

## **ASEAN Securities Regulators Agree on Roadmap to Integrate Capital Markets by 2015**

**Bangkok, February 3, 2009-** The ASEAN securities regulators reached an agreement on the roadmap to integrate ASEAN capital markets under the objectives of the ASEAN Economic Community (AEC) Blueprint 2015. The roadmap, known as “the Implementation Plan”, sets out strategic action plans for capital market integration and provides key milestones to be achieved during 2009-2015 by ASEAN members.

The Implementation Plan was initiated by the ASEAN Capital Markets Forum (ACMF), a group comprising heads of securities regulators for discussion of capital market policy issues, currently chaired by Mr. Thirachai Phuvanatanarubala, Secretary-General of the SEC, Thailand. The project was endorsed by the ASEAN Finance Ministers at its 2008 meeting and received support from the Asian Development Bank (ADB) through its regional technical assistance program on Strengthening Southeast Asian Financial Markets. The Implementation Plan was also guided and overseen by a group of renowned experts in international capital markets including Mr. Jose Isidro Camacho, former Secretary of Finance of the Philippines.

The AEC Blueprint 2015 envisages an integrated market which is stronger and more efficient where ASEAN products are viewed as an asset class and where investors would be able to trade ASEAN capital market products freely in any ASEAN exchanges at a competitive fee from a single access point with market intermediaries that can provide services throughout the region based on home country approval.

The growing competition from global players, and the pressures for consolidation and efficiency enhancements due to technological advancement make regional integration of capital markets an even more pressing policy that calls for a comprehensive strategic plan to place ASEAN in a stronger position in global financial arena, assist national governments to raise funds to combat recession, and also strengthen domestic financial systems and market depth. Without such a plan, each individual market in ASEAN risks itself of fading from global investors map.

The ongoing global financial crisis and economic slowdown will have massive impact on ASEAN capital markets. It strengthens the case for urgency to change and therefore needs a well-thought of plan to ensure that development policies among ASEAN markets are well coordinated so that the pace of ASEAN capital market integration can be accelerated in order to make ASEAN an important asset class that can increase the breadth and depth of the market to absorb global volatility more efficiently.

**“This is a very major move for ASEAN capital markets. For financial institutions worldwide, this has two important implications. First, for those who have operations linked to ASEAN, the business scope and opportunities will be much broader. Second, for those who invest in ASEAN, the products will**

**become much more uniformed as to the standards and the procedures,” said Mr. Thirachai.**

Recognizing the differences in stages of development among ASEAN jurisdictions, the Implementation Plan takes a phased approach to integration and liberalization. For example, Phase I (2009-2010), the focus will be on wholesale markets for institutional and qualified investors such as accepting offering documents presented in a common language and governed by law of issuer’s jurisdiction. Mutual recognition of rules for securities offerings will take place in Phase II (2011-2012) and in Phase III (2013-2015) investors can trade ASEAN exchange products freely.

**“For the international community, we hope to achieve 2 important aims. First, at the end of the timeline, ASEAN financial products will naturally be viewed more as a class rather than on individual basis. Second, ASEAN markets will become equally attractive as a market for fund-raising as they are for investment,” added the ACMF Chairman.**

After an agreement at the meeting on January 23, 2009, the ACMF will propose the Implementation Plan to the ASEAN Finance Ministers Meeting in April 2009 to seek their endorsement in principle. By obtaining the endorsement, it will ensure that the goal of ASEAN capital market integration is reflected in each member’s national agenda and will ultimately allow us to achieve what the ASEAN leaders have visualized by 2015.

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## **Information about ASEAN and the AEC Blueprint**

1. ASEAN (Association of Southeast Asian Nations) comprises Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, The Philippines, Singapore, Thailand and Vietnam
2. Objectives: The ASEAN Declaration states that the aims and purposes of the Association are: (1) to accelerate economic growth, social progress and cultural development in the region and (2) to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of the United Nations Charter.
3. The AEC Blueprint is a master plan that guides ASEAN towards achieving an AEC by 2015 by clearly identifying economic integration measures and detailing commitments, targets and timelines for their implementation.
4. The end-goal of the AEC 2015 is the realisation of a single market and production base, in which there is a free flow of goods, services, investments and skilled labour, and a freer flow of capital, with equitable economic development and reduced poverty and socio-economic disparities.
5. In the AEC Blueprint, this is translated into four key pillars - (i) a single market and production base; (ii) a highly competitive economic region; (iii) a region of equitable economic development; and (iv) a region fully integrated into the global economy. Under each pillar are economic measures to further ASEAN's goal towards an AEC.

More information about ASEAN can be found at [www.aseansec.org](http://www.aseansec.org)

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