.”

That, in itself, seemed to point to the end goal of integrated or common markets. “I thought the journey itself is very important. If ACMF did not provide a platform for collective or bilateral assistance, some things would take even longer to develop.”

Lee pointed out that as the ACMF reports to the ASEAN Finance Ministers’ Meeting (AFMM), it has a direct line to collectively channel inputs to the governments in the ASEAN countries. “If ASEAN capital market development requires changes to certain regulations which are not within the ambit of the securities regulator of a country, the ACMF can bring the issue to the attention of the ASEAN governments through the AFMM.”

For instance, there were some tax issues related to the implementation of the ASEAN Collective Investment Scheme framework. “We were able to bring the matter to the collective attention of the ASEAN Finance Ministers. But as to whether the Finance Ministry of the relevant country would want to do something about it, that is really outside the ambit of the ACMF.”

Be that as it may, he saw the ACMF process as one that was good in identifying roadblocks. “Some roadblocks may be within the power of the securities regulators to clear but equally there are many that involve other government ministries. Even in Singapore.”

Lee downplayed Singapore’s status as the most advanced market in the ACMF. “I wouldn’t claim that we are the most advanced in all things. Singapore is a global financial centre and we may have more international market players. But in terms of the stage of regulatory development, Singapore’s frameworks are not necessarily the most advanced.

“For example, in the ‘3 + X’ framework that I talked about earlier, for many of the initiatives, Malaysia, Thailand and Singapore all signed on at the same time. That means that the relevant frameworks in our countries are already deemed comparable through robust mutual assessments and Singapore’s framework is not more advanced.”

When Lee was still in his role in MAS and the ACMF, one of the issues that was slowly beginning to gain attention was the digital marketplace. “At that time, only Thailand had started licensing digital asset businesses and my Thai counterpart Rapee (Sucharitakul) was very candid in sharing the challenges that the Thai SEC faced in implementing such a regulatory framework.”

There were proponents who advocated banning crypto trading altogether but Lee said that that would not have been feasible. "You can shut it down in your country if you have the power to do so but trading is just a click away and can take place on a digital platform based in another country or in cyberspace. How do you prevent residents in your country from trading overseas? There's no way!

"No government or regulator will be able to totally prevent some people losing money through taking excessive risks or being scammed in the crypto space. The thought process then was that if you ban crypto businesses in your country, you just drive everything overseas. And if it is in cyberspace, you may not even know where a site is hosted and there will be zero recourse for your citizens."

He added that if governments chose to ban crypto businesses in their countries, they could say that losses from such trading would not be their problem. However, if their citizens were affected, the government may still eventually have to step in and deal with any fallout.

"So, in the end, we landed on the zone whereby, we don't ban, but we introduced regulatory safeguards which crypto businesses had to comply with and do a lot of public education. Nothing will be perfect, somebody will still lose money or get scammed, but you try to strike the right balance and make the best out of the situation."

Lee said he had been a banking and insurance regulator and attended many regional group meetings as well as global regulatory group meetings but the ACMF has been the most close-knit group he has ever been part of.

"We are very open and friendly with each other and are not guarded in sharing information. I can just pick up the phone and speak to my friend and say, look, there is such an issue in my market, and I know my counterparts would be very forthcoming in sharing their insights on the issue. Somehow, this group is close knit in that way. We are honest and sincere in wanting to help each other."

He speculated as to why this might be so. "My own guess is that perhaps, in terms of say the banking industry, the maturity of regulatory developments in many countries is comparable. In retail and commercial banking for instance, I don't think the regulations are that different in most ASEAN countries.

"And therefore, there is less scope for exchanging insights in those areas. In the capital market space, if a country is thinking of establishing a stock market or a derivatives market and they come to MAS, we would be happy to share all the mistakes we made and the obstacles we faced in developing our own markets. We can share all this openly."

He pointed out that in dealing with issues like enforcement, there are established global practices within the capital markets community. "We can share quite detailed information because the practices have already been legally established as a global norm."

He takes the ASEAN CIS (Collective Investment Scheme) as an example. "Malaysia, Thailand, and Singapore signed the MoU for the CIS. First, there were the three of us, and then, a couple of years later, the Philippines expressed its intention to join. The three countries that were already signatories worked with the Philippines to look at its laws to see what it needed to do. If I'm not mistaken, they ultimately signed on in 2021."

Which brought Lee back to the point he was making earlier. "Among the ACMF community, we can help pave the way, but sometimes that final step needs some other government agency in some country to move and that is beyond the powers of the ACMF."

Lee added that given the challenges and the differences in stages of capital market development in ASEAN, the ACMF has progressed better than expected. "You can't change how other countries operate, but at least you have the institutional set-up and if they want some assistance, the ACMF as an organ is there permanently, to help them do that."

The momentum may be slow but what matters to Lee is that they are moving in the right direction. "So, we nudge a bit here and a bit there and over time, we have everyone progressively moving faster in the right direction. Without the ACMF, progress would have been slower and some may have not moved at all. In the seven years when I was part of the ACMF, I think that we moved quite some way."

Speaking of the ACMF Market Development Program (A-MDP), he said training or secondments happened more smoothly within the context of the grouping. "If you were to try and negotiate an attachment or secondment bilaterally, it would usually take a much longer time. But if you do it through, say the ASEAN Young Regulators' Program, it would happen much more easily. Because the Chairs of all 10 ACMF members signed on and had the power to make it happen expeditiously.

"When someone makes a request, we could say, yes, this falls within this program, and we would in fact dedicate resources to host the officers from the other countries. I am not saying it would not have happened without the ACMF; but I think that the ACMF expedited it and made the process much smoother."

He also talked about the closeness between the ACMF regulators which manifested itself in acts of friendships that were more endearing compared to his experiences in other groupings. His fondest memory is what happened when he retired from MAS, and therefore, ACMF, in 2021, at the height of the pandemic.

"In the lead-up to my retirement, all the meetings were virtual. After my last meeting, where everybody was at home and we just met over Zoom, the other chairmen wished me well and the meeting ended.

"Shortly after, I got a call from my MAS deputy who said she had received several calls from the other ACMF deputies who were not happy. I asked why and she said because the last meeting had been a meeting with the other Chairs and a virtual one at that and the deputies did not have a chance to speak to me and wish me well. In fact, they wanted a separate session to talk to me.

"I was very touched. So, I said, 'sure, go ahead; we'll arrange a date when everyone is able to make it.' So that final meeting was not with the other Chairs but with the deputies. We were such good friends that it was almost like a chit-chat session. They asked me what I was going to do, what my plans were, and so forth.

"I was also very pleasantly surprised that the previous Thailand SEC (Securities and Exchange Commission) secretary-general, Khun Rapee, who had retired before me, heard about this meeting and called in from his home somewhere in Thailand. He had heard of the meeting from his former staff and wanted to wish me well.

"And not only him; his deputy, Tipsuda, who had also retired, called in from the airport where she was flying off for a holiday to join in the chat and wish me well. I was very touched. Because even my ACMF counterparts who had retired reached out to me before my own retirement. It was not something I expected. It was a demonstration of how closely knit this group is, how well we know each other."



THAILAND

The Spirit of Camaraderie and Sharing

Rapee Sucharitakul was the Thailand Securities and Exchange Commission (SEC) secretary-general from 2015 to 2019, and although retired, he still has fond memories of the ASEAN Capital Market Forum (ACMF), from the issues the regional regulators worked on during his time, to the relationships formed with other regulators which have lasted until today.

For Sucharitakul, the key thing about the ACMF is that it brought the ASEAN regulators together. There was a certain spirit of give and take, of camaraderie, and a desire to be of service and help fellow regulators in the region that may not be present in other similar multilateral organizations.

"It's the side meetings and the interaction over informal lunches and dinners and all the preparations we made together for issues to be presented at the ASEAN Finance Ministers Meetings that really opened up the connection between all the regulators.

"This was not only at the top level, which already existed to some extent because we used to meet at IOSCO (International Organization of Securities Commissions) meetings but also at the level of the deputies and the working groups. Each country took turns to host those meetings and it fostered a much closer working relationship between us."

He pointed out that most of the ASEAN regulators shared common problems and issues so this was a great forum to hammer these out and find some sort of reference, benchmarking or solution that had already been tried by a fellow regulator.

For him, one of the key issues that the ACMF faced had to do with cross-border trading. "I think it comes back to how we engage participation from investors throughout the region, particularly the movement of investors from one country to the next. That's probably, for me, the key issue, because local investors, particularly in Thailand, were very much captive investors who could only invest in Thai stocks."

He added that being able to invest in ASEAN markets, which were much closer to home than say, on Nasdaq or the FTSE index, would be much more relevant to local investors. He gave the comparison of those who were interested in the energy sector in Thailand wanting to invest in say, Petronas in Malaysia. "There's a lot of relevance in what investors are able to access in the ASEAN market, but again, it would require a lot more work for that to really materialise."

Sucharitakul, who was the ACMF chair in 2019, was also supportive of the idea of rotating chairmanship. "The way we thought of it at that time was that, the more you can rotate the chairmanship among the ASEAN regulators, the more ownership there will be over the issues. When the SC Malaysia

chaired the ACMF for four years under Ranjit (Tan Sri Ranjit Singh) it was he who was pushing a lot of these visions at the time and we looked to him for leadership in coming up with all the relevant issues.

"But once Thailand took over the chairmanship (when Ranjit retired in 2019), then it became real for us, in terms of the issues that we had to work on. And we thought it would work the same way if we rotated the chairmanship throughout the other countries in the region, as well. They would need to really be on board, to step up. That was the thinking behind the rotation of the chairmanship with which I totally agreed. I thought it was a great idea!"

One of the ACMF's first successful initiatives was the Corporate Governance Scorecard. For Sucharitakul, this was a sign of a "race to the top." Every country was trying to outdo each other and that could only mean good things. I'm a great believer in corporate governance issues and I remember it being extremely competitive in the region with regards to this. Each country went into tutorial mode with their listed companies. Then, each would try to look and see what the other countries were doing.

"On top of that, companies in each respective country took great pride in the scores they achieved. And it's something they could take back to their stakeholders. There was great fanfare in all this. It generated a lot of buzz and goodwill."



Sucharitakul: It's the side meetings and the interaction over informal lunches and dinners that really opened up the connection between the regulators

Sucharitakul was equally enthusiastic about the ACMF Market Development Program (A-MDP) which he said went a lot deeper than a simple training program. "I wouldn't call it a mentoring system, but rather, a learning for everybody. In a lot of sessions, rather than only talk about our successes, we would also talk about our failures. It became, if I remember correctly, quite a frank platform in which regulators could say that looking back, they would not have done a certain thing or rather, would have done it differently. They would caution against certain areas."

He pointed out that this sort of frank and open communication was very important. "Because, as you know, regulators are not

really allowed to admit a lot of things in public. Whatever it is, we have to put on a brave face and say everything was done with the best intentions, the best research. But rarely do you have a platform where regulators could come and have open-hearted discussions about all these issues. And I think all the countries that were involved in that, were willing to participate, not really holding back."

There is a level of trust and confidence in all this. "It's like going to see a psychiatrist where you can tell them all your problems, knowing that everything will be kept among friends and that they will make good use of the information in their own jurisdictions."

Sucharitakul added that this level of honesty and sharing led to even closer connections between the regulators. "People can now pick up the phone, write emails, get online, to check out what's going on with each other."

He feels that in many things the ACMF was ahead of its time. Nowhere is this demonstrated more than its embrace of sustainability before it had become a worldwide trend. "With regards to sustainability, I think we were ahead of our time with the green bonds and everything else. I think with all things in this area, it is up to the regulators to provide the initiatives and then to nudge people to start thinking about these issues in a very structured way."

That is why the ACMF took a very cohesive approach to introducing green issues to the regional markets. "It started with the taxonomy which explained what 'green' actually is and how we provide the labels for companies issuing green bonds. But I think it's a framework that will take a long time; it's a long journey.

"The ACMF did the right thing to push it and it was a very good initiative but as with all things, it comes back to stakeholders' demand for the product. It's the market forces that drive it. But to have that platform in place, it meant that if the market ever caught on, there would be a good framework for it to take off."

He said it was slow to take off in the beginning, mainly because it was ahead of its time. "It was something people couldn't say no to, but it's kind of like good health, where everybody nods and says we should exercise and all that and then you go out and have a Chinese banquet after the meetings.

"It's the same thing, but at least you start the conversations and then start thinking about it in a very structured way. And then we can move from just words to what actions can be taken."

Sucharitakul spoke about the meetings themselves and the effort that went into hosting one. "It creates a lot of excitement within each organization and certainly, as the time of the meeting approaches, people start working extra hard for the

deadline, trying to get everything in place, and they do this in cooperation across borders with other regulators. I think it provides a lot of learning curves for us all."

One thing not to be underestimated in the preparation for the meetings is the language itself and the various levels of proficiency among the members. "I think for countries like Singapore and Malaysia, where English is almost your first language, it's not so much of a problem. But for countries like Thailand, where it isn't, it creates a lot of stimulus among our staff to really step up and master the language so they are able to communicate with all these ASEAN regulators, perfect their presentations and get all their messages across.

"It's a lot of work for our staff, but in a good way. It certainly raised their standards and awareness and again, I think it comes back to something I mentioned earlier, where at this forum, you can freely talk among friends and with the confidence that you are being listened to. A lot of those presenting provide examples to help others solve the same problems."

Sucharitakul's best memory of the ACMF is when Thailand hosted the meetings in 2019 before handing over the chairmanship to Vietnam. "We hosted in hotels in Bangkok. And we got a live band coming in and some of the regulators went up on stage and sang songs. I thought it was a great atmosphere. Because it was right at the end of the meetings and everybody was relaxed. And we had the opportunity to sit down informally, with this singer to entertain us and the Chairs getting up to sing songs."



VIETNAM
Moving On Up

Of all the members of the ASEAN Capital Markets Forum (ACMF), Vietnam is effectively the member most in transition from the less developed to the more developed markets. Although, ostensibly part of the CLMV countries (Cambodia, Laos, Myanmar, Vietnam), unlike the others, it had its own stock market and securities regulator when the ACMF was first set up and today, it has almost 800 companies listed on its stock exchange.

In terms of the ACMF, it also has had the most continuity in terms of participation with Dzung Vu Chi, Director General, International Cooperation Department, State Securities Commission of Vietnam having been in the ACMF since the beginning.

"I've been with the ACMF since 2004 when we were a newly-born sector body, still reporting to the ASEAN Working Committee on Capital Market Development (WC-CMD). If you looked at the ASEAN portal, you would see a structure of ASEAN.

"And if you looked at the ASEAN economic pillar, you would see the Finance Minister's Meeting, the Central Bank Governor's meeting. The WC-CMD is part of that one, three layers lower than that, in fact and we (ACMF) were at the bottom of that pillar.

"We reported to the WC-CMD at the Deputy Minister of Finance and Governor's meeting and we came out with some steps on our own to support the ASEAN economic integration," he said.

At the time, ACMF members needed to ensure that capital market development was covered at the ASEAN level to support that aspect of the economic integration goals. For that to happen, the securities regulators of each market needed to work together to come up with some common goals.

This was not easy as all ACMF members were at different stages of development. "Not all member states had a capital market or securities market, but we (Vietnam) did, having started our stock exchange in the year 2000. Being at different levels of development, it was important for us to set common goals."

ACMF progressed slowly as it had a different approach towards meeting its goals and aspirations than other regional groupings. It worked based on consensus which meant that if even one member disagreed with any initiative, it was back to the drawing board until the proposal could be tweaked enough to get their buy-in. It may have been a slower approach but it was one that maintained a state of amity and goodwill between the members.

"In Asean we needed to have consensus among the member states. It's not really structured like the EU (European Union). We were aware of our differences. Not all markets have the same views and some of them are actually closed to foreign investors," he pointed out.

From the beginning, the ACMF was looking to open the ASEAN markets, at least to other member states. "We needed to have something in common, be on a more level playing field and play with the same goals. That's why we introduced the various initiatives, to encourage the members to join the initiatives. To do that, they would have to harmonize their regulations."

However, it did not insist on conformity. "We have to respect the legal structures of our respective member states."

Harmonization could not be done in isolation. It was not simply a matter of holding discussions with securities regulators. Those same securities regulators would need to hold discussions with the companies in their markets. At the end of the day, they could not forget who was being served. When these companies grew and prospered, it would increase the wealth in their countries and uplift the local populations. And the various members never lost sight of this, the ultimate end goal.

After all, one of the aspirations of the ACMF was to package ASEAN as a single asset class and this, in turn, was to attract more investment to those same companies.

The initiatives had to make sense for the local market of each member. This is why Vietnam was one of the earliest to participate in the ASEAN Corporate Governance (CG) scorecard, which had been introduced in 2011 to promote good corporate governance among the listed companies in member countries. In fact, Vietnam had launched its own corporate governance charter in 2003 based on OECD, that is, internationally-recognised, principles. It saw corporate governance as a way to strengthen its own companies and attract foreign investment.



Dzung: The real value of the ACMF is in the sharing of experiences

Collective Investment Schemes (CIS), however, were a different matter. "The definition of CIS is different in different markets. In Vietnam, we only have closed-ended funds, so the approach is different. And making an offering is not easy, because of definition of foreign investors. To participate in the ASEAN CIS, we would need to harmonize different laws such as the foreign investment law, corporate law, the structure of

companies and securities law. Because CIS or mutual funds would need to allowable by law," Dzung pointed out.

He argued against an over-simplification of an understanding of the processes involved in harmonization. "We have to talk about national harmonization among different laws. Because if a country wants to attract companies to list on their market you need to make sure of many things; first that it is in a favorable sector, second, that the capital market regulator is promoting the market and trying to attract more IPOs and third, that the market is actually open for foreign investment.

"So, it's a combination of the policies at the same time. It's not easy but the work of the regulator needs to be all-encompassing. We need to show companies that this is a good place to invest. We need to show investors that they can invest. We need to show the government that this is beneficial for the whole economy."

For Dzung, the real value of the ACMF is in the sharing of experiences. "Because what we can learn from other regulators is really crucial. When I talk about something to the ACMF members, I want to see both sides of the coin. If something is introduced, what are the implications for the industries, and also for the economy? And what steps need to be taken first?"

They may not have always succeeded in harmonization, but the process of trying to harmonize itself, was very educational. "Basically, harmonization was to reach a common goal that would allow companies to do something within the ASEAN context. So that when they come from one market to another, there would be some similarities in requirements. That's what it means to harmonize."

One of ACMF's most successful initiatives has been the ACMF Capital Market Development Program (A-MDP) and Vietnam is fully supportive of this initiative. He said Vietnam was happy to share its experiences with younger markets in terms of the nitty gritty of how it developed its market and even, provide its legal frameworks, which could then be taken back and adapted by those markets.

"Sharing stuff is asking the person how you develop the market and how you regulate certain things. So perhaps, based on this sharing, they went back and developed their own policies. They can learn from our experience and decide what they want to do with it."

Having been in the ACMF for all 20 years he finds the most important things are the meetings because during these, the members deal with present challenges in ASEAN. "We talk about sustainable finance and we're also talking about fintech, cryptocurrencies and digital assets. And we talk about

disclosures. We talk about IPO timelines and about how to harmonize these times and about transparency, corporate governance, transition finance…it is very helpful for ASEAN when most of the ASEAN member states are very vulnerable to climate change."

And these are just some of the topics that have been covered during meetings for the past five years.

Right now, the hottest topics are climate financing and fintech because these are issues that no single market can grapple with alone. "There are no borders for climate change and fintech products. We need to prepare for the legal system to deal with it. To allow or not to allow these fintech products into our markets? But even if we don't allow them in, they are still there. Borders for products such as these have become very porous and regulators are not able to keep them out.

"So, if we can't keep them out, how do we deal with the regulatory issues that they bring up, especially when there is a scam? We need to share experiences, to listen to those who are a bit further on in the game but even then, there's no end experience for this. It's a process and we all need to contribute and work it out together."

In fact, although the aspirations of the ACMF have evolved from integration to harmonization, Dzung pointed out that it is in grappling and coming to terms with issues around areas such as climate change and fintech products that it comes closer to integration than at any other time or in dealing with any other issue.

"Take the taxonomies for instance; that's something we all have in common, something we all adopt. So, there is no need to harmonize, only to recognize and endorse the taxonomy. Similar with the ASEAN Green, Social, Sustainability Bond Standards, ASEAN Sustainability-linked bonds standards or Responsible and Sustainable Fund Standards etc. Members can endorse these standards and then figure out how to apply them to their markets. You no longer need to talk about harmonization because it's already hidden in the standards.

"With these standards, we don't have to change our systems, just to recognise and adopt these standards and then you can have financial products based on these standards. So, harmonization is already part and parcel of it," he said.

Like the other ACMF members, Dzung spoke fondly of the friendships that have growth between the regulators of the different ASEAN markets. "We stay in contact, not only with our ACMF colleagues, but also with our former colleagues who have already retired."

It might be something about the Southeast Asian culture, but he said that bonding happens not only through meetings, but through the sharing of meals. "When you have a new host, you can invite people to enjoy the food and you learn something from there. You are more open after having lunch together."

In this, he said, the ACMF differs from other regional bodies such as the European Union, where relationships are more formal.

Firstly, the closeness between members may be attributable to the sheer number of in-person meetings a year. "We have at least four in-person meetings a year. On top of that, we have meetings among deputies and workstreams, especially when we have a lot of initiatives to work on. So, we bond with each other and become friends and talk, not only about the meeting agenda, but other things."

This sort of closeness helps when they need to reach a consensus about a particular topic. "We can discuss it by phone before sending out the official emails. We try to understand each other. When something is on the table for discussion, we need to see what the impact is on the market, who are the stakeholders and whether it is workable for all members."

And these same people don't just meet for ACMF. "We have deputies' meetings, bilateral meetings, APRC (Asia Pacific Regional Committee) of IOSCO (International Organization of Securities Commissions) and also the IOSCO annual conferences. So, when we go to international conferences, we meet as ASEAN friends and through all this interaction, we become a community and get closer.

"It helps with the work. Because when you raise something, it helps to have someone else echo the opinion and support the idea. So, we discuss it together among ASEAN members before raising something at international conferences."

This regional voice is gaining attention. "We promote ASEAN through the Taxonomy, the Transition Finance Guidance. Also, we negotiate free trade agreements (FTAs) with other communities as ASEAN. We have the ASEAN-New Zealand FTA, the ASEAN-Australia FTA and even the ASEAN-EU FTA.

"We have a lot of similarities so when we talk with other non-ASEAN communities in different sectors, we do so as a group. The target is to help all member states to develop," he pointed out.

Dzung added that when SSC Vietnam became co-chair of the A-MDP, he looked to see what the demand was. "We asked the different markets what topics they wanted to share and what conferences they wanted to go for. So, we did not only do the training through the workstreams but learnt from each other. It was not only for young regulators but also for older, more advanced markets."

He said some of the ASEAN initiatives have been so successful, such as the CG Scorecard, that other markets want to come in and learn from their experience. The IESE school of business in Spain actually did a study on the CG scorecard and found that there was a correlation between high scores and a company's ability to attract foreign investment.

Vietnam was the ACMF chair for the first time in 2020, the year the pandemic hit and the world went into lockdown. This affected its hosting of the meetings. "We prepared for our chairmanship but because of the pandemic, we prepared for a hybrid meeting in March. We encouraged the members to join the meeting because there were a lot of important things to discuss, such as the ACMF's next five-year action plan (2021-2025).

"We discussed our strategy and it was approved at the first chair's meeting in Vietnam. ACMF's priorities for the next five years was approved during our chairmanship in 2020. But to get there, we had to prepare at least one and a half years before."

The ASEAN regulators kept in close touch during the pandemic because they were dealing with an unprecedented situation and needed to know how their fellow members were dealing with the same issues.

"We shared our experiences in terms of the initiatives and support given to the companies during the pandemic, not only at the ACMF but also at the IOSCO level. We learnt from each other about how to support the companies, how companies could present reports when there were no in-person shareholder meetings, and how they could log physical files to the regulators during that time. We had to learn from each other. None of us had ever dealt with this situation before."

WORKING WITH THE ACMF: THE PARTNERS' PERSPECTIVE

ACMF A VALUED PARTNER IN ASIA GX CONSORTIUM

In October 2024, the Asia GX (Green Transformation) Consortium was officially launched to promote transition finance, that is, a financing method to provide funds to companies making steady efforts towards decarbonization. The consortium, led by the Financial Services Agency (FSA) of Japan and ASEAN financial authorities, was also made up of the Asian Development Bank, the Glasgow Financial Alliance for Net Zero (GFANZ), and financial institutions active in Asia.

One of the ASEAN financial authorities was the ASEAN Capital Markets Forum (ACMF), thereby recognizing the efforts that had already been taken by this grouping with regards to transition finance. In fact, the ACMF's first guidance on transition finance had been released in 2023, and updated a year later.

Akira Kurita, Director for International Cooperation at the FSA spoke about why that body had decided to collaborate with ACMF. "From our agency's perspective, addressing global challenges requires pooling regional expertise, fostering regional policy dialogues and strengthening collaboration to enhance the policymaking capacity of Asian financial authorities in global society.

"ASEAN is a particularly important partner for Japan in this effort, as highlighted in last year's Japan-ASEAN summit statement on 'co-creation'. Also, I guess that Japan and ASEAN share commonalities in recognizing the necessity of transition."

Kurita pointed out that the ACMF had actively embraced transition finance from an early stage, as evidenced by its "ACMF Transition Finance Guidance" published in October 2023.

He added that through the Asian GX Consortium, the FSA would like to work with ACMF and the WC-CMD (ASEAN Working Committee on Capital Market Development) to create a platform for broad collaboration between public and private stakeholders in the financial ecosystem of ASEAN and Japan, to develop a practical and common approach towards transition finance.

Not so long ago, even the concept of "transition" had been frowned upon as being too permissive, or not sufficiently harsh enough to meet the goals of climate change alleviation.

In fact, Eugene Wong, Sustainable Finance Institute Asia CEO, had mentioned the "Paradox of Ambition" in a speech delivered at the ICMA and JSDA Annual Sustainable Bond Conference in 2024, where an ambition is set so high that the pursuit of it results in actions that end up retarding the ambition itself.

"We see this in some of our sustainable finance efforts. For instance, we see a proliferation of sustainable finance taxonomies as various parties try to ensure that their ambitions are reflected accordingly, because the dominant taxonomies don't cater to their circumstances.



Kurita: Addressing global challenges requires pooling regional experrtise and strengthening collaboration

"The same situation has arisen with transition finance approaches. This has resulted in fragmentation, perversely impeding the flow of capital. Unrealistic ambitions can also have the effect of demoralizing actors who give up at the onset as they see little chance of success, or even cause them to turn on the agenda, which they see as unfair," said Wong, who was formerly Securities Commission Malaysia managing director and a key player in the ACMF.

He compared transition to a marriage of ambition and reality, pointing out that the financial sector and the real economy needs to be properly aligned to enable the transition to take place and be financed, without social and economic dislocations.

Kurita agreed: "FSA's CSFO (Chief Sustainable Finance Officer), Satoshi Ikeda, often compares this situation to Darth Vader of the movie, Star Wars, emphasizing that excessive pure ambition can lead to a rejection of realities, risking the loss of the original goal. Achieving global decarbonization requires an inclusive approach. High ideals are crucial but must be balanced with practical, actionable measures, aligned with reality."

However, he admitted, practical measures are often challenging. "In Asia, for instance, electricity demand is projected to grow significantly, and the region has a diverse industrial base. Geographical and social factors make immediate decarbonization difficult in many cases. For transition finance to succeed, it is crucial to create practical pathways tailored to the unique characteristics of each region, bringing as many countries and regions on board as possible."

Kurita said it's important to consider a more realistic approach towards achieving sustainability goals. "Transition towards the decarbonization of the whole economy requires a focus not only on achieving the 'green' endpoint' but also how to transition non-green activities. Merely creating new green projects or making already green projects much greener does not make sense. In this sense, Japan has been advocating the importance of transition finance in international forums from the very beginning."

Kurita admitted that initially, there were some misunderstandings around the concept of transition, but its importance is now recognized in various international forums. "In ASEAN, for instance, transitional aspects were already included in the amber category of its taxonomy (ASEAN Taxonomy for Sustainable Finance). This became clearer with the publication of the ASEAN Transition Finance Guidance which provided a direction for transition finance."

He added that the importance of transition finance was reaffirmed at the G7 Hiroshima Summit in May 2023 but there has been limited progress in creating specific transition finance cases, which remains a challenge. "Moving forward, our focus has shifted to expanding actual efforts towards achieving global net-zero."

Against this background, he said, the FSA decided to collaborate with ACMF which had just published its Transition Finance Guidance in October 2023.

Touching on Asia GX Consortium's future aspirations, he said that it can be broad, but that: "While the specific details will be worked out in close consultation with ASEAN counterparts, our initial focus is to move beyond conceptual discussions and actively promote initiatives that contribute to decarbonization in the region.

"Specifically, we aim to work together with ASEAN financial authorities to develop transition finance model cases that reflect regional characteristics and needs, and to encourage greater collaboration among the regional financial ecosystem, with designing a picture for their cooperation toward scaling up of transition finance."

Kurita added that in designing the picture, he would also like to consider collaborating with ASEAN's initiatives, such as facilitating green or transition bond issuances.

Although Kurita is involved with the ACMF as an external partner, he too has been accepted into its enfolding embrace. He is also cognizant of the extremely delicate process of negotiating cultural sensitivities with 10 different markets in different stages of development.

"Eugene (Wong) once compared transition to marriage. I believe integration shares similar complexities. The integration of diverse ASEAN countries is, I guess, incredibly challenging, which is why the wording in outputs, such as "common approach," is carefully crafted to respect individual national contexts while ensuring practicality.

"Despite these constraints, the ACMF is still effective in integrating stakeholders. The community fosters an open and inclusive atmosphere, where participating officials enjoy

comfortable and personal relationships. By engaging in this community, I guess members develop a deeper understanding of each region's unique characteristics, leading to the successful cultivation of shared perspectives and practices. The role of the secretariat is crucial."

He first encountered the ACMF in his role as an economic advisor in Myanmar sent by the Japanese government to help develop that country's capital market, from 2016 to 2019. When he encountered the ACMF five years later in his present role at the FSA, he was able to form a more accurate perspective of the grouping.

"To be honest, in meetings with ASEAN counterparts, I often find myself overwhelmed, being surrounded by large groups of officials, and nervous, as I carefully observe their reactions to every word I say, being concerned about whether I am disregarding their context.

"However, thanks to the ACMF community, personal relationships have naturally formed and during meetings, they casually and warmly call me 'Akira-san'. This personal connection creates a comfortable and welcoming atmosphere."

Bringing this back to the Asia GX Consortium, Kurita pointed out that it had come together relatively smoothly, thanks to the cooperation of the ASEAN side. "But the real work begins now. Personally, I feel that this community challenges me to remove my armor and openly share the contexts of each side. I want to embrace this challenge and truly enjoy the process."

ICMA: A CHANCE PRESENTATION THAT SHIFTED ACMF'S FOCUS

Ever since a presentation on the new green bond market, arranged by UK's Foreign and Commonwealth Office (FCO) in 2016, the Asia Capital Markets Forum has been working closely with the International Capital Market Association (ICMA).

ICMA Managing Director and Chief Representative Asia Pacific, Mushtaq Kapasi, recalled being given an opportunity by the UK FCO (now known as the Foreign, Commonwealth & Development Office) to meet with securities regulators from ASEAN who were on a visit to London.

"At the time, our Asia office was only a couple of years old. We didn't know the ACMF members very well and were keen to meet them. We work in the international securities markets and this was a high-level, distinguished group of individuals from countries that are important to us."

However, the FCO asked the ICMA to do a two to three-hour session, long by any count. Kapasi was nonplussed. What could they talk about to keep the delegates' attention? "And so, we thought we could give them an update on the bond market best practice work that we do, and an update on regulatory reforms that we're seeing in the EU."

The ICMA had just come out with the Green Bond Principles the year before and Kapasi decided to talk about these as well. "It was a new innovation in the markets that most people hadn't heard about."

The session went very well and it led to an unforeseen outcome: "I actually don't remember most of it but I do remember the Green Bond Principles part, because at the end of it, Eugene (Wong) from Securities Commission Malaysia and Commissioner Ephyro Amatong from the Philippines were both clearly inspired. They said this was not only interesting but also actually something they could do in ASEAN."

At first, Kapasi admitted, he wasn't sure if the initial interest from ACMF would turn into anything tangible, but things progressed quickly. By 2017, the ACMF had already come up with its first iteration of the ASEAN Green Bond Standards. "So that was an enjoyable and inspiring cooperation with ACMF, and the first time that we had worked with them on something concrete."

Since then, he added, the ICMA has found the ACMF to be a valuable partner. "Of course, as an industry association, we represent market participants. But at the same time, we act not just for individual members but for the industry as a whole — buyers, sellers, intermediaries — and part of our mission is to improve the overall health of the capital market for the benefit of broader economies.

"So, we look at regulators as partners because I think that ultimately, we have the same goals. I don't look at them as adversaries. At least, that's my approach. I think that's also the way the ACMF operates. ACMF looks at industry participants as partners to help them develop their economies."

He said it has been a rewarding few years working with the ACMF. "And I also just happen to like the individuals."

Kapasi said he learnt a lot about the different dynamics of ASEAN, the politics, the cultures, and the characteristics of different economies. He said it has often been not easy to balance regional needs with national requirements and then having to integrate that into global policymaking and trying to find consistent standards internationally.

"This can be a challenge. But it's also interesting and can be rewarding if you can reach a consensus, to find a way for everyone to benefit."

All the standards that the ACMF produced in the past few years — the Green, Social, Sustainable and Sustainability Linked Bond Standards — were based on ICMA principles.

Kapasi added that it was a two-way street: ever since ACMF chose to adopt ICMA principles, it actively contributed to the fashioning of these principles which are themselves global. "We were very honored when the ACMF first chose to adopt ICMA principles but they didn't just copy them. Maybe they did copy them to some extent, but only to make their own standards stricter than ICMA's. The first ASEAN Green Bond Standards said absolutely 'no fossil fuels' which at that time was slightly controversial. Now, it's mainstream in the market, so it's fair to say that the ACMF was actually ahead of its time."



Kapasi: Ever since the ACMF chose to adopt ICMA principles, it contributed to the development of these principles

Since then, ACMF has contributed to ICMA's evolving global principles across sustainable finance, just as ICMA originally inspired the ACMF green and social bond standards. "They have actually been actively contributing to ICMA's work as a stakeholder. They've now a part of our community."

He has enjoyed working with the ACMF. "What is unique in my experience with ACMF is that it's a delicate balance to maintain these kinds of relationships that are in some ways, very official, very formal. These are powerful individuals in their countries. They have large teams working for them, serious responsibilities, public scrutiny, and political risk.

"And there are the country dynamics as well. And then I am put in the middle of it as a somewhat independent trade association person who represents the market. So, there's a bit of a balance there (to be negotiated).

"I think the ACMF has been great because they're the sort of people who recognize each other's humanity, where the other is coming from, and the kind of realities they have to deal with back home. So, there's a lot of sympathy and empathy and there's a spirit of cooperation and mutual benefit in ACMF," he said.

This is not to say that they are not professional. "People can be quite strong when it comes to the negotiations or the language or the documents, but then, once the tough part is over, everyone is happy to have a big laugh over satay or drinks."

Right now, he said, the ICMA is doing more work with the ASEAN Working Committee on Capital Market Development, which is involved in the joint working group on the Taxonomy.

Kapasi also commented on when he first met ACMF back in 2016. "I think that their agenda then was wider than sustainability, and in reality, sustainability was barely on the agenda for anyone, but they were looking for some way to make a real difference through cooperation. It is inherently a structural challenge for ACMF. Simply look at the 10 markets and how different they are."

He went on to point out how they were all at different stages of development, making it difficult to come up with consistent regulations and standards for the regional securities market.

"And when you put political instability on top of that and different kinds of government structures and different histories, it can become quite difficult to find common ground."

He pointed out that even landing on sustainability as a common ground was a major achievement. "But now, it's actually a good time to look at other areas. I think digital assets is a good one because it's still growing, it's very new and you don't have to have a huge developed bond market or equity market to have interesting innovations. In fact, a lot of the innovation in this area is coming from frontier markets."

There are two lessons here, Kapasi concluded. "Not all topics are really appropriate for ACMF given the different

stages of development and not everything can be standardised across ASEAN.

"But on the flipside, there are at least some things that can. Taxonomy is working, sustainability is working, transition has promise. So, these are some themes that are definitely common across the different countries of ASEAN."

Ultimately, he said, the true value of the ACMF is the dialogue and the sharing of information. "So even if you're not necessarily coming up with specific standards or agreements, you have those kinds of connections on a diplomatic level, that kind of information sharing expertise about what is going on in your jurisdiction, how can you learn from each other and how you can cooperate, even bilaterally."

For example, he said, the Thai regulator may implement a new policy and the, say, Malaysian regulator decides to try something similar in their own market. "Having that kind of structure for exchanging information and ideas can actually be great. There's also healthy competition going on, right? Singapore is doing something and the Philippines is doing something and now, the others want to do it too. But they may adapt it for their own market dynamics or culture. And the innovation continues. All of this is quite healthy and the ACMF is ideal for this kind of exchange.

"I think the way the organisation has been put together and run makes it a valuable forum."

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