

12th COMPARATIVE ANALYSIS OF ASIAN SECURITIES REGULATORS & SROs AND MARKET CHARACTERISTICS

(Data and information provided by participating organizations of the 17th ASF Tokyo Round Table)

This report compiles the regulations, systems, market conditions and current trends of the securities market in the Asian jurisdictions participating in the Asia Securities Forum (ASF)¹ Tokyo Round Table². Started in 2010 after the 6th ASF Tokyo Round Table, this annual comparative analysis aims to provide an axis through which these different Asian markets can better understand one another and facilitate mutual cooperation.

The content herein is based on the feedback from each delegate of the participating organizations in the 17th ASF Tokyo Round Table. The Japan Securities Dealers Association (JSDA) makes no representations as to, nor guarantees, its accuracy or completeness.

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¹ The Asia Securities Forum (ASF), established in 1995, is an international forum that brings together key organizations in the securities industry of the Asia-Oceania region to exchange information, foster cross-border cooperation, and ultimately promote economic growth and the development of securities markets.

² The ASF Tokyo Round Table was started in 2006 as a platform on which to hold seminars, training sessions, etc. for the delegates of various organizations in the Asia-Oceania region.

I. Basic Organizational Features

I – 1. Organization Type, Statutory Basis

No.	Market	Name of Organization	Organization Type	Statutory Basis	
1	Asian Region	Asia Securities Industry & Financial Markets Association	ASIFMA	Industrial Association	Established by or in accordance with Law(HK Company Law https://www.elegislation.gov.hk/hk/cap622)
2	Asian Region	International Capital Market Association	ICMA	Industrial Association	Established by or in accordance with Law articles 60 to 79 of the Swiss Civil Code
3	Bangladesh	DSE Brokers Association of Bangladesh	DBA	Trade Organization of the Stock Brokers of Dhaka Stock Exchange Ltd. registered by the Commerce Ministry of Bangladesh	Established by or in accordance with Law(Trade Organization Ordinance 1961)
4	Cambodia	Cambodia Association of Securities Firms	CASF	Self-regulatory Organization	N/A
5	China	Securities Association of China	SAC	Self-regulatory Organization	Established by or in accordance with Law (the Securities Law of the People's Republic of China , the Registration and Administration of Social Organizations Ordinance)
6	Hong Kong	Hong Kong Securities Association	HKSA	Industrial Association	Established spontaneously in 1978, HKSA is the first securities industry association in Hong Kong
7	India	Association of National Exchanges Members of India	ANMI	Company limited by Guarantee registered u/s 8 of Companies Act 1956 (amended as Companies Act 2013) as Non- Profit Organization.)	Established by or in accordance with Law (Incorporated under the Companies Act, 1956(No. 1 of 1956))
8	India	Bombay Stock Exchange Brokers' Forum	BBF	Industrial Association	BBF is an Industry Association not-for-profit registered under the Indian Societies Act 1860 and Charity Commissioner (F23429)
9	Japan	Japan Securities Dealers Association	JSDA	Self-regulatory Organization& Industrial Association	Established pursuant to the Financial Instruments and Exchange Act
10	Malaysia	Association of Stockbroking Companies Malaysia	ASCM	Industrial Association	Established by or in accordance with Law (The Societies Act in Malaysia)
11	Mongolia	Mongolian Association of Securities Dealers	MASD	Self-regulatory Organization	Established by or in accordance with Law
12	New Zealand	New Zealand Financial Markets Association	NZFMA	Industrial Association	Established spontaneously
13	Philippines	Philippine Association of Securities Brokers and Dealers, Inc.	PASBDI	Industrial Association	Established by or in accordance with Law (Corporation Code of the Philippines)
14	Singapore	Securities Association of Singapore	SAS	Self-regulatory Organization	Established by or in accordance with Law
15	South Korea	Korea Financial Investment Association	KOFIA	Self-regulatory Organization	Established by or in accordance with Law (Financial Investment Services and Capital Markets Act)
16	Sri Lanka	Colombo Stock Brokers Association	CSBA	Industrial Association	Established spontaneously
17	Vietnam	Vietnam Bond Market Association	VBMA	Industrial Association	Established by or in accordance with Law (Decree No.45/2010/ND-CP dated 21 April 2010 of the Government)

I – 2. Number of Staff, Funding Source and Number of Member Firms

No.	Market	Name of Organization	No. of Full Time Staff	Funding Source	Number of Member Firms (by Business Category)
1	Asian Region	ASIFMA	~30	Membership Fee	Sell-side & Market Makers – 56 Asset Managers – 43 Non-Banks – 62
2	Asian Region	ICMA	~ 60	Membership Fee	Over 620 members in 68 jurisdictions
3	Bangladesh	DBA	12	Membership Fee	252 (Stock Broker and Stock Dealer Company). Note: Another 57 (Fifty-Seven) new Stock Broker and Stock Dealer Firms are in process for becoming DBA's Member.
4	Cambodia	CASF	1	Membership Fee	12 members-7 Securities Underwriters -4 Securities Brokers -1 Financial Advisory
5	China	SAC	132	Membership Fee	Until end of July, 2024, SAC has 481members and 244 observers. SAC members include 146 statutory members (securities firms), 255 ordinary members (securities investment consulting companies, credit rating institutions, etc.) and 80 special members (local securities associations, etc.)
6	Hong Kong	HKSA	3	• Membership Fee • Courses & events organized by HKSA	Approximately 1,589 individual members who come from brokerage firms carrying with SFC license for Securities Brokerage, Asset Management, Futures Contracts, Corporate Finance and so on in Hong Kong. Representing more than 70% of the stockbroking business community
7	India	ANMI	15	• Membership Fee • Advertisement	740 Stock Brokers Member (Regular)

No.	Market	Name of Organization	No. of Full Time Staff	Funding Source	Number of Member Firms (by Business Category)
				printed in ANMI's Monthly Journal & Sponsorship Income from events	
8	India	BBF	10	• Membership Fee • Newsletter • Advertisements • Training Income	Member firms 600+ Consists of members of Stock Exchanges-BSE Ltd / NSE (National Stock Exchange of India Limited), Commodity Exchanges -MCX (Multi Commodity Exchange) / NCDEX (National Commodity and Derivatives Exchange) and Depository Participants of Depositories-Central Depository Services (CDSL) / National Securities Depository Limited (NSDL)
9	Japan	JSDA	373 (as of July, 2024)	• Membership Fee • Fees for Examination and Training Course	(as of July, 2024) 271 Regular Members 202 Special Members consisting of banks, insurance companies and other financial institutions 11 Specified Business Members
10	Malaysia	ASCM	3	• Membership Fee • Income from fixed deposits and conducting of capital market courses	(As of July 2024) The ASCM represents 29 out of the 29 stockbroking companies in Malaysia. The 29 members comprise of: □ 8 Investment Bank affiliated Brokers □ 15 Non-Investment Bank affiliated Brokers □ 6 Foreign Brokers
11	Mongolia	MASD	10	• Membership Fee • Licensed courses • Mongolian OTC market	Securities company-47 Investment management company-20 Infrastructure Organization-4 Associate member organization-17
12	New Zealand	NZFMA	5.1	Membership Fee & Benchmark Income	-9 Domestic Registered Banks -3 Foreign Registered Banks -4 Intermediary Banks -5 Service Providers -1 Central Bank -1 Sovereign Issuer
13	Philippines	PASBDI	1	Membership Fee	There are 122 active PASBDI members which are Member Firms and Trading Participants of the Philippine Stock Exchange, Inc.
14	Singapore	SAS	-	-	-
15	South Korea	KOFIA	About 250	• Membership Fee • Examination fees for financial certifications and revenues from textbook sales	Regular Members: 399 firms • <u>Securities: 61</u> • <u>Asset Management: 321</u> • <u>Futures: 3</u> • <u>Real Estate Trust: 14</u> • Associate Members: 146 firms • Special Members: 29 firms
16	Sri Lanka	CSBA	5	Membership Fee & Organizing events for fund raising	23 Stockbroking firms
17	Vietnam	VBMA	7	Membership Fee & Fees collected from training course, selling data	82 institutional members (consisting of 38 banks, 16 securities firms, 10 insurance companies, 08 fund management companies, 05 finance companies, 01 rating agencies, 01 trust fund, 01 law firm, 01 consulting firm and 01 audit firm)

II. Regulatory Framework of the Securities Markets of Each Country

No.	Market	Name of Organization	Major Laws, Rules or Practices in the Securities Markets of Each Jurisdiction
1	Asian Region	ASIFMA	For HK where ASIFMA is headquartered (though ASIFMA's coverage extends throughout APAC): HK Securities and Futures Ordinance https://www.elegislation.gov.hk/hk/cap571 SFC Codes and Guidelines https://www.sfc.hk/en/Rules-and-standards/Codes-and-guidelines
2	Asian Region	ICMA	The mission of ICMA is to promote resilient and well-functioning international debt capital markets and ICMA will take laws/regulations in different jurisdictions into consideration. Different from any local association to cover a particular country, ICMA focuses more on the cross-border capital market. ICMA has a regional structure, currently comprising sixteen regions (incl. one regional chapter) which are listed below: <ul style="list-style-type: none"> • Africa • Asia Pacific • Austria, Eastern and South Eastern Europe - incl. regional chapter of Greece, Turkey, Cyprus and the Balkan States • Belgium • France and Monaco • Germany • Iberia • Ireland • Italy • Luxembourg • Middle East, North Africa and Republic of Türkiye (MENAT) • Netherlands • Nordic • Russia and other CIS countries - Suspended


No.	Market	Name of Organization	Major Laws, Rules or Practices in the Securities Markets of Each Jurisdiction
			<ul style="list-style-type: none"> • <u>Switzerland and Liechtenstein</u> • <u>United Kingdom and the Americas</u>
3	Bangladesh	DBA	Bangladesh Securities and Exchange Commission (BSEC)- Dhaka Stock Exchange (DSE)- Chittagong Stock Exchange (CSE)- DSE Brokers Association of Bangladesh
4	Cambodia	CASF	<ol style="list-style-type: none"> 1. Prakas on Public Offering of Equity Securities 2. Prakas on Public Offering of Debt Securities 3. Prakas on Debt Securities Offering to Qualified Investors 4. Prakas on Public Governance for Listed Companies 5. Prakas on Corporate Disclosure
5	China	SAC	With 20 years development, Chinese securities industry has gradually formed a management system as following. It focuses on centralized and unified supervision with the management by the State Council Securities Regulatory Commission (CSRC) and its dispatched agencies in accordance with the law, also supplemented by self regulatory organizations such as stock exchanges, industry associations, and securities investor protection fund companies that implement self regulatory management of their members. It has formed a comprehensive and multi-level regulatory system for the Chinese securities industry that combines centralized supervision and self regulatory management. The main laws include: Securities Law, Futures and Derivatives Law, and Securities Investment Fund Law.
6	Hong Kong	HKSA	Codes, regulations, guidelines by SFC (Securities & Futures Commission); Listing Rules by Stock Exchange of Hong Kong.
7	India	ANMI	<p>A. Regulator - Securities and Exchange Board of India (SEBI)</p> <p>B. Acts:</p> <ol style="list-style-type: none"> 1. Securities and Exchange Board of India Act, 1992 2. Securities Contracts (Regulation) Act, 1956 <p>C. Market Infrastructure Institutions (MIIs):</p> <ol style="list-style-type: none"> 1. National Stock Exchange of India Ltd (NSE): https://www.nseindia.com/regulations/exchange-market-regulations-rules-byelaws-nseil 2. BSE Ltd: https://www.bseindia.com/downloads1/Due_Dates_Compliance_Reporting.pdf 3. Multi Commodity Exchange of India Ltd (MCX): https://www.mcxindia.com/docs/default-source/about-us/legal-framework/bye-laws.pdf?sfvrsn=2246e390_4 4. National Commodity & Derivatives Exchange Limited (NCDEX): https://www.ncdex.com/about/bye-law 5. Metropolitan Stock Exchange of India Ltd (MSE): https://www.msei.in/downloads/rules-bye-laws-and-regulations 6. Central Depository Services (India) Limited https://www.cdslindia.com/Downloads/Publications/Legal/CDSL%20Byelaws/Bye%20Laws_amended%20as%20on%2009.03.2022.pdf 7. National Securities Depository Limited (NSDL): https://nsdl.co.in/publications/nsdlbyelaws.php
8	India	BBF	<p>Indian Capital Markets are regulated and monitored by the Ministry of Finance, The Securities and Exchange Board of India and The Reserve Bank of India.</p> <p>The Stock/ Commodity Exchanges work as the front-line Regulators to ensure compliance with the listing requirements on the Corporates and trading/ settlement requirements and related compliance requirements on the Stock Brokers.</p> <p>The Ministry of Finance regulates through the Department of Economic Affairs - Capital Markets Division. The division is responsible for formulating the policies related to the orderly growth and development of the securities markets (i.e. share, debt and derivatives) as well as protecting the interest of the investors.</p> <p>In particular, it is responsible for institutional reforms in the securities markets, building regulatory and market institutions, strengthening investor protection mechanism, and providing efficient legislative framework for securities markets.</p> <p>The Division administers legislations and rules made under the</p> <ul style="list-style-type: none"> • Depositories Act, 1996, • Securities Contracts (Regulation) Act, 1956 and • Securities and Exchange Board of India (SEBI) Act, 1992.
9	Japan	JSDA	<p>Statutory Regulation: Financial Instruments and Exchange Act (hereinafter referred to as the “FIEA”)</p> <p>SRO Regulation: JSDA enforced more than 50 rules. (https://www.jsda.or.jp/en/rules-guidelines/rules/)</p> <p>- JSDA’s rules are categorized into rules relating to “customer management and internal management by association members”, “employees and sales representatives of association members”, “advertising”, “rules relating to personal information protection”, “code of ethics”, or “stocks/bonds/foreign products/securitized products/derivatives”.</p>
10	Malaysia	ASCM	<p>The securities market in Malaysia is regulated by both the Securities Commission Malaysia and Bursa Malaysia. The roles and responsibilities of these two organisations are as detailed below:</p> <p>SECURITIES COMMISSION MALAYSIA (SC)</p> <p>The Securities Commission Malaysia was established on 1 March 1993 under the <i>Securities Commission Act 1993(SCA)</i> and is a self-funded statutory body entrusted with the responsibility to regulate and develop the Malaysian capital market.</p>

No.	Market	Name of Organization	Major Laws, Rules or Practices in the Securities Markets of Each Jurisdiction
			<p>The SC's mission is "to promote and maintain fair, efficient, secure and transparent securities and derivatives markets; and facilitate the orderly development of an innovative and competitive capital market".</p> <p>The SC has direct responsibility for rule-making, enforcing regulations pertaining to the capital market, ensuring sustainable market growth and development, supervising capital market activities and market institutions including the exchanges, clearing houses and registered market operators, and regulating all entities and persons licensed under the <i>Capital Markets and Services Act 2007(CMSA)</i>. The SC reports to the Minister of Finance.</p> <p>SC's areas of responsibilities include: Developing the overall capital market and its market segments such as the equity market, bond and sukuk market, Islamic capital market, fund management, derivatives and other market-based platforms and services;</p> <ul style="list-style-type: none"> - Facilitating innovation and digital services through the capital market; - Creating avenues for a sustainable financing ecosystem; - Ensuring proper conduct of all market participants through our supervisory, surveillance and enforcement work; - Championing good corporate governance practices; and - Facilitating greater cross-border regulatory co-operation and thought leadership. <p>The SC has a firm focus on investors. Their core mandates to regulate and ensure market growth are always done with the objective of protecting the investors, including initiatives to raise their levels of financial and investment literacy.</p> <p>The SC's many regulatory functions include:</p> <ul style="list-style-type: none"> - Registering authority for prospectuses of corporations other than unlisted recreational clubs; - Approving authority for corporate bond issues; - Regulating all matters relating to securities and futures contracts; - Regulating the take-over and mergers of companies; - Regulating all matters relating to unit trust schemes; - Licensing and supervising all licensed persons; - Supervising exchanges, clearing houses and central depositories; - Encouraging self-regulation; and - Ensuring proper conduct of market institutions and licensed persons. <p>The SC administers the following acts:</p> <ul style="list-style-type: none"> - Securities Commission Act 1993; - Capital Markets and Services Act 2007; and - Securities Industry (Central Depositories) Act 1991. <p>The functions of the SC as stated in the Securities Commission Act 1993 are as follows:</p> <ol style="list-style-type: none"> 1. To advise the Finance Minister on all matters relating to the capital market 2. To regulate all matters relating to the capital market 3. To ensure that the provisions of the securities laws are complied with 4. To regulate the take-overs and mergers of companies 5. To promote and regulate all matters relating to fund management, including unit trust and private retirement schemes 6. To consider and make recommendations for the reform of the securities laws 7. To encourage and promote the development of the capital market in Malaysia including research and training 8. To encourage and promote self-regulation by professional associations or market institutions in the capital market 9. To license, register, authorise, approve and supervise all persons engaging in regulated activities or providing capital market services as may be provided for under any securities law 10. To promote and maintain the integrity of all licensed persons, registered persons, approved persons and participants in the capital market 11. To register or recognise all auditors of public interest entities or schedule funds, and to exercise oversight over any person who prepares a report in relation to financial information of public interest entities or schedule funds, in relation to capital market activities 12. To promote confidence in the quality and reliability of audited financial statements in Malaysia, and to promote and develop an effective and robust audit oversight framework in Malaysia 13. To take all reasonable measures to monitor, mitigate and manage systemic risks arising from the capital market 14. To promote and regulate corporate governance and approved accounting standards of listed corporations; and to set and approve standards for professional qualification for the capital market <p>Bursa Malaysia Bursa Malaysia is an exchange holding company established in 1973 and listed in 2005 following the demutualisation of the Kuala Lumpur Stock Exchange (KLSE) in 2004. Its subsidiaries provide services related to trading, clearing and settlement, and depositing of securities and derivatives.</p> <p>Bursa Malaysia is regulated by the SC and is subject to the provisions of CMSA, SCA, Securities Industry (Central Depositories) Act 1991, Companies Act 1965, Offshore Companies Act 1990 and Labuan Financial Services and Securities Act 2010. In particular, Section 11 of CMSA imposes upon Bursa Malaysia the duty to ensure a fair and orderly market in the securities or futures contracts traded through its facilities. It is also statutorily bound to act in the public interest, with focus on investor protection.</p> <p>In addition to operating trading infrastructure, Bursa Malaysia also assumes frontline regulatory responsibility over companies listed on its exchange which includes the Main Market, ACE Market and LEAP Market. This includes supervision of issuers and brokers as well as market surveillance over trading activities. Bursa Malaysia's regulatory functions are performed and managed by the Regulation Functional Group, which is helmed by the Chief Regulatory Officer. To ensure independence of the regulatory function, the Chief Regulatory Officer directly reports to the Board.</p> <p>Bursa Malaysia has clear, comprehensive and accessible rules which govern, among others, the listing of issuers and products on its exchange, and the obligations of the issuers post-listing, the trading, clearing and settlement of the products, and regularly updates its rules, directives and guidance notes to help Participating Organisations and post admission obligations of participants.</p>

No.	Market	Name of Organization	Major Laws, Rules or Practices in the Securities Markets of Each Jurisdiction
			<p>Note: Stockbroking companies who are Investment Banks are also regulated by the central bank, Bank Negara Malaysia who supervises all their business activities including stockbroking.</p>
11	Mongolia	MASD	<p>Mongolia's securities market is regulated by several key laws, rules, and practices aimed at ensuring a fair and transparent trading environment. The primary regulatory body overseeing the market is the Financial Regulatory Commission (FRC), established under the Securities Market Law of Mongolia. This law, along with the Law on Investment Funds and the Law on Licensing, forms the backbone of the regulatory framework. The FRC enforces rules related to market conduct, disclosure requirements, and corporate governance to protect investors and maintain market integrity. Additionally, the Mongolian Stock Exchange (MSE) operates under the oversight of the FRC, providing a platform for trading securities while adhering to stringent listing and trading regulations. These measures collectively aim to foster investor confidence and promote the sustainable development of the securities market in Mongolia.</p>
12	New Zealand	NZFMA	Financial Markets Conduct Act 2014
13	Philippines	PASBDI	<p>The Securities and Exchange Commission (SEC):</p> <p>The Securities Regulation Code and its Implementing Rules and Regulations</p> <p>Chapter 1: Title and Definitions Chapter 2: The Securities and Exchange Commission Chapter 3: Registration of Securities Chapter 4: Regulation of Pre-need Plans Chapter 5: Reportorial Requirements Chapter 6: Protection of Shareholder Interests Chapter 7: Prohibitions on Fraud, Manipulation and Insider Trading Chapter 8: Regulation of Securities Market Professionals Chapter 9: Exchanges and Other Securities Trading Markets Chapter 10: Registration, Responsibilities and Oversight of Self-Regulatory Organizations Chapter 11: Acquisition and Transfer of Securities and Settlement of Transactions in Securities Chapter 12: Margin and Credit Chapter 13: General Provisions</p> <p>The Philippine Stock Exchange Incorporated (PSE): The PSE Listing and Disclosure Rules</p> <p>THE PSE Listing and Disclosure Rules</p> <p>I. Listing Rules</p> <p>Article 1 General Objective and Principles (Suitability Rule) Article 2 Definition of Terms Article 3 Equity Securities Part A General Requirements for Listing Part B Processing of Listing Applications Part C Methods of Initial Listing Part D Main Board Listing Part E Small, Medium and Emerging Board Listing Part F Distribution of Initial Public Offering Shares through the Exchange Part G Listing by Way of Introduction Article 4 Debt Securities Article 5 Additional Listing of Securities Article 6 Schedule of Fees</p> <p>II. Disclosure Rules</p> <p>Article 7 . Disclosure Rules Section 1 Basic Principle Section 2 Continuing Disclosure Obligations Section 3 Reportorial Requirements under the Securities Regulation Code Section 4 Unstructured Continuing Disclosure Requirements, Purpose Section 5 Disclosure for Substantial Acquisitions & Reverse Takeovers Section 6 Disclosure of Dividend Declaration Section 7 Disclosure on Stockholders' Meeting Section 8 Disclosure of the Amendments to the Articles of Incorporation and By-Laws Section 9 Disclosure of Acquisition of Outstanding Shares and Sale of Treasury Shares Section 10 Disclosure of Acquisition by the Issuer's Subsidiaries, Affiliates and Others Section 11 Disclosure of Pending Release of Shares Held under Voluntary Lock-up Section 12 Disclosure on Change of Stock Transfer Agent Section 13 Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities Section 14 Company and Analyst's/ Investors' Briefings Section 15 Unusual Trading Activity Section 16 Update of Prior Statements Section 17 Structured Continuing Disclosure</p> <p>Article 8. Penalties and Fines</p> <p>The Revised Trading Rules and Implementing Guidelines</p> <p>Article 1 Definitions and Construction Article 2 Trading Day Schedule Article 3 Trading Floor Article 4 General Trading Operations Section 1 Trading limited to Securities listed with the Exchange Section 2 Responsibility of a Trading Participant on all Orders Section 3 Order Ticket Rule Section 4 Aggregation of Client Orders</p>

No.	Market	Name of Organization	Major Laws, Rules or Practices in the Securities Markets of Each Jurisdiction
			<p>Section 5 Short Selling Section 6 Reference Price Section 7 Trading Threshold Section 8 Board Lot and Price Fluctuation Section 9 Types of Orders, Execution Conditions and Trading Functions Section 10 Opening or Closing Price Calculation Section 11 Matching of Orders Section 12 Value Limit of Orders Section 13 Order Modification Section 14 Cancellation of Orders Section 15 Trade Amendments Section 16 Cancellation of Trades Section 17 Odd Lot Market Section 18 Trading during Run-Off/ Trading-at-Last Period Section 19 Identification of Accounts and Orders through the Use of Code Symbol of Account Number Section 20 Error Transactions Section 21 Give-up/Take-up Transactions Section 22 Separate Traders for Proprietary, Client and Market Maker Accounts Section 23 Best Execution Rule Section 24 Non-Liability of the Exchange from a Force Majeure Event</p> <p>Article 5 Market Making Article 6 Cross Transactions and Block Sale Article 7 Security States Article 8 Market Halt or Suspension of Trading Activity Article 9 Penal Sanctions</p> <p>The Rules Governing Trading Rights and Trading Participants</p> <p>Article 1 Definition of Terms Article 2 Trading Right Ownership Article 3 Trading Participants Section 1 Initial Trading Participants Section 2 Admission of Trading Participants Section 3 Entrance Fees Section 4 Change in Controlling Interest of a Trading Participant Section 5 Acknowledgement of Trading Participants Section 6 Non-Intervention of Trading Participants Section 7 Death of an Individual Trading Right Owner/ Trading Participant Section 8 General Qualifications of Trading Participants Section 9. Application Requirements for Trading Participants Section 10 Appointment of a Nominee Section 11 General Qualifications of a Nominee Section 12 Approval of a Nominee Section 13 Foreigners Designated as Nominees Section 14 Rights and Obligations of a Nominee Section 15 Need to Maintain a Nominee Section 16 Resignation of a Nominee Section 17 Liability of the Trading Participant for Acts of the Nominee and Associated Person Section 18 Credit Investigation Section 19 Disqualifications Section 20 Prohibitions</p> <p>Article 4 Trading Right Operation Article 5 Brokers and Dealers Section 1 Registration of Salesman and Associated Persons of Trading Participants Section 2 Signing of Pledge of Commitment Section 3 Submission of List of Directors, Officers, Employees, Agents, Dealers Etc. Section 4 Personnel Movement Section 5 Cooling-Off Period on Hiring Terminated Employees, Associated Persons, Salesmen, Traders, Agent, Dealer Etc. Section 6 Publication of List of Newly Hired, Resigned or Terminated Employees Section 7 Penalty for Violation of the Policy on Hiring and Termination of Employees Section 8 Penalty for Failure to Notify the Exchange of Personnel Movement Section 9 Penalty for failure to Return Exchange-Issued Identification Cards Section 10 Brokers' Code Section 11 Dues</p> <p>Article 6 Penalty Clause</p> <p>The Securities Clearing Corporation of the Philippines (SCCP)</p> <p>SCCP is a wholly-owned subsidiary of PSE and is under the regulatory supervision of the Securities and Exchange Commission (SEC). It was incorporated in 1996 to operate as a central securities clearing institution in the Philippines and thereby manage and support the clearance of trades in securities listed and executed on the PSE or other official securities market in the Philippines. It acts as a Central Counterparty to trades executed at the PSE. SCCP started its commercial operations on January 3, 2000 and was granted its permanent license to operate on January 17, 2002. SCCP is authorized by the SEC to impose fines and penalties and other sanctions as approved by the SCCP Board of Directors to ensure compliance of its Clearing Members.</p> <p>The Revised Clearinghouse Rules Rule 1 General Provisions of SCCP Rule 2 SCCP Clearing Membership Rules Rule 3 Continuous Net Settlement Rule 4 Clearing and Settlement of PSE Trades Rule 5 The Clearing and Trade Guaranty Fund Rule 6 The Fails Management System Rule 7 Risk Management and Monitoring of PSE Trades Rule 8 Mark to Market Collateral Deposit System</p> <p>The Revised Clearinghouse Operating Procedures</p>

No.	Market	Name of Organization	Major Laws, Rules or Practices in the Securities Markets of Each Jurisdiction
			<p>The Philippine Depository & Trust Corp. (PDTC): The Rules of the Philippine Central Depository</p> <p>Rule 1 General Rules Rule 2 PCD Participation Rule 3 Depository Service Rule 4 Settlement Service Rule 5 Risk Management</p> <p>The Capital Markets Integrity Corporation (CMIC): The CMIC Rules CMIC is a wholly-owned subsidiary of PSE and was established for the primary purpose of reinforcing the confidence of the investing public in capital market institutions and promoting a more active and vibrant market participation. Accordingly, CMIC acts as the independent audit, surveillance and compliance arm of the Exchange. As a self-regulatory organization, CMIC's primary mandate is to maintain the integrity of the market and minimize the risk of the investing public by ensuring that the TPs adhere to all pertinent rules, regulations, and code of conduct of CMIC and the Exchange, as well as all related legislative and regulatory requirements. Tasked with regulating and monitoring the activities of market participants, CMIC enforces rules, guidelines, and provisions of the Securities Regulation Code, or the SRC, and other securities laws, applicable to the operations and dealings of the TPs of – including, in particular cases, Issuers whose securities are listed in – the Exchange. Verily, under the CMIC Rules, which took effect in March 2012, CMIC, among other matters, enforces compliance by TPs – and, in the proper cases, by Issuers – with the securities laws.</p> <p>Article 1 General Provisions Article 2 Investigation and Resolution of Cases by CMIC Article 3 Disposition of Cases Article 4 Employees of Trading Participants Article 5 Code of Conduct and Professional Ethics for Traders and Salesmen Section 1 General Principles Section 2 Relationship of Traders and Salesmen to Their Clients Section 3 Relationship of Traders and Salesmen to their Firm Section 4 Rules on Trading for One's Personal Account Section 5 Trading Participant Discretion to Prohibit Trading for One's Personal Account Section 6 Prohibited Acts Section 7 Bribery Section 8 Confidentiality Section 9 Market Rumors Section 10 Gambling Section 11 Responsibilities of Trading Participants Section 12 Relationship of Trading Participants with CMIC Section 13 Mandatory Compliance with the Provisions</p> <p>Article 6 Conduct Regulation of Trading Participants Article 7 Customer Protection Section 1 Customer Account Information Rule Section 2 Client Agreement Section 3 Discretionary Accounts Section 4 Order Ticket Rule Section 5 Purchases and Sales in Cash Account Section 6 Margin Section 7 Call for Additional Margin Section 8 When Call for Additional Margin Not Met Section 9 Extension of Margin Call Period Section 10 Regulation of Short Sale Section 11 Client Information Section 12 Customer Account Statement Section 13 Monthly Securities Counts by Trading Participants Section 14 Buy-in of Short Security Differences Section 15 Obligation of Trading Participant with respect to the Physical Possession and Control of Securities Section 16 Control of Securities Section 17 Requirement to Reduce Securities in Possession or Control Section 18 Delivery of Securities Section 19 Special Reserve Bank Account for the Exclusive Benefit of Customers Section 20 Notification of Banks Section 21 Withdrawals from the Reserve Bank Account Section 22 Notification in the Event of Failure to make a Required Deposit Section 23 Lending and Voting Customers Securities Section 24 Distribution of Proxies by Trading Participant Section 25 Consent of Customer for Use of Proxy Section 26 Exemptions Section 27 Extensions of Time Section 28 Prohibited Transactions in Securities where Trading Participant and Issuer are Linked Section 29 Protection of Customer Accounts Where Registration of a Trading Participant is Suspended or Revoked Section 30 Protection of Customer Accounts in Case of Business Failure of a Trading Participant Section 31 Best Execution</p> <p>Article 8 Capitalization Requirements of Trading Participants Article 9 Books and Records Rule Article 10 Rules on Suspension of Trading Operations Article 11 Trading Irregularities Article 12 Disciplinary Guidelines Article 13 Miscellaneous Policies</p> <p><u>Group Structure</u></p>

No.	Market	Name of Organization	Major Laws, Rules or Practices in the Securities Markets of Each Jurisdiction
			<div style="text-align: center;">  <p>The chart shows PSE (The Philippine Stock Exchange, Inc.) at the top, with four subsidiaries below it: Capital Markets Integrity Corporation (100% owned by PSE), Securities Clearing Corporation of the Philippines (100% owned by PSE), Premier Software Enterprise, Incorporated (80% owned by PSE), and Philippine Dealing System Holdings Corporation (20.98% owned by PSE).</p> </div> <p>Notes:</p> <p>Premier Software Enterprise, Incorporated Premier is 100% owned by PSE and was incorporated in 2019 as a separate IT subsidiary to enable the Exchange to meet the growing demand for technology services related to its various initiatives. Premier is tasked to build innovative trading solutions, further automate critical Exchange processes, and explore new technologies such as cloud services, among others. As an institution heavily reliant on technology and focused on maintaining reliable and resilient operational systems, expanding the IT capabilities of PSE through Premier will help improve the Exchange’s products and services.</p> <p>Philippine Dealing System Holdings Corporation PDS is 20.98% owned by PSE and provides a full suite of services, from trading to clearing and settlement, and post settlement across different asset classes. PDS, through Philippine Dealing & Exchange Corp., operates the country’s fixed income market. It also functions as the depository for Philippine equities and bonds through Philippine Depository & Trust Corp. PDS also offers learning facilities to equip its markets and communities in keeping pace with market development and professional practice, here and abroad.</p>
14	Singapore	SAS	-
15	South Korea	KOFIA	Financial Investment Services and Capital Markets Act Regulation on Financial Investment Business Regulation on Securities Issuance and Disclosure
16	Sri Lanka	CSBA	1. Securities and Exchange Commission of Sri Lanka Act No: 19 of 2021; 2. Rules issued by the Securities and Exchange Commission; 3. Rules issued by the Colombo Stock Exchange; and 4. Anti-money laundering laws and rules and regulations issued thereunder including rules and regulations of the Financial Intelligence Unit (FIU) of the Central Bank of Sri Lanka.
17	Vietnam	VBMA	- Law on Securities No. 54/2019/QH14 dated 26 November 2019 - The Law on Credit Institutions dated 16 June 2010, amended by Law No. 17/2017/QH14 dated 20 November 2017, consolidated by Law No. 07/VBHN-VPQH, dated 12 December 2017 - Decree 95/2018/NĐ-CP on Issuing, registering, depository, listing and trading of Government debt instrument, dated 30 th of June 2018 - Decree No. 155/2020/ND-CP providing guidelines for a number of articles of Law on Securities, dated 31/12/2020 - Decree No. 158/2020/NĐ-CP on Derivative securities and the Derivative securities market, dated 31 December 2020 - Decree No. 156/2020/ND-CP prescribing penalties for administrative violations against regulations on securities and securities market, dated 31 December 2020, later amended by Decree No. 128/2021/NĐ-CP. - Decree No. 91/2018/ND-CP on government guarantee issuance and management, dated 26 June 2018. - Decree No. 93/2018/ND-CP providing for provincial-government debt management, dated 30 June 2018. - Decree No. 110/2018/TT-BTC providing guidance on repurchase and swap of government debt instruments, government-guaranteed bonds and municipal bonds in domestic market, dated 15 November 2018, later amended by Decree 81/2020/TT-BTC. - Circular 96/2020/TT-BTC guiding the disclosure of information on securities market, of 6/10/2016 dated 16 November 2020. - Circular No. 30/2019/TT-BTC providing guidance on registration, depositing, listing, trading and settlement of government debt instruments, government-guaranteed bonds issued by banks for social policies and municipal bonds, dated 28 May 2019. - Circular No. 30/2023/TT-BTC providing guidelines for registration, depositing, corporate actions, transfer of ownership, settlement for transactions and organization of trading market for corporate bonds privately placed in domestic market - Decision No. 1191/QĐ-BTC approving roadmap for the development of the bond market from 2017 to 2020, with a vision to 2030, dated 14 August 2017

III. Regulation & Self-Regulation

III – 1. Major Rule Making Functions of Each Organization

No.	Market	Name of Organization	Major Rule-Making Functions
1	Asian Region	ASIFMA	Not applicable as ASIFMA is not an SRO, and mainly engages in policy advocacy for its members.
2	Asian Region	ICMA	ICMA is committed to driving best market practice through the development of industry-accepted guidelines, recommendations and standard documentation, including the ICMA Primary Market Handbook, ICMA Rulebook, Global Master Repurchase Agreement and related legal opinions, the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and Sustainability-Linked Bond Principles.
3	Bangladesh	DBA	Trade Organization Rules 1994, Trade Organization Act, 2022 & The Memorandum and Article of Association.
4	Cambodia	CASF	Law on Associations and Non-governmental organizations.
5	China	SAC	In accordance with the Securities Law and other relevant regulations, and in conjunction with the development needs of the industry, we write and enforce self-regulatory rules and service specification for the securities industry, mainly involving : (1) Standards for moral character and professional competence level of securities practitioners; (2) Evaluation test on the level of non-admission professional competence of securities practitioners and directors, supervisors and senior managers (3) Business activities of investors under the placing tranche, non-public offerings of corporate bonds, over-the-counter market and over-the-counter derivatives. (4) Business activities related to non-public offerings and trading of securities by members and among members.
6	Hong Kong	HKSA	SFC is the only statutory organization set up in 1989 for making rules, regulations, guidelines toward securities and futures markets in Hong Kong. Since the establishment of HKSA in 1978, the Association started to function as a bridge among the securities industry, regulatory authorities and public investors. HKSA participates in the consulting period when SFC has new rules or codes to launch, as a representative of the industry. HKSA participates in the consulting period when SFC has new rules or codes to launch, as a representative of the industry. When the new rules or codes become effective, HKSA launches meetings, seminars, and sharing to explain the new rules and their implications to our members or market participants. Meanwhile, all directors of HKSA are in the management levels from various sectors of financial industry in Hong Kong, so we are in a good position to maintain periodical meetings with the Government, Hong Kong Stock Exchange and SFC to update and share the market environment, views and all relevant aspects.
7	India	ANMI	Rules as stated in ANMI Articles of Association & as laid down by the board from time to time. ANMI Code of Conduct: "To develop and maintain sound business practices, ethical code of conduct, standard principles and practices between members of the company and others engaged in the stock broking activities including authorities and agencies connected or involved in the field of Capital Markets." Enhancing ethics, values, transparencies in the business activities of its Office Bearers and Members over and above the applicable procedural and regulatory requirements governing the Stock Market and Stock Broking activities being undertaken by its Members.
8	India	BBF	Our executive committee consists of professional CEO & COO along with all office bearers. All major rule making functions are discussed, debated by the Governing Board. Implementation is ensured by the executive steering committee
9	Japan	JSDA	Make and enforce a wide range of self-regulatory rules covering the securities business in Japan that control the conduct of our member firms.
10	Malaysia	ASCM	The Association of Stockbroking Companies Malaysia (ASCM), established in 1986 under The Societies Act, is not a self-regulatory organization. Its main objective is to promote the interest of the stockbroking companies by providing a unanimous "brokers" voice to relevant authorities and the public. It also actively participates in all issues directly relating to the development and progress of the stockbroking industry and to help realise the Government's vision of transforming Malaysia into a regional financial centre. Towards this the ASCM and its Management Committee work very closely with the Ministry of Finance, the Securities Commission and Bursa Malaysia on a diverse range of operational and policy issues. Another important role played by the ASCM is in the promoting, protecting and upgrading the level of professionalism within the stockbroking community. The ASCM is run by a Management Committee comprising of nine stockbrokers who are elected by members at its Annual General Meetings. The basic function of the Management Committee is to represent the broking fraternity in discussions with authorities as well as to oversee the general running of the ASCM. At the working level, sub-committees are established to address industry specific issues. Among them include the Capital Market Development Sub-committee, Business Operations Sub-committee and Professional Practices Sub-committee. The true test of the ASCM is to ensure it takes on the challenge of enhancing our members' operations and services, to face the current structural and market changes, not forgetting legal and regulatory developments, new products and financial instruments. Once these challenges and changes are surmounted it will only lead to greater level of sophistication and integrity of the Malaysian capital market generally and the local stockbroking industry specifically. This is the common aim of the ASCM and the regulatory authorities.
11	Mongolia	MASD	As a self-regulatory organization, the Mongolian Securities Dealers Association: <ul style="list-style-type: none"> • Establishing professional and ethical standards for members. • Drafting and proposing rules for trading practices, disclosure, and conflict-of-interest management. • Collaborating with the Financial Regulatory Commission (FRC) on regulations and legislative changes. • Monitoring member compliance through audits and investigations, and enforcing disciplinary actions. Offering training and workshops on regulatory updates and industry best practices. Proposing initiatives to enhance market efficiency, transparency, and investor protection.
12	New Zealand	NZFMA	Nil
13	Philippines	PASBDI	The Philippine Association of Securities Brokers and Dealers, Inc. (PASBDI) is a non-stock, non –profit association, incorporated on December 12, 1974 with the Securities and Exchange Commission for the purpose of institutionalizing a medium through which its membership can collectively assist and coordinate with the national government, its appropriate agencies and instrumentalities in the development of the securities market in the Philippines.

No.	Market	Name of Organization	Major Rule-Making Functions
			<p>PASBDI is the voice of the securities industry vis-à-vis the public and the government in all matters affecting its members.</p> <p>Its responsibilities and functions are mandated under Section 39 of the Securities Regulation Code and the Implementing Rules and Regulations.</p>
14	Singapore	SAS	-
15	South Korea	KOFIA	<ul style="list-style-type: none"> · Establishing rules and regulations for fair trading practices · Creating guidelines for corporate governance and investor protection · Formulating standards for market conduct and operations
16	Sri Lanka	CSBA	As per the rules of the Association.
17	Vietnam	VBMA	<p>VBMA's charter and code of conduct regulate corporate governance of our association and conduct of the member firms. VBMA performs the following function as an association of debt market professionals in Vietnam</p> <ul style="list-style-type: none"> - A high-standard debt market professionals community in Vietnam - A market modernization champion and driver - A collective market information source - A policy dialogue interlocutor for policymakers and regulators - A training center for the market players <p>VBMA has introduced a code of conduct applicable to VBMA members and their employees when engaging in debt market transactions.</p> <p>A set of market conventions applicable to debt securities transactions was also produced and is intended to be applied in the near future.</p> <p>A model back-office manual for debt market transactions that is designed with a view to assisting VBMA members in standardizing and improving their back-office operations relating to debt market transactions. VBMA's charter and code of conduct regulate corporate</p>

III – 2. Qualification System for Market Professionals

No.	Market	Name of Organization	Qualification System for Market Professionals
1	Asian Region	ASIFMA	SFC licenses
2	Asian Region	ICMA	N/A
3	Bangladesh	DBA	Licensing for regulatory body i.e. Bangladesh Securities and Exchange Commission (BSEC)
4	Cambodia	CASF	Attend the SERC qualification training and sit for qualification exam and apply for license/qualification. Licensed individuals must be staff of licensed firms.
5	China	SAC	<p>After the implementation of the new Securities Law, the ex-ante qualification management of securities practitioners has been changed to ex-post registration management, and the categorized and stratified self-regulatory management of practitioners has been implemented. The main rules include :</p> <p>(1) Article 125 of the Securities Law: Practitioners of a securities company engaged in the securities business shall be of good character and possess the professional abilities required for the securities business;</p> <p>(2) Regulation wrote by CSRC: Measures for the Supervision and Administration of the Directors, Supervisors, Senior Executives, and Practitioners of Securities and Fund Business Institutions;</p> <p>(3) Rules wrote by SAC: Rules for the Administration of Directors, Supervisors, Senior Managers and Practitioners of Securities Companies.</p>
6	Hong Kong	HKSA	<p>SFC oversees 10 kinds of Regulated Activities (will have 12 in coming 2 years) for all regulated bodies, namely:</p> <ol style="list-style-type: none"> 1. dealing in securities 2. dealing in futures contracts 3. leveraged foreign exchange trading 4. advising on securities 5. advising on futures contracts 6. advising on corporate finance 7. providing automated trading services 8. securities margin financing 9. asset management 10. providing credit rating services 11 : dealing in OTC derivative products or advising on OTC derivative products; (Not yet in operation) 12 : providing client clearing services for OTC derivative transactions. (Added 6 of 2014 s. 53) <p>The market participants are regulated by SFC in the Registration/Licensing system, i.e., each market practitioner has to be licensed by SFC as either Responsible officer (RO) or Representative (Rep). Each regulated entity must have 2 RO's for each Regulated Activity and every licensed person or firm must fulfill certain requirements set by SFC. These persons or firms cannot be in business before being licensed by or successfully registered with SFC.</p> <p>RO is the person responsible for the company's operation, he/she has to possess proven managerial and market skills. Complaints against misconduct of licensees will be investigated, handled by SFC, and take action if necessary. If misconduct is detected in the company, the RO holds full responsibility.</p>
7	India	ANMI	<p>Market Regulator; Securities and Exchange Board of India (SEBI) have set up National Institute of Securities Markets (NISM). To participate in Capital Market, Members are required to take certificates to enter into capital Market with eligibility criteria mentioned by the NISM.</p> <p>https://www.nism.ac.in/</p>
8	India	BBF	A license is granted by SEBI to an applicant who satisfies all the eligibility Criteria laid down by it. Once granted a certificate of registration the stockbroker has to ensure his dealers, staff members pass necessary certification before being enabled to start business.

No.	Market	Name of Organization	Qualification System for Market Professionals																								
			The Securities and Exchange Board of India (SEBI) has set up a National Institute of Securities Markets (NISM) for teaching and training intermediaries in securities markets and promoting research which is entrusted with issuing various certifications for the Capital Markets.																								
9	Japan	JSDA	<p>Under the FIEA, Japan has adopted a registration system for sales representatives, and unqualified people are excluded from the sales activities of securities companies, etc. For this reason, and being delegated by the FIEA, JSDA requires member firms' officers and employees to obtain qualification as a Sales Representative, which is a prerequisite for being engaged in the securities business in Japan. This rule ensures that market professionals have adequate skills and knowledge. For this purpose, JSDA holds the qualification examinations for Class-1 Sales Representative and Class-2 Sales Representative for employees of Regular Members involved in securities business operations. The Class-1 Sales Representative Examination became open to the public starting from January 2012, in addition to the Class-2 Sales Representative Examination which has been open to the public since September 2004.</p> <p>JSDA also holds the qualification examinations for Special Member's Class-1 Sales Representative and Special Member's Class-2 Sales Representative.</p> <p>In addition, JSDA introduced a Sales Manager and Internal Administration system in April 1992 whereby Association Members must appoint a "Sales Manager" and an "Internal Administrator" for each sales unit. To become a "Sales Manager" or an "Internal Administrator", candidates must pass the Internal Administrator examination (or Special Member's Internal Administrator in case of officers and employees of special members).</p> <p>JSDA has been offering computerized examinations since April 2002, which enables candidates to take those examinations on any business day. The qualification examinations for Regular Members are conducted in English as well.</p> <p>The number of the examinees and successful applicants for each examination in FY 2023 is shown in the following table.</p> <table border="1"> <thead> <tr> <th>Examination</th> <th>Examinees</th> <th>Successful Applicants</th> </tr> </thead> <tbody> <tr> <td>Class-1 Sales Representative</td> <td>35,811</td> <td>21,584</td> </tr> <tr> <td>Class-2 Sales Representative</td> <td>9,561</td> <td>5,318</td> </tr> <tr> <td>Internal Administrator</td> <td>15,135</td> <td>12,227</td> </tr> <tr> <td>Special Member's Class-1 Sales Representative</td> <td>5,089</td> <td>2,066</td> </tr> <tr> <td>Special Member's Class-2 Sales Representative</td> <td>12,484</td> <td>5,813</td> </tr> <tr> <td>Special Member's Internal Administrator</td> <td>1,738</td> <td>1,695</td> </tr> <tr> <td>Total</td> <td>79,818</td> <td>48,703</td> </tr> </tbody> </table>	Examination	Examinees	Successful Applicants	Class-1 Sales Representative	35,811	21,584	Class-2 Sales Representative	9,561	5,318	Internal Administrator	15,135	12,227	Special Member's Class-1 Sales Representative	5,089	2,066	Special Member's Class-2 Sales Representative	12,484	5,813	Special Member's Internal Administrator	1,738	1,695	Total	79,818	48,703
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10	Malaysia	ASCM	<p>Market intermediaries and their representatives must be licensed in order to carry on regulated activities under the CMSA. The SC operates a 2-tier licensing approach where companies are issued a Capital Markets Services Licence (CMSL) while individuals are issued a Capital Markets Services Representative's Licence (CMSRL).</p> <p>Sections 58 and 59 of the CMSA specify that no person should carry on a business in any regulated activity or hold itself out as carrying on such a business or act as a representative of a market intermediary, unless it holds a CMSL or a CMSRL or is a Registered Person to carry out the regulated activities under the CMSA.</p> <p>All CMSL and CMSRL applications must be made to the SC. The applications are assessed to ensure that the applicants meet the relevant licensing requirements, criteria and conditions as set out by the SC. The CMSRL applicants are required to pass the relevant modules of the SC's examinations accordingly to the regulated activity applied for.</p>																								
11	Mongolia	MASD	Since 2011, the Association of Mongolian Securities Traders has organized 39 events, during which 3,559 individuals have been granted new investment and securities brokering rights. Additionally, 1,732 professionals with valid rights are currently providing services.																								
12	New Zealand	NZFMA	NZFMA Accreditation																								
13	Philippines	PASBDI	<p>Registration of Brokers, Dealers, Salesmen and Associated Person</p> <p>Section 28.1 of the SRC provides that "no person shall engage in the business of buying or selling securities in the Philippines as a broker or dealer, or act as a salesman, or an associated person of any broker or dealer unless registered as such with the Commission."</p> <p>Broker Dealer Registration</p> <p>SRC Rule 28.1-1 E: Terms and Conditions For Registration</p> <ol style="list-style-type: none"> 1. Applicable to an Applicant who is an Exchange Trading Participant: <ol style="list-style-type: none"> i. Membership in good standing in an Exchange; provided, however that any applicant who is not a member of an Exchange may only be granted registration conditioned upon future membership in an Exchange; ii. Membership or participation in a Trust Fund accredited by the Commission under SRC Rule 36.4 5 (a); iii. Where the Broker Dealer is a participant in a registered clearing agency, fulfillment of its obligation to contribute to the guarantee fund. 2. Applicable to an Applicant who is either Exchange Trading Participant or Non-Exchange Broker Dealer: <ol style="list-style-type: none"> iv. Net Capital in the amount of Five Million Pesos or five percent (5%) of aggregate indebtedness whichever is higher, calculated in accordance with SRC Rule 49.1 par. 1 for firms falling under par. V (a) and (b) below; or the Net Capital in the amount of Two Million Five Hundred Thousand (P2.5Million) or two and one half percent (2.5%) of his aggregate indebtedness whichever is higher for firms falling under paragraph (v) (c); provided, however, that the Commission may set a different requirement for those firms authorized to use the Risk-based capital adequacy model. "Risk Based Capital Adequacy Requirement/Ratio shall refer to the minimum levels of capital that has to be maintained by firms which are licensed, or securing a Broker Dealer license, taking into consideration the firm size, complexity and business risk. Such risks that are considered in determining the capital requirement including among others, Operational, Position, Counterparty, Large Exposure, Underwriting and Margin Financing Risks." v. <ol style="list-style-type: none"> a. Unimpaired paid up capital of One Hundred Million Pesos (P100 Million) for the following types of Broker Dealers: 																								

No.	Market	Name of Organization	Qualification System for Market Professionals
			<p>(1) First time registrants who will be participating in a registered clearing agency upon the effectivity of the Securities Regulation Code;</p> <p>(2) Those acquiring the business of existing Broker Dealer firms pursuant to SRC Rule 28.1, par. 2 and will be participating in a registered clearing agency. Provided, however, that the Commission may authorize a lower capitalization for applicants not participating in a registered clearing agency.</p> <p>b. Other existing Broker Dealer applicants not meeting the One Hundred Million Pesos (P100 Million) capitalization and not seeking authorization to engage in market making transactions shall maintain a Ten Million Pesos (P10 Million) unimpaired paid up capital and file the required surety bond in lieu of the P100 Million pesos as prescribed under SRC Rule 28.1</p> <p>c. Unimpaired paid up capital of Two Million Five Hundred Thousand Pesos (P2.5 Million) for applicants dealing purely in proprietary shares and who are not holding securities.</p> <p>vi. Registration of each branch office;</p> <p>vii. At least one trained and registered Salesman at each registered branch office. All salesmen of the applicant shall apply for registration as a salesman under SRC Rule 28.1 par. 4;</p> <p>viii. At least one registered Associated Person. Any person with supervisory responsibility for the applicant shall apply for registration as an Associated Person under SRC Rule 28.1 par. 4;</p> <p>ix. A sufficient number of back office staff at the main office of the applicant;</p> <p>x. A computerized and effective recording and accounting system;</p> <p>xi. Separate bank accounts for client funds;</p> <p>xii. Separate bank account for firm funds;</p> <p>xiii. Reporting, using SEC Form 28-BDA of changes in information provided in the application form to the Commission within seven (7) days of such changes;</p> <p>xiv. Compliance with the provisions of the Code of Corporate Governance and Anti-Money Laundering Act;</p> <p>xv. Filing of reports required under the rules and regulations, including but not limited to the filing of Manuals on Good Governance and Anti-Money Laundering; and</p> <p>xvi. A certificate of Membership in good standing from a duly accredited or recognized broker/dealer association; and</p> <p>xvii. Such other requirements which the Commission may prescribe.</p> <p>Associated Person Registration</p> <p>SRC Rule 28.1-4 E – Terms And Conditions For Registration</p> <p>i. Only natural persons can be employed as Associated Person by a Broker Dealer;</p> <p>ii. Applicant shall be at least twenty one (21) years of age;</p> <p>iii. Applicant must not have been censured or reprimanded by a professional (e.g., IBP, PRC, etc.) or regulatory body (e.g. SEC, BSP, IC, etc.) for negligence, incompetence or mismanagement, or dismissed or requested to resign from any position or office for negligence, incompetence or mismanagement, or be subject to any other disqualification under Section 29 of the Securities Regulation Code;</p> <p>iv. Any applicant applying for registration as Associated Person for the first time, must have taken and passed the applicable examination within the last three (3) years immediately preceding the date of his application; Any applicant applying for a license in the year subsequent to his original registration must have a minimum of three (3) years' experience as a registered Associated Person or passed the applicable examination, within the last three (3) years immediately preceding the date of his application.</p> <p>v. Any applicant who has not been engaged as an Associated Person for at least three (3) years prior to the date of his application, shall not be allowed to renew his license until he has undergone training and a refresher course and passed the related examination; provided further that all applicants must be able to demonstrate an understanding of the Code and rules and adopted thereunder, the particular Exchange and/or clearing agency rules that apply to the functions that they would perform, any obligations imposed by those provisions and rules, and the fiduciary obligations owed to clients and the general obligations owed to employers.</p> <p>Salesman Registration</p> <p>SRC Rule 28.1-4 E – Terms And Conditions For Registration</p> <p>i. Only natural persons can be employed as Salesman Person by a Broker Dealer;</p> <p>ii. Applicant shall be at least eighteen (18) years of age;</p> <p>iii. Applicant must not have no disciplinary history that would subject him to disqualification from registration under Section 29 of the Securities Regulation Code.</p> <p>iv. Any applicant applying for registration as Salesman for the first time, must have taken and passed the applicable examination within the last three (3) years immediately preceding the date of his application;</p> <p>v. Any applicant applying for a license in the year subsequent to his original registration must have a minimum of three (3) years' experience as a registered Salesman or passed the applicable examination, within the last three (3) years immediately preceding the date of his application. Any applicant who has not been engaged as an Associated Person for at least three (3) years prior to the date of his application, shall not be allowed to renew his license until he has undergone training and a refresher course and passed the related examination; provided further that all applicants must be able to demonstrate an understanding of the Code and rules and adopted thereunder, the particular Exchange and/or clearing agency rules that apply to the functions that they would perform, any obligations imposed by those provisions and rules, and the fiduciary obligations owed to clients and the general obligations owed to employers.</p>

No.	Market	Name of Organization	Qualification System for Market Professionals
14	Singapore	SAS	Market professionals has to be regulated by MAS and the necessary certifications.
15	South Korea	KOFIA	<ul style="list-style-type: none"> · Licensing exams for financial professionals · Continuous education requirements and certifications · Ethics training programs
16	Sri Lanka	CSBA	<p>Complete Certificate in Capital Markets (CCM) Program Subjects covered:</p> <ul style="list-style-type: none"> · Series 1: Securities Markets and Instruments · Series 2: Equity Securities · Series 3: Debt Securities · Series 4: Derivatives · Series 5: Unit Trusts · Series 6: Investment Planning, Advising and Marketing · Series 7: Securities Regulation and Ethics <p>Upon completing one (1) year of relevant industry experience, face a VIVA VOCE Examination. Become a Registered Investment Advisor (RIA) Relevant industry experience shall be before, concurrent or after completing the certification program</p>
17	Vietnam	VBMA	<p>Generally speaking, there are no mandatory qualification requirements applicable to commercial banks bond traders. For brokers and analysts working for securities companies, please see our discussion below.</p> <p>According to Circular No. 97/2015/TT-BTC issued on the December 3rd, 2015, by the Ministry of Finance, there are 2 types of certificates relating to securities business that market professionals must have, namely: Securities Business Practising Certificate and Securities Professional Certificate.</p> <p>The Securities Practice Certificate is a diploma that confirms the holder meets the professional requirements to work at a securities company, fund management company, or legally operating securities investment company in Vietnam. The Securities Professional Certificate is a diploma issued by the Securities Research and Training Center under the State Securities Commission, certifying that the holder meets the requirements in the examinations of professional qualifications in securities and the securities market.</p> <p>A market professional must hold Securities Professional Certificate before attending the exam for the Securities Business Practising Certificate. There are 3 types of Securities Business Practising Certificates, including:</p> <ul style="list-style-type: none"> - Securities Brokerage Certificate - Financial Analysis Certificate - Fund Management Certificate <ol style="list-style-type: none"> 1. To attend the exam for Securities Brokerage Certificate, the Securities Professional must have qualifications on Basics on securities and stock market; Laws on securities and stock market; Securities Analysis and Investment; Securities Brokerage and Investment Advisory. 2. To attend the exam for Financial Analysis Certificate, the Securities Professional must have qualifications applied to the Securities Brokerage Certificate, together with qualifications on Financial Advisory and Issue Underwriting, and Analysis of Corporate Financial Statement. 3. To attend the exam for Fund Management Certificate, the Securities Professional Certificate must have qualifications needed for the Financial Analysis Certificate and qualification on Fund and Asset Management. <p>Exams are held by the Securities Research and Training Center under the SSC. VBMA also provide training courses on the Fixed Income Trading Techniques for dealers in the market. We expect that in the time to come, all dealers must attend this training course.</p>

III – 3. Training System for Employees/ Sales Representatives of Securities Companies

No.	Market	Name of Organization	Training System for Employees/Sales Representatives of Securities Companies
1	Asian Region	ASIFMA	Conferences or talks, or ASIFMA Training Series (recognized by HK regulators)
2	Asian Region	ICMA	<p>ICMA Education & Training has been setting the standard of training excellence in the capital markets for almost five decades with courses covering everything from market fundamentals to the latest developments and more. We offer a portfolio of courses for front, middle and back-office staff across both buy-side and sell-side including issuers, investors, underwriters, regulators and infrastructural providers. Typical clients include banks, investment banks, central banks, asset managers, exchanges, CSDs, regulatory bodies and law firms.</p> <p>Our portfolio of courses reflects the major areas of activity of the association in primary, secondary and repo & collateral markets, alongside horizontal themes of sustainable finance and digitalisation. In addition, ICMA Education & Training offers courses specifically for securities operations professionals as a separate subject area. Education & Training is an integral part of ICMA's commitment to setting high professional standards in the industry and our courses are backed by our market knowledge and extensive international experience.</p> <p>We are accredited by CPD® Certification Service and approved by the Securities & Futures Commission of Hong Kong for Continuous Professional Training (CPT). In addition, our advanced courses are aligned with European Qualifications Framework (EQF) level 5.</p> <p>Offering both assessed and non-assessed courses across foundational, advanced and specialist levels, we deliver both open registration programmes in a variety of formats (including in-person, livestreamed and online self-study) and tailored programmes.</p>
3	Bangladesh	DBA	Under the training module of regulatory bodies i.e. Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. And self-training programs.
4	Cambodia	CASF	Qualification and CPE trainings conducted by the Securities and Exchange Regulator of Cambodia
5	China	SAC	<p>1. Article 43 of the Measures for the Supervision and Administration of Directors, Supervisors, Senior Managers and Practitioners of Securities Fund Operators(wrote by CSRC) Securities and fund business institutions shall strengthen the practice training for senior managers and practitioners to ensure that they master the laws, regulations and practice norms related to the duties of their positions, continue to have the professional qualities appropriate to their positions, and regularly assess their integrity and compliance, diligence and responsibility, honesty and professional competence, etc.</p> <p>2. Article 8 of the Rules for Business Training of Securities Company Practitioners(wrote by SAC) A securities company shall require its practitioners to complete business training for a certain period of time in each training</p>

No.	Market	Name of Organization	Training System for Employees/Sales Representatives of Securities Companies
			cycle, and it is recommended that the training should not be less than 15 hours. The content of the training shall comply with the requirements of the training program formulated by the Association.
6	Hong Kong	HKSA	SFC requires every licensed representative, for each regulated activity, to attend at a minimum of 10 hours of continuous professional training (CPT) per year, and 2 extra hours for ROs or EOs. Sufficient records on CPT activities participated by individuals should be kept for minimum 3 years of inspection. The CPT training will be provided by HKSA as well as other financial institutions recognized by SFC. Each licensing firm will also have the responsibility to provide sufficient internal training to the staff on new rules/ guidelines. Additionally, Corporations should at least annually evaluate their training programs, and make adjustments for different training needs.
7	India	ANMI	Every intermediary has his own set up and requirement for training to its employees. Associations is also organizing various events, seminars or training programs for providing training to members and its staff functioning in the securities companies. Member staff are also required to take up courses from NISM to be compliant to policies of SEBI.
8	India	BBF	Every intermediary firm has the responsibility to provide sufficient internal training to the staff on rules/guidelines. Few institutes do have capital market training which can be taken to enhance specific skill set of the employee(s). The Institutes that cater to specific short-term certificate courses in topics of interest are BSE Training Institute, NISM and NSE.
9	Japan	JSDA	<p>Based on a training program drawn up annually, the JSDA provides training courses for the executive officers and employees of its member firms. The JSDA also conducts additional training courses as necessary in response to amendments of laws and regulations and institutional reforms.</p> <p>According to training program, the JSDA conducted a number of training courses, including the continuation of the training courses focusing on ethics and compliance. In addition, the JSDA took up new themes such as issues related to customer solicitation or customer-oriented business conduct to further enrich the seminars. Finally, as an authorized personal information protection organization, the JSDA incorporated into its curricula elements related to the protection of personal information.</p> <p>From FY2021, the JSDA started on-demand delivery of training programs for member firms. In addition, in order to expand efforts related to "human resource development" at securities firms to solve various social issues such as the achievement of SDGs, JSDA has been implementing "JSDA Training Hub (on-demand training platform)," "Dementia Supporter Training Course," and "Mutual Learning (focusing on young employees)" since FY2022.</p> <p>Training Courses in FY 2023</p> <p>1. Training Courses Based on Self-regulation</p> <ul style="list-style-type: none"> - Seminars for company representatives - Training seminars for executives - Joint training seminars for internal administration supervisors and assistant supervisors - Training seminars for internal administrators - Training seminars for sales managers <p>2. Training Courses Focusing on Ethics and Compliance</p> <ul style="list-style-type: none"> - Basic compliance seminars - Compliance practice seminars - Corporate ethics seminars - Risk management seminars - Compliance seminars for sales staff - Sustainable finance seminars, including Transition Finance (in progress) <p>3. Training Courses on Other Topics</p> <ul style="list-style-type: none"> - Tax System and products seminars / Seminars for preventing harassment - Seminars for improvement of skills, etc. to provide useful information and advice that meets the diverse lifestyles and needs of customers, such as appropriate provision of financial services fit for aging society. - Generative AI (in progress) <p>4. Training Seminars for Renewing the Qualification of Sales Representatives</p> <ul style="list-style-type: none"> - Mandatory trainings for renewing the qualification of sales representatives went online in December 2023.
10	Malaysia	ASCM	The CMSRL holders are required on annual basis to attend Continuing Professional Education courses conducted by either SIDC, a training centre established by SC or any approved training providers. The CMSRL holder will not be allowed to renew their licence if they failed to attend the courses and attain the required CPE points. The compulsory attendance of CPE courses is to ensure that the CMSRL holders are kept abreast of industrial related development in terms of regulation, guidance and technical aspect of the industry standard.
11	Mongolia	MASD	We conduct certification and training sessions in the securities market twice a year, focusing on Securities Brokerage and Investment. In 2023, we updated our training system to an e-learning platform that streamlines course registration, tuition payments, and other processes.
12	New Zealand	NZFMA	N/A
13	Philippines	PASBDI	<p>SRC Rule 30.2.7 Internal or Accredited Training Program</p> <p>30.2.7.1 Every Brokers Dealer shall establish, implement and maintain a reasonably comprehensive system of training towards-</p> <p>30.2.7.1.1 Ensuring the continuing improvement in critical areas of its principal activities and operations; and</p> <p>30.2.7.1.2 Enhancing the technical knowledge of its employees to enable them to understand the operational and internal control policies and procedures of that Broker Dealer and all applicable legal and regulatory requirements.</p> <p>30.2.7.2. Such system of training shall be properly documented in a manual which shall:</p> <p>30.2.7.2.1. Set out the details of the training programs that the Broker Dealer proposes to implement; and</p> <p>30.2.7.2.2. Be regularly updated in line with the development in the securities industry.</p>

No.	Market	Name of Organization	Training System for Employees/Sales Representatives of Securities Companies
			<p>30.2.7.3. All Broker Dealers shall submit to the Commission and to the SRO (for Exchange Trading Participants), no later than January 30 of each year, a yearly schedule/timetable of the implementation of its training programs. At a minimum, such report should contain the following:</p> <p>30.2.7.3.1. The implementation of the previous year's internal training programs with details on seminar dates, number of participants, and other pertinent information; and</p> <p>30.2.7.3.2. Current year's seminar topics (with description), projected dates, target market, and planned speakers.</p> <p>30.2.7.4. The Broker Dealer may, at its option, substitute its internal training program by enrolling in training programs sponsored by associations or organizations duly accredited or recognized by the Commission, provided, however, that proper approval is obtained from the Commission on such substitution.</p>
14	Singapore	SAS	A mix of internal and external system and trainers
15	South Korea	KOFIA	<ul style="list-style-type: none"> · Regular training programs on compliance, ethics, and market operations · Specialized courses for new market products and services · Mandatory continuing education for all registered representatives
16	Sri Lanka	CSBA	Registered Investment Advisors must participate in four (4) mandatory Continuous Professional Development (CPD) trainings annually. Registered Investment Advisors are required to fulfill the annual CPD requirement in order to maintain their respective Registration/Certification. The minimum requirement is to obtain four (4) CPD seminar credits. Non-completion of CPD requirement for two (2) consecutive years will result in the lapse of the respective Registration/Certification.
17	Vietnam	VBMA	<p>A securities broker or securities analyst of a securities company needs to obtain a securities trading certificate from the State Securities Commission (SSC). In order to obtain such certificate, brokers/analysts are required to participate in a number of training courses (as listed below) and pass the final qualification examination by the SSC.</p> <p>A securities broker is required to pass the following course examinations held by the SSC:</p> <ol style="list-style-type: none"> 1. Course 1: Basic Issues on Securities and Securities Market 2. Course 2: Law on Securities and Securities Market 3. Course 3: Securities and Investment Analysis 4. Course 4: Securities Brokering and Investment Advisory <p>A securities analyst is required to participate in the following courses held by the SSC:</p> <ol style="list-style-type: none"> 1. Course 1: Basic Issues on Securities and Securities Market 2. Course 2: Law on Securities and Securities Market 3. Course 3: Securities and Investment Analysis 4. Course 4: Securities Brokering and Investment Advisory 5. Course 5: Financial Advisory and Securities Underwriting 6. Course 6: Analysis of Financial Reports

III – 4. Securities Firms Inspection or Audit

No.	Market	Name of Organization	Securities Firms Inspection or Audit
1	Asian Region	ASIFMA	By SFC intermediary supervision https://www.sfc.hk/en/Regulatory-functions/Intermediaries/Supervision/Supervisory-actions
2	Asian Region	ICMA	N/A
3	Bangladesh	DBA	By the Regulatory Bodies i.e. Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd (DSE).
4	Cambodia	CASF	<ul style="list-style-type: none"> - Securities and Exchange Regulator of Cambodia - Cambodia Financial Intelligence Unit - Other government agencies (Tax department, Labor ministry ect)
5	China	SAC	In accordance with the Securities Law and the Articles of Association, SAC organizes self-regulatory inspections on the compliance of business activities, corporate governance, internal control and risk control, innovative business development, and implementation of self-regulatory rules of securities companies.
6	Hong Kong	HKSA	<ol style="list-style-type: none"> 1. SFC pays inspection/audit to regulated firms periodically; 2. SFC conducts special inspection/audit to some firms under certain circumstances; 3. Regulated firms should have their own compliance department to make sure all the internal control measurements for compliance are in place, and are enforceable. <p>Under normal conditions, regulated firms must submit their Financial Resource Report (FRR) on monthly basis, but in some severe situations like huge market volatilities or regional/worldwide financial crises, in order to avoid market risk, SFC may require regulated firms to submit their FRRs and other reports on daily basis.</p>
7	India	ANMI	Audits are undertaken by MIIs & SEBI from time to time
8	India	BBF	<p>The Securities Firms are subject to:</p> <ol style="list-style-type: none"> 1. Internal Audit: Compulsory Six-monthly internal audit is done to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. 2. Exchanges conduct Inspections at least once in 3 years to check any irregularities if any. 3. SEBI conducts surprise inspections at stock-broking entities to verify compliance of the books and records of stock-brokers <p>Audit comments, errors, compliance failures, and systems weaknesses, if any, are pointed out after such audit review or after any inspections undertaken by regulatory authorities, and steps should be taken to initiate remedial measures as may be considered necessary. It should also be ensured that such instances do not recur to avoid disciplinary action.</p>
9	Japan	JSDA	<p>JSDA inspects the observance of laws and regulations as well as the condition of the business and assets of Association Members, their books and records and other items. Currently, JSDA conducts four types of inspection, namely General Inspection, Special Inspection, Follow-up Inspection and Moving/Continuous Inspection.</p> <p>In principle, inspection is conducted by visiting the head office, branch office, sales office, or other facility of the Association Members and inspecting its account records, etc. (i.e., onsite inspection). In some cases, instead of onsite inspection, off-site or document-based inspection may be conducted using account records, etc. submitted by the Association Members without visiting the said Association Members.</p>

No.	Market	Name of Organization	Securities Firms Inspection or Audit
10	Malaysia	ASCM	<p>Supervision by SC Since a few years ago, the SC has changed its supervision approach to thematic review and engagements instead of detailed supervision audits. The audits are now being conducted by only Bursa Malaysia to avoid duplication of work.</p> <p>Supervision by Bursa Malaysia Routine inspections of stockbroking and futures broking companies are conducted by Bursa Malaysia. Bursa Malaysia also adopts a risk-based approach in carrying out inspection of its participants. Bursa Malaysia profiles the stockbroking companies and classifies them into four (4) risk groups, namely high risk, medium high risk, medium low risk and low risk. For intermediaries which fall under the High-Risk category, inspection is conducted every year and for intermediaries in the other three (3) categories, inspection is conducted once every three (3) years.</p> <p>As a frontline regulator, Bursa Malaysia closely supervises the business conduct of stockbroking companies and CMSRL holders. Supervision is carried out in the following manner:</p> <p>Inspection - conduct scheduled and/or ad-hoc inspection visits to the office premises of the stockbroking companies with the focus to assess the degree of compliance, level of market conduct and adequacy of clients' assets protection.</p> <p>Compliance Monitoring – ensure timely reporting by stockbroking companies, conduct analytical review on the periodic submissions and raise alert when the needs arise.</p> <p>Financial Monitoring - monitor the stockbroking companies' financial condition and ensure the compliance with minimum financial requirements.</p> <p>Registration – ensure that the stockbroking companies, their key staff and licensed personnel are duly registered with Bursa Malaysia for monitoring purpose.</p>
11	Mongolia	MASD	Our supervisory functions are executed by the Supervisory Board, elected by the Congress. The Supervisory Board operates with two sub-committees: an audit sub-committee, responsible for implementing internal control, and a disciplinary sub-committee, responsible for ensuring ethical and legal compliance among market experts.
12	New Zealand	NZFMA	N/A
13	Philippines	PASBDI	<p>ARTICLE II. INVESTIGATION AND RESOLUTION OF CASES BY CMIC</p> <p>Section 1. Jurisdiction of CMIC. CMIC shall have the jurisdiction to investigate and resolve:</p> <p>(1) All violations of the Securities Laws or these Rules by Trading Participants, and; (2) Trading-Related Irregularities and Unusual Trading Activities involving Issuers, based on any of the following complaints, findings, reports or determinations:</p> <p>(a) Written complaints filed directly with CMIC by customers, Trading Participants, or any aggrieved party for alleged violation of the Securities Laws or these Rules;</p> <p>(b) Examination Findings of CMIC based on regular annual examinations or for cause examinations of Trading Participants;</p> <p>(c) Reports of Trading-related Irregularities or Unusual Trading Activities; and</p> <p>(d) Matters which CMIC has determined should be investigated and resolved to enforce the Securities Laws and these Rules, including matters referred to CMIC by the Commission, the Clearing Agency, and the Exchange, including the DD.</p> <p>Section 5. Procedure for Investigation and Resolution of Examination Findings.</p> <p>(a) Regular Audit. CMIC shall conduct a regular audit of all Trading Participants as follows:</p> <p>(i) In the last quarter of each year, CMIC shall prepare and adopt a work program and schedule (the "Audit Program") for the regular audit (the "Audit") of all Trading Participants for the following year.</p> <p>(ii) CMIC shall submit the Audit Program to the Commission on or before the 15th day of January of the relevant year for approval.</p> <p>(iii) Upon approval by the Commission of the Audit Program, CMIC shall issue a letter, which shall be addressed and presented to the Trading Participant at the start of the Audit, authorizing CMIC's Audit of the Trading Participant in accordance with the Audit Program.</p> <p>(iv) CMIC shall conduct the Audit in accordance with the Audit Program to verify and ensure compliance by Trading Participant with the Securities Laws. CMIC shall emphasize, but shall not be limited to, the examination of the Trading Participant's compliance with the following rules:</p> <p>(1) Books and Records Rule;</p> <p>(2) Net Capital Rule/RBCA Ratio and other financial ratios necessary to determine adequate capital for operation;</p> <p>(3) Customer Protection Rule; and</p> <p>(4) Relevant provisions of the Securities Laws on the business conduct and sales practices of Trading Participants.</p> <p>(v) The Trading Participant shall comply with the letter of authority issued by CMIC and shall make available to CMIC within the Trading Participant's principal office all relevant books, records and documents, which CMIC may deem necessary or appropriate for the prompt completion of the Audit in the shortest time possible. In the course of the Audit, the Trading Participant may provide CMIC copies of such books, records and documents. At the start of the Audit, CMIC shall inform the Trading Participant of the Audit Program. CMIC shall conduct the Audit in the most professional and expeditious manner so as not to unduly hamper the operations and activities of the Trading Participant.</p> <p>(vi) CMIC shall prepare any initial Examination Findings on the Trading Participant before the conclusion of the Audit. CMIC shall then hold an exit conference with the President or the equivalent officer and Associated Person of the Trading Participant to discuss the initial Examination Findings and to give the Trading Participant the opportunity to comment thereon.</p>

No.	Market	Name of Organization	Securities Firms Inspection or Audit
			<p>(vii) If the Trading Participant agrees with the Examination Findings, CMIC shall render a decision based thereon. If the Trading Participant does not agree with the Examination Findings, CMIC shall decide whether it shall conduct a post examination to verify the comment or reply of the Trading Participant.</p> <p>(viii) CMIC shall render a decision based on its Examination Findings or, in the proper case, the result of the post examination. CMIC shall complete the Audit and any post examination, and shall render a decision based on the Examination Findings or result of the post examination within sixty (60) days from commencement of the Audit.</p> <p>(b) Spot Audit and Submission of Client Information.</p> <p>(i) In addition to the Audit of the Trading Participants, CMIC may conduct a spot audit (the "Spot Audit") of a Trading Participant based on parameters, which CMIC may from time to time establish, including the Trading Participant's (1) net liquid capital level and variance, (2) RBCA Ratio and risk exposure, (3) reserve requirement deficiency, and (4) settlement failure. CMIC shall conduct the Spot Audit substantially in accordance with Section 5 (a) above, excluding items (i) , (ii) and (iii) of Section 5 (a) . The Spot Audit shall focus on the Trading Participant's RBCA Ratio and related financial matters, provided that CMIC may expand the scope of the Spot Audit as it may deem necessary.</p> <p>(ii) Any Trading Participant subject of a Spot Audit shall submit to CMIC in electronic form the current list of its clients with their respective cash and securities position immediately upon receipt of CMIC's letter of authority for the Spot Audit and at the end of each month thereafter until CMIC directs otherwise upon the Trading Participant's rectification of the Examination Findings based on the Spot Audit.</p> <p>Section 6. Procedure for the Investigation and Resolution of Incidence of Unusual Trading Activities or Trading-related Irregularities.</p> <p>(a) As soon as CMIC shall have monitored that transactions (the "Subject Transactions") of a Trading Participant involving the listed securities of an Issuer constitute Unusual Trading Activities or possible Trading-related Irregularities, CMIC shall make a report thereon (the "Incident Report") .</p> <p>(b) Should CMIC find cause to further investigate the Subject Transactions based on the Incident Report, CMIC shall obtain additional information from the Trading Participant on the Subject Transactions necessary or appropriate to establish the commission of Trading-related Irregularities or other violations of the Securities Laws. CMIC may also issue a letter, which shall be addressed and presented to the concerned Trading Participant, (i) authorizing CMIC to examine the books and records of the Trading Participant and/or(ii) directing the Trading Participant to submit to CMIC, within five (5) days, the names of the beneficial owners of the listed securities involved in Subject Transactions and such other documents as may be deemed necessary.</p> <p>(c) CMIC shall prepare a preliminary report (the "Preliminary Report") based on the further investigation of the Subject Transactions and the result of the examination of the books and records of the Trading Participant.</p> <p>(d) Should CMIC determine based on the Preliminary Report the absence of Unusual Trading Activities and Trading-related Irregularities, CMIC shall forthwith terminate the investigation of the Subject Transactions and shall send written notice of such termination to the Trading Participant within ten (10) days.</p> <p>(e) Should CMIC determine based on the Preliminary Report the existence of Unusual Trading Activities and the possible commission of Trading-related Irregularities, CMIC Head shall:</p> <p>(i) Notify in writing the relevant Trading Participant of said determination; and</p> <p>(ii) Order the Trading Participant to submit to CMIC, within five (5) days from receipt of the order, a written explanation of why said Trading Participant should not be held liable for Trading-related Irregularities or other violation of the Securities Laws based on Subject Transactions.</p> <p>To facilitate the submission of the written explanation and other documents (the "Submissions") to CMIC, the relevant party may fax or e-mail the written explanation or other document to CMIC, provided that the party shall send the original thereof to CMIC within the prescribed filing period.</p> <p>(f) CMIC shall evaluate the Submissions of the relevant parties. Should CMIC determine the absence of Unusual Trading Activities and Trading-related Irregularities, CMIC Head shall forthwith terminate the investigation of the Subject Transactions. Otherwise, CMIC shall conduct an informal hearing to allow the relevant parties to present additional evidence in support of the Submissions.</p> <p>(g) As far as practicable, within ten (10) days from the termination of the informal hearing mentioned in Section 6 (f) above, CMIC shall render a decision on the liabilities of the parties for Trading-related Irregularities or other violations of the Securities Laws based on the Subject Transactions.</p> <p>CMIC shall complete the investigation and resolution of any incidence of Unusual Trading Activities or Trading-related Irregularities within six (6) months from the start of the investigation.</p>
14	Singapore	SAS	-
15	South Korea	KOFIA	KOFIA may inspect whether a financial investment company and its employees comply with the Regulations and the appropriateness of internal control. Inspection can be conducted onsite or offsite, depending on the importance, urgency and characteristics of the subject.
16	Sri Lanka	CSBA	<p>a) Audits by Securities and Exchange Commission (SEC)</p> <p>b) Audits by Colombo Stock Exchange (CSE)</p> <p>c) Audits by Financial Intelligence Unit (FIU)</p>

No.	Market	Name of Organization	Securities Firms Inspection or Audit
			d) Internal and External Audits
17	Vietnam	VBMA	Under the VBMA Charter, VBMA is not authorized or mandated to conduct any inspection or audit of member firms.

III – 5. Disciplinary Action and Measures Against Misconducts

No.	Market	Name of Organization	Disciplinary Action and Measures against Misconduct
1	Asian Region	ASIFMA	Not applicable.
2	Asian Region	ICMA	<p>ICMA has updated its Secondary Market Rules & Recommendations to consolidate a number of updates over recent years in a single document.</p> <p>The Secondary Market Rules & Recommendations (“The Rules”) apply to all transactions conducted by members as buyer or seller, in either a principal or agency capacity in international securities.</p> <p>The Rules cover a range of secondary market practices, including calculating coupon accruals, trading defaulted securities, interest claims for settlement fails, and, perhaps most famously, the process for issuing and executing buy-ins.</p> <p>The latest version of the Rules includes the recently approved best practice recommendations to support settlement efficiency, which provides guidelines for shaping bond transactions into maximum lot sizes, partialing trades, and using CSD auto-borrow and lending programmes. It also incorporates the 2017 revisions to the Buy-in and Sell-out Rules.</p> <p>With the Rules automatically applying between ICMA members, it is one of the benefits of membership. Non-member firms can also elect to apply the Rules with their counterparts by incorporation through reference in their general terms of business.</p> <p>The Secondary Market Practices Committee (SMPC) is tasked with reviewing the ICMA Secondary Market Rules & Recommendations in light of new regulation, evolving market structure, and market best practice. The SMPC looks to make revisions, or propose new rules and best practices, where appropriate. This covers all aspects of the ICMA Rules, including the Buy-in Rules. SMPC members propose and advise on the SMR&Rs in consultation with their firm’s relevant fixed income traders, as well as operations experts and legal, compliance, and regulatory policy representatives.</p>
3	Bangladesh	DBA	Yes, Following Securities related Laws, Rules and Regulations.
4	Cambodia	CASF	Prakas on Code of Conduct of the Securities Firms and Securities Representatives
5	China	SAC	<p>SAC revised the Measures for the Implementation of Self-Regulatory Measures , the chapter 2 sets out the types of self-regulatory measures, including two major categories, self-regulatory measures and disciplinary actions.</p> <p>1.1 Self-regulatory measures imposed on practitioners and other individuals who are the subject of self-disciplinary management include: interview reminders, requirement to submit undertakings, requirement to attend compliance education, warning, ordering to make corrections, ordering the organization to give treatment, etc;</p> <p>1.2 Disciplinary actions include: censure within the industry, public censure, determination of unsuitability to engage in the relevant business, etc.</p> <p>2.1 Self-regulatory measures imposed on members and other institutions subject to self-regulatory management include: interview reminders, requirement to submit undertakings, requirement to attend compliance education, warning, ordering to make corrections, ordering compliance inspections, suspending the acceptance of filing or registration, etc.;</p> <p>2.2 Disciplinary actions include: censure within the industry, public censure, determination of unsuitability to engage in the relevant business, suspension of membership rights, cancellation of membership qualification, etc.,</p>
6	Hong Kong	HKSA	<p>SFO and its sub-laws consist of criminal and civil actions against misconducts, depending on the nature of the wrongdoings.</p> <p>For criminal cases, the measurement will be imprisonment plus fines or fines only for most of the cases; for civil cases, the disciplinary actions conducted by the Market Misconduct Tribunal can be revocation/ suspension of license, public reprimand, fines and warnings.</p> <p>The SFC is empowered to impose one or more of the following sanctions: revocation or partial revocation of licence or registration, suspension or partial suspension of licence or registration, revocation of approval to be a responsible officer, suspension of approval to be a responsible officer, prohibition of application for licence or registration, prohibition of application to become a responsible officer, executive officer or relevant individual fine (up to the maximum of \$10 million or three times of the profit gained or loss avoided, whichever is the higher) private or public reprimand</p> <p>SFO grants SFC full power to investigate, prosecute and apply court orders to freeze assets, disqualify directors of listed companies or licensed corporations.</p>
7	India	ANMI	In case of any misconduct, various disciplinary actions are prescribed by the SEBI and Exchanges that include monetary penalties as well as suspension/ Cancellation of trading activity of a member.
8	India	BBF	<p>The Stock Exchanges have mandatory committees i.e. Disciplinary Action Committee , Investor Grievance Committee, Defaulter Committee which proposes action based on the nature of Non-compliance of the member broker.</p> <p>In case of misconducts, disciplinary action measures range from</p> <ul style="list-style-type: none"> ● Warning Letter, ● Impose Monetary penalties, ● Suspension of Membership, ● Expulsion of Member. ● In case of a fraud criminal proceedings are launched.
9	Japan	JSDA	<p>Under the FIEA, there are two categories of administrative disciplinary action. One is applied to companies such as securities companies, banks, insurance companies and so on. The other is applied to those companies but with regard to individual sales representatives and others who are affiliated with them and acting as sales representatives. (*)</p> <p>As the task of taking administrative disciplinary action against sales representatives is assigned to JSDA under the FIEA, JSDA also has two categories of disciplinary actions similar to those under the Financial Instruments and Exchange Act. One is applied to the member firm itself while the other is applied with regard to its employees. (*)</p> <p>There are five kinds of disciplinary actions to be taken against Association Members when disciplinary action is triggered, namely 1) reprimand, 2) imposition of a negligence fine, 3) limitation of membership, 4) suspension of membership and 5) expulsion.</p>

No.	Market	Name of Organization	Disciplinary Action and Measures against Misconduct
			<p>As for the JSDA's disciplinary actions taken against employees of the Association Members, there are two categories: the first is the treatment of a perpetrator of an inappropriate act, and the second is the prohibition from business of sales representatives.</p> <p>First, a perpetrator of an inappropriate act is an employee of an Association Member that the JSDA has determined to have been disciplined internally in a manner that is equivalent to dismissal for an act that is deemed to significantly damage public confidence in the securities industry. Such persons are treated by JSDA as a perpetrator of an inappropriate act.</p> <p>Among such perpetrators, those who are recognized as having conducted acts affecting most seriously the credibility of the securities industry are treated as Class 1 perpetrators of inappropriate act, and the other perpetrators are treated as Class 2 perpetrators of inappropriate act.</p> <p>In case the sales representative is treated as a perpetrator of inappropriate act, he or she shall lose his or her qualification as a sales representative. Class 1 perpetrators lose the ability to recover that qualification indefinitely, while Class 2 perpetrators are prohibited from obtaining that qualification again for five (5) years.</p> <p>When a person is designated as a perpetrator of an inappropriate act, he or she shall be listed in the perpetrator of an inappropriate act ledger and other members of the Association are prohibited from employing a person classified as a Class 1 perpetrator indefinitely and a Class 2 perpetrator for five (5) years.</p> <p>Second, the measure of prohibiting the business of sales representatives essentially means to prohibit the business of the sales representative who conducted acts in violation of laws and regulations, etc. for a fixed period which JSDA will determine (not more than five (5) years).</p> <p>(*) Because the application for registration of the Sales Representative is made by the Association Member, any related disciplinary action regarding the said Sales Representative is also by extension taken against the Association Member.</p>
10	Malaysia	ASCM	<p>Under the CMSA, the SC has the power to seek court orders by way of civil proceedings in the High Court. A wide range of court orders are available to the SC for the following categories of securities breaches:</p> <p>(1) For serious market misconduct, the SC may, under sections 200(2) and 201(5) of the CMSA:</p> <ul style="list-style-type: none"> • recover an amount not exceeding three (3) times the gross amount of pecuniary gain or loss avoided and impose a civil penalty up to RM1.0 million. <p>(2) Where a director has been convicted of an offence or had any administrative civil action taken against him under the CMSA or had been compounded for an offence, the SC may under Sections 318 or 360 of the CMSA make an application to the Court to remove or bar him from:</p> <ul style="list-style-type: none"> • becoming a director or chief executive of any public company for such time as may be determined by the court; or • being involved in the management of any public company for such time as may be determined by the court. <p>(3) Breaches relating to issuance of securities and take-overs and mergers:</p> <ul style="list-style-type: none"> • Section 220(3) of the CMSA - to compel an offender to give effect to the provisions of the Malaysian Code on Take-Overs and Mergers or the SC rulings; • Sections 220(5) and 220(6) of the CMSA - to sue as debt due to aggrieved persons or to the Malaysian Government in cases where offenders have failed to pay penalty or failed to make restitution; and • Section 358(1) of the CMSA - to recover the amount of loss or damage on behalf of aggrieved persons. <p>To prevent or remedy a contravention of any CMSA provision or to mitigate the effect of such a contravention, under section 360(1) of the CMSA, the SC may:</p> <ul style="list-style-type: none"> • restrain contravention or require the cessation of the contravention; • restrain dealing in securities or trading in derivatives; • declare that a derivative to be void/voidable; • restrain acquisition or disposal or otherwise dealing with assets; • direct the disposal of any securities; • restrain the exercise of any voting rights or rights attached to any securities; • restrain a person from making available, offering for subscription or purchase, or issuing an invitation to subscribe for or purchase any securities; • appoint a receiver of the property of the CMSL holder or of a property that is held by such holder for or on behalf of another person whether in trust or otherwise; • vest securities in SC or a trustee; • require a person to do an act required to be done which he or she fails/refuse to do; • give direction for the compliance to the rules of a stock exchange, a derivatives exchange or an approved clearing house; • require a person to remedy the contravention or mitigate its effect including making restitution; • direct a person to do or refrain from doing an act; • direct a person to comply with any directions issued by SC under sections 354, 355 and 356 of the CMSA; and • make any other ancillary orders. <p>For entities or persons licensed by the SC under the CMSA, the SC has the power to impose the following administrative sanctions:</p> <ul style="list-style-type: none"> • Sections 64 and 65 - non-renewal of license; • Section 72 - revocation and suspension of license; • Section 356 - issue directive for compliance, impose a penalty not exceeding RM500,000; and require the persons to take steps to mitigate the breach, including making restitution to persons aggrieved. <p>Under sections 64, 65 and 72 of the CMSA, the SC may exercise the above powers on following grounds:</p> <ul style="list-style-type: none"> • failure to perform duties efficiently, honestly or fairly; • failure to comply with the rules of the exchange or clearing house; or • failure to comply with the licensing conditions/restrictions. <p>In its commitment to deter and reduce breaches of the securities laws, both the SC and Bursa Malaysia play their respective roles in enforcing the CMSA and Bursa Malaysia Rules. In undertaking enforcement actions, due process will be accorded where the defaulting parties are given opportunity to provide explanation to the SC and/or Bursa Malaysia.</p> <p>In deciding the appropriate sanction to be imposed, a variety of factors are taken into consideration according to the circumstances of each individual case. The factors taken into consideration include, amongst others, public interest/deterrent element of the proposed penalty, antecedent character and background of the defaulting party, nature of the breach and circumstances and manner under which the breach was committed, mitigating and aggravating factors. As such, depending on the outcome of the assessment of the various factors in relation to the facts and circumstances of each individual case, the actions/sanctions imposed may also vary even for the same breach by different parties.</p>

No.	Market	Name of Organization	Disciplinary Action and Measures against Misconduct
			<p>The type of sanctions that may be imposed for the breach include:</p> <ul style="list-style-type: none"> ▪ reprimand fines ▪ remedial actions ▪ suspension ▪ any other action deemed appropriate
11	Mongolia	MASD	<p>We perform the following functions in disciplinary action:</p> <ul style="list-style-type: none"> • Organize measures to promote fair trade, including the prevention of market abuse and insider trading. • Maintain and promote professional ethical standards, and prevent ethical violations. • Take measures specified in the Union's Code of Criminal Procedure against experts who have caused serious damage to the legal rights of members and who do not comply with the rules and decisions of the Board.
12	New Zealand	NZFMA	Nil
13	Philippines	PASBDI	<p>ARTICLE XII. DISCIPLINARY GUIDELINES AND SANCTIONS</p> <p>Section 1. Disciplinary Powers of CMIC. CMIC shall have authority to discipline a Trading Participant for violations of the Securities Laws or for acts or omissions inconsistent with just and equitable principles of fair trade, in accordance with these rules.</p> <p style="padding-left: 40px;">To avoid any ambiguity on the application of this Article XII and unless the context requires otherwise, the term "Trading Participant" under this Article XII shall include directors, officers, Associated Person, Salesmen and other agents of a Trading Participant.</p> <p>Section 2. Purposes of Disciplinary Sanctions. Disciplinary sanctions are remedial in nature and are designed to:</p> <ul style="list-style-type: none"> (a) Ensure compliance by Trading Participants with applicable provisions of the Securities Laws; (b) Prevent fraudulent and manipulative acts and practices and deter misconduct of Trading Participants and in the proper case, Issuers; (c) Promote just and equitable principles of trade among market participants in general, and open and fair business practices among Trading Participants in particular; and (d) Improve overall business standards in the securities market. <p>Section 3. Classification of Violations. Violations of these rules and Securities Laws may be grave, major or minor.</p> <ul style="list-style-type: none"> (a) The following are considered grave violations: <ul style="list-style-type: none"> (i) Simulation or improper use of Subordination Agreement; (ii) Unauthorized use or disposition of funds or securities entrusted by a client to a Trading Participant in the course of its trading business including violation of securities borrowing and lending rules; (iii) Trading-related Irregularities; (iv) Failure to comply with a final and executory decision or order of CMIC, the CMIC Board or the Commission, in cases considered as grave or major violation; and (v) Such other violations similar to the foregoing. (b) The following are considered major violations: <ul style="list-style-type: none"> (i) Violation of capitalization requirements of a Trading Participant, subject to SEC Memorandum Circular No. 16 Series 2004 and the provision of Article VIII of this rules; (ii) Violation of the Ethical Standards Rule; (iii) Violation of the Code of Conduct and Professional Ethics for Traders and Salesmen; (iv) Violation of SRC Rule 49.2 on Customer Protection Reserves and Custody of Securities other than the violation set out in subparagraph (ii) of Section (3) (a) of this Article XII; (v) Making untrue statements or the omission of any material fact required or necessary to be stated in CAIF, reports, records, books and documents submitted to CMIC for such not to be misleading; and (vi) Such other violations similar to the foregoing. (c) All violations other than those mentioned in paragraphs (a) and (b) shall be considered minor violations of the Securities Laws. <p>Section 4. Types of Sanctions. CMIC or the CMIC Board may impose the following disciplinary sanctions for violations of the Securities Laws by a Trading Participant in accordance with the following:</p> <ul style="list-style-type: none"> (a) Grave Violations <ul style="list-style-type: none"> (i) First violation - Written reprimand and fine in the amount of at least Php25,000.00 but not exceeding Php200,000.00; (ii) Second violation - Denial of (1) the exercise of the Trading Right and (2) access to the facilities and systems of the Exchange; (iii) Third and subsequent violations - Bar the erring Trading Participant from entry to or employment in or any kind of commercial association with the Exchange or other Trading Participant. (b) Major Violations <ul style="list-style-type: none"> (i) First violation - Fine of at least Php10,000.00 but not more than Php30,000.00; (ii) Second violation - Fine of at least Php30,000.00 but not more than Php50,000.00; (iii) Third violation - Fine of at least Php50,000.00 but not more than Php75,000.00;

No.	Market	Name of Organization	Disciplinary Action and Measures against Misconduct
			<p>(iv) Fourth and subsequent violations - Fine of at least Php75,000.00.</p> <p>(c) Minor Violations</p> <p>(i) First violation - Written reprimand;</p> <p>(ii) Second and subsequent violations - A fine of at least Php10,000.00 but not more than Php50,000.00.</p> <p>Section 5. Aggregation or "Batching" of Violations. In imposing disciplinary sanctions, CMIC or the CMIC Board shall treat each count of violation as one and separate violation and shall not treat several counts of violations arising from the same set of facts as a single violation.</p> <p>All previous violations within a six (6)-year period shall be taken into account in imposing sanctions for violations of similar nature.</p> <p>Section 6. Publication of Disciplinary Action. The CMIC shall inform the public of violations of these Rules or securities laws committed by and sanctions imposed, on Issuers and Trading Participants.</p> <p>CMIC shall immediately publish at the Exchange or CMIC website the sanctions imposed on a Trading Participant as soon as (a) the CMIC Board affirms the sanctions, or (b) the period to appeal to CMIC Board lapses without the Trading Participant filing an appeal.</p> <p>Section 7. Posting of Absence of Examination Findings. CMIC shall post on the Exchange or CMIC website the list of Trading Participants whose regular and periodic audits by CMIC did not result in any Examination Findings.</p> <p>Section 8. Payment of Fines. An erring Trading Participant shall pay the penalty imposed by CMIC or the CMIC Board pursuant to an executory order or decision, within fifteen (15) calendar days from receipt of notice of the executory order or decision.</p> <p>If the erring Trading Participant fails to pay the penalty within the prescribed period and without need of any demand or order from CMIC or the CMIC Board, the erring Trading Participant shall additionally pay (a) a surcharge equal to twenty-five percent (25%) of the imposed fine plus (b) interest of one percent (1%) for every day of delay based on the sum of the imposed fine and the surcharge.</p> <p>If the erring Trading Participant fails to pay the fine and the surcharge and interests thereon within fifteen (15) calendar days from the lapse of the original fifteen-day period for the payment of the penalty, CMIC or the CMIC Board may suspend the erring Trading Participant.</p> <p>Section 9. Oversight Authority of the Commission. The Commission shall have the authority to review the findings of the CMIC, re-classify the violations and impose the appropriate sanctions based on these rules and the applicable securities laws and regulations.</p> <p>ARTICLE III. DISPOSITION OF CASES</p> <p>Section 1. Coverage. This article shall govern all disposition of cases which CMIC may examine, investigate and resolve under these Rules.</p> <p>Section 2. Authority to Decide Cases. CMIC shall decide in the first instance all cases within CMIC's jurisdiction under Section 1, Article II following the procedures set forth in Article II.</p> <p>Section 3. Basis of CMIC Decisions. CMIC shall decide all cases within its jurisdiction based solely on the evidence presented or gathered in the course of its investigation, examination, audit or other proceedings. CMIC shall weigh evidence for or against a party in accordance with the rule on substantial evidence in administrative investigations. Substantial evidence means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.</p> <p>Section 4. Confidentiality of Information. CMIC shall not disclose any information that it receives, gathers or otherwise acquires in the course of its investigation, examination, audit or other proceedings except (a) to parties to the case (b) to members or representatives of the Commission (c) when required by law or (d) pursuant to a lawful court order.</p> <p>Section 5. CMIC Decisions. For minor violations, disciplinary sanctions imposed by CMIC shall be immediately executory. For major and grave violations CMIC shall impose the appropriate sanctions after due investigation.</p> <p>Section 6. Request for Reconsideration from CMIC Decisions. An aggrieved party may seek reconsideration of a decision or action of CMIC within ten (10) business days from receipt of such decision or action, provided, however, that if the decision is a summary action under SRC Rule 39.E, the period shall be five (5) business days from receipt of the decision.</p> <p>The request must be in writing, addressed to the CMIC Board, with proof of service to the adverse party, if any. No filing fee shall be required for the CMIC Board to consider the request for reconsideration.</p> <p>The request shall be signed by the aggrieved party and shall set forth a concise statement of facts, the issues involved and the grounds relied upon. If necessary, the aggrieved party may attach thereto documents referred to in the request.</p> <p>Section 7. Appeal of CMIC Decisions to the Commission. In cases involving grave and major violations, decisions of CMIC Board may be appealed to the Commission within fifteen (15) calendar days from receipt of decision in</p>

No.	Market	Name of Organization	Disciplinary Action and Measures against Misconduct
			<p>accordance with SEC Memorandum Circular No. 10 (2010) entitled "Rules of Procedure on Appeals from Decisions from SROs." Decisions of CMIC Board shall be immediately executory after the lapse of the period of appeal and no appeal is filed with the Commission</p> <p>Section 8. Execution of CMIC Decisions. The implementation of the decisions of CMIC shall be stayed pending resolution of the request for reconsideration to the CMIC Board, except in cases involving minor violations, and in cases where the sanction imposed is suspension or expulsion. Should suspension or expulsion be the sanction imposed, the decision will immediately be executory even pending request for reconsideration to the CMIC Board, unless the aggrieved party shall post a bond in such amount as may be fixed in the decision subject of the request. Any monetary penalty may be paid under protest.</p> <p style="padding-left: 40px;">The decision of the CMIC Board shall be immediately executory upon its promulgation notwithstanding any appeal to the Commission, without prejudice to the right of the aggrieved party to secure an order from the Commission staying the execution of the decision which was subject of the request for reconsideration.</p> <p>Section 9. Submission of Decisions and Reports to the Commission. On or before the 10th day following the end of the relevant month, CMIC shall submit to the Commission a monthly report on cases resolved and decided.</p> <p style="padding-left: 40px;">All decisions or actions of CMIC under these Rules shall be in writing, shall state the basis therefore and shall be furnished to CMIC Board for submission to the Commission in accordance with the immediately preceding paragraph.</p> <p style="padding-left: 40px;">The report to the Commission shall reflect the following information as applicable: (1) Names of the Trading Participant/s and the person/s allegedly responsible for the violations, with their designations; (2) Description of the nature of the violations with brief narration of the participation of the persons allegedly responsible of such violations; (3) Supporting documents.</p> <p style="padding-left: 40px;">Further, if the persons allegedly responsible for the violations have existing registration with the Commission (e.g. salesman), such fact shall be indicated in the report. In this case, the CMIC shall initiate proceedings to suspend or revoke such registration if warranted, without prejudice to the filing of a criminal case.</p> <p style="padding-left: 40px;">If the persons allegedly responsible for the violations are not registered with the Commission, such fact shall be indicated in the report. In this case, the CMIC shall initiate a criminal case against such persons, if warranted.</p> <p>Section 10. Endorsement of Investigation Report to Commission. Whenever necessary or appropriate, especially in a case where CMIC does not have the jurisdiction to impose penalties on the party or parties to the case, CMIC shall immediately endorse to the Commission the relevant findings and recommendations of CMIC for appropriate action by the Commission.</p>
14	Singapore	SAS	-
15	South Korea	KOFIA	KOFIA may, when a financial investment company and its employees violate the regulations or do not actively implement them, impose sanctions by the Association's Articles of Association through Self-Regulation Committee.
16	Sri Lanka	CSBA	<p>The Colombo Stock Exchange (CSE) and the Securities and Exchange Commission (SEC) of Sri Lanka have established comprehensive rules and measures to handle misconduct by Trading Participants. Here are the key points related to disciplinary actions and measures:</p> <p>Referral to the Disciplinary Committee</p> <ul style="list-style-type: none"> • Chief Executive Officer's Role: The Chief Executive Officer (CEO) of the CSE is responsible for referring any matters related to Trading Participants to the Disciplinary Committee. This ensures that any allegations or suspicions of misconduct are formally reviewed and addressed. • Investigation Authority: If the CSE detects or suspects any market misconduct by Trading Participants, it has the authority to investigate such conduct. This is crucial for maintaining market integrity and investor confidence. <p>Disciplinary Measures</p> <ol style="list-style-type: none"> 1. Issuance of Show Cause Notices: The SEC issues show cause notices to individuals and entities involved in various types of misconduct, such as market manipulation, insider trading, and providing false information. These notices require the recipients to explain why disciplinary action should not be taken against them. 2. Warnings and Letters of Caution: Depending on the severity of the misconduct, the SEC issues warnings and letters of caution to individuals and entities. These measures are intended to correct behavior without imposing severe penalties initially. 3. Administrative Penalties: For more serious offenses, the SEC imposes administrative penalties. For example, an administrative penalty of Rs. 5 million was imposed on a public listed company (PLC) for non-disclosure and delayed disclosure of information. 4. Public Reprimands: In cases where misconduct is severe and warrants public disclosure, the SEC issues public reprimands. This serves as a deterrent to other market participants.

No.	Market	Name of Organization	Disciplinary Action and Measures against Misconduct
			<p>Specific Examples of Disciplinary Actions</p> <ul style="list-style-type: none"> • Market Manipulation: Notices of action were issued to multiple individuals for market manipulation involving listed shares. In one case, individuals were found to be manipulating market prices through social media posts. • Insider Trading: Several cases of insider trading were addressed, where individuals traded shares based on unpublished price-sensitive information. • Non-compliance with Listing Rules: Companies and their directors faced disciplinary actions for non-compliance with the listing rules of the CSE. This included actions against directors for failing to disclose significant information on time. <p>Regulatory Amendments</p> <ul style="list-style-type: none"> • Trading Participant Rules: The Trading Participant Rules were amended to better streamline and enhance their effectiveness. These amendments included the introduction of rules to facilitate the imposition of fines for key violations. • Clearing House Rules: Amendments to the Clearing House Rules were approved to facilitate regulated short selling through stock borrowing and lending. <p>Summary</p> <p>The SEC and CSE have put in place robust mechanisms to address and manage misconduct by Trading Participants. These measures include referrals to the Disciplinary Committee, issuance of show cause notices, warnings, administrative penalties, public reprimands, and significant regulatory amendments. These actions are crucial for maintaining market integrity, protecting investor interests, and ensuring a fair and transparent securities market.</p>
17	Vietnam	VBMA	<p>Under the existing law and the VBMA Charter, VBMA is not authorized or mandated to take any disciplinary action or measure against misconducts of the member firms or the member firms' professional staff (such as a securities brokers or securities analysts)</p> <p>According to Decree No. 156/2020/ND-CP dated 31 December 2020 of the Government on dealing with administrative violations in the field of securities and securities markets ("Decree 156"), any organization or individual (whether Vietnamese or foreign) committing a violation as set forth in the Decree would be subject to an administrative sanction.</p> <p>Administrative violations relating to securities are categorized into the following classes:</p> <ol style="list-style-type: none"> Violations against regulations on private placement of securities; Violations against regulations on public offering in Vietnam; Violations against regulations on issuance of bonds in the international market, offering of securities overseas, and issuance of securities used as the basis for offering of depositary receipts overseas or provision of assistance in issuing depositary receipts overseas on the basis of shares issued in Vietnam; Violations against regulations on issuance of additional shares; Violations against regulations on public companies; Violations against regulations on tender offers; Violations against regulations on listing and registration of securities; Violations against regulations on organization of securities market; Violations against regulations on securities trading and practice; violations against regulations on securities transactions; Violations against regulations on registration, depositing, clearing and payment for securities, supervisory banks and custodian banks; Violations against regulations on information disclosure and reporting; violations against regulations on audit of public companies, listed organizations, organizations performing public offering, securities companies, securities investment companies, securities investment funds and fund management companies; Violations against regulations on anti-money laundering and counter-terrorism financing in the fields of securities and securities market; Violations against regulations on inspection by competent authorities; Other violations against regulations on securities and securities market prescribed herein. <p>Main administrative sanctions includes (a) reprimand, (b) imposition of fine (up to VND 3 billion for an organization and VND 1.5 billion for an individual), and (c) Suspension of securities trading for a period of 01 - 12 months, (d) Suspension of certificate of registration of representative office operation or securities professional certificate for a period of 01 - 24 months</p> <p>Additional penalties are also detailed in Decree 156, including Confiscation of assets involved in administrative violations, Suspension of tender offer; securities trading or securities services; securities underwriting; securities transactions or other activities specified for a period of 01 - 12 months;</p> <p>Compulsory retrieval of securities that have been offered for sale or issued; refunding the investors the money they used to purchase the securities or the deposit money (if any), plus interest; Compulsory return of securities or money belonging to customers.</p> <p>The SSC can transfer an administrative violation to criminal investigation pursuant to The 2020 Law on Treatment of Administrative Violations. Administrative penalties are publicly announced on the SSC website.</p>

III – 6. Dispute Resolution System between Securities Firms and Customers

No.	Market	Name of Organization	Dispute Resolution between Securities Firms and Customers
1	Asian Region	ASIFMA	Compliant Officer of each securities firm SFC Financial Dispute Resolution Scheme https://www.sfc.hk/en/Published-resources/Consultations/sfc-introduces-measures-to-facilitate-establishment-of-fdrc
2	Asian Region	ICMA	By-laws concerning conciliation and arbitration were deleted effective May 23, 2024.
3	Bangladesh	DBA	Yes, through Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd (DSE) and Self

No.	Market	Name of Organization	Dispute Resolution between Securities Firms and Customers
			Organization.
4	Cambodia	CASF	Prakas on Dispute Resolution in Securities Sector
5	China	SAC	<p>1. Rules & guidelines include:</p> <p>(1) Measures for Securities Dispute Mediation Work of China Securities Association;</p> <p>(2) China Securities Association Securities Dispute Mediation Rules;</p> <p>(3) Guidelines for Handling Investor Complaints by Securities, Funds and Futures Business Institutions (for Trial Implementation);</p> <p>2. Group Standard: Complaint Handling Standards for Securities Companies.</p>
6	Hong Kong	HKSA	An organization, namely Financial Dispute Resolution Scheme (FDRS), was set up in November 2011, with the main purpose of resolving disputes between securities firms/financial institutions and their customers in Hong Kong. All regulated financial institutions are required (by SFC) to join FDRS as members, the claim may be up to HKD1,000,000 and/or within the 24 months limitation period from the date on which the claimant first had knowledge of his/her loss can be settled via FDRS by means of mediation and arbitration. Along with the claim proceedings, if misconduct found, the case will be referred to SFC.
7	India	ANMI	<p>SEBI has its Online Resolution of Disputes in the Indian Securities Market.</p> <ul style="list-style-type: none"> • SEBI Complaint Redressal System (SCORES) • SEBI has an arbitration facility and there are committees which undertake Stock Exchange arbitration mechanism <p>The MIIs, under guidance of SEBI, have established and developed a common Online Dispute Resolution Portal ("SMART ODR Portal") for resolving disputes between the parties.</p>
8	India	BBF	<p>It is mandatory for the Broking company to put the Grievance ID on the website & contract Note.</p> <p>Aggrieved Customer generally writes his complaint to the Member on his designated ID for grievances. In case the Broking company does not respond, the customer can send the complaint to the respective exchange where the trade has taken place.</p> <p>Customer can escalate his complaint for Arbitration at the Stock Exchange or at SEBI's complaints redress system (SCORES).</p> <p>Unresolved complaints or unfavorable verdict have a right to go to Indian Courts based on the merit.</p>
9	Japan	JSDA	<p>In April 2009, FINMAC (Financial Instruments Mediation Assistance Center: NPO) was established as a new financial ADR organization for disputes between customers and financial instruments service providers. FINMAC evolved out of the previous "Securities Mediation and Consultation Center", which was an internal organ of JSDA.</p> <p>The previous organization accepted complaints and consultations from customers about operations performed by Association Members and conducted "mediation" between member firms and their customers to solve disputes concerning securities businesses operated by the members. After migrating to FINMAC, the above mentioned services are being offered through contracted business operators such as members of Financial Futures Trading Association, Investment Trust Association, JSDA, Japan Commodities Investment Sales Association and to the Specific Business Operators (individually registered Type 2 financial instruments business operators, etc.)</p>
10	Malaysia	ASCM	<p>Stockbroking companies are required to appoint a Complaints Officer to deal specifically with any sort of claims, complaints or grous by the Customer against the company and its CMSRL holder. All complaints must be recorded and reported to Bursa Malaysia within prescribed time frame. In addition, the Customer may lodge their complaints against stockbroking company and its CMSRL holder to SIDREC. SIDREC is an independent alternative dispute resolution body established by the SC which:</p> <ul style="list-style-type: none"> · Provides an alternative dispute resolution avenue for retail investors in relation to claims involving capital markets services and products against capital market intermediaries. · To promote, encourage, and facilitate the satisfactory resolution, mediation or withdrawal of such complaints, disputes, and claims. · To collaborate with the regulators of the capital markets on all matters relating to or affecting the resolution of complaints, disputes and claims.
11	Mongolia	MASD	Similar to the above question, the functions of the supervisory board are stated. Recently, our articles of association have included a provision allowing for the establishment of a standing arbitrator under the Securities Markets Act to resolve disputes in accordance with the Act.
12	New Zealand	NZFMA	N/A
13	Philippines	PASBDI	<p>ARTICLE II. INVESTIGATION AND RESOLUTION OF CASES BY CMIC</p> <p>Section 4. Procedure for the Investigation of Complaints Against Trading Participants. An aggrieved or interested party (the "Complainant") may file a written Complaint with CMIC against any Trading Participant for Trading-related Irregularities or other violations of the Securities Laws within six (6) months from knowledge of its commission.</p> <p>The Complaint should conform to the Complaint form, which CMIC may prescribe from time to time. Failure to file a Complaint within the prescribed period shall bar the aggrieved or interested party from filing a Complaint with CMIC.</p> <p>If CMIC determines the Complaint to be sufficient in form and substance to justify an investigation under these Rules, CMIC shall proceed with the investigation of the Complaint in accordance with the following procedure:</p> <ol style="list-style-type: none"> Within two (2) days from CMIC's receipt of the Complaint, CMIC shall order the Respondent to submit to CMIC an answer to the Complaint within ten (10) days from receipt of a copy thereof. Complainant may file with CMIC a reply to Respondent's answer within five (5) days from receipt of a copy thereof. Respondent may file with CMIC a rejoinder to Complainant's reply within five (5) days from receipt of a copy thereof. The issues having been joined, CMIC shall then assess the merit of the Complaint based on the submissions of the parties. If the Complaint is without merit, CMIC shall immediately

No.	Market	Name of Organization	Dispute Resolution between Securities Firms and Customers
			<p>dismiss it. If the Complaint has merit, CMIC shall meet the parties within five (5) days from the date of filing of the last pleading to discuss a possible amicable settlement, clarify matters raised in the Complaint, and allow the parties to introduce additional evidence on their behalf.</p> <p>(e) The proceedings before CMIC shall be in the nature of informal administrative hearings and CMIC shall not be bound by technical rules.</p> <p>(f) If the parties agree to amicably settle the Complaint, CMIC shall evaluate the amicable settlement to ensure compliance with the Securities Laws. If the settlement is in order, CMIC shall dismiss the complaint, provided that the parties have complied with the terms of the settlement. If the parties do not agree to amicably settle the Complaint, CMIC shall consider the Complaint submitted for resolution with notice to the parties.</p> <p>(g) At any stage of the proceeding and for the purpose of gathering additional evidence, CMIC may order a special examination of Respondent solely with respect to the subject matter of the Complaint.</p> <p>(h) As far as practicable, within ten (10) days from the conclusion of the meeting mentioned in Section 4 (e) above or the special examination of the Respondent under Section 4 (h) above, as the case may be, CMIC shall resolve the Complaint.</p> <p>(i) At any stage in the proceeding, should the Complainant inform the CMIC in writing that he wishes to withdraw the Complaint, the CMIC shall dismiss the same, with notice to the Respondent.</p> <p>CMIC shall complete the investigation and resolution of a Complaint within sixty (60) days from receipt thereof.</p>
14	Singapore	SAS	FIDREC(https://www.fidrec.com.sg/)
15	South Korea	KOFIA	KOFIA operates a Dispute Resolution Office that offers investors information and advice about the laws and regulations governing financial investment products. The office provides advisory service to help investors address every possible issue they may confront.
16	Sri Lanka	CSBA	<p>The dispute resolution system between securities firms and customers in Sri Lanka is designed to handle grievances efficiently and fairly. The key components of this system are as follows:</p> <ol style="list-style-type: none"> 1. Investor Complaint Management: <ul style="list-style-type: none"> ○ Initial Complaint: Investors who have grievances against securities firms can initially file their complaints directly with the firm. The firm is required to address and resolve these complaints within a stipulated timeframe. ○ Escalation to the CSE: If the complaint is not resolved to the satisfaction of the investor, it can be escalated to the Colombo Stock Exchange (CSE) for further investigation and resolution. 2. Dispute Resolution Panel: <ul style="list-style-type: none"> ○ The CSE has established a Dispute Resolution Panel to handle investor grievances. This panel consists of 10 independent members who are responsible for hearing and resolving disputes between investors and securities firms. ○ The panel ensures that all disputes are resolved in a fair, transparent, and timely manner, providing investors with an impartial platform to address their concerns. 3. SEC Oversight: <ul style="list-style-type: none"> ○ The Securities and Exchange Commission of Sri Lanka (SEC) oversees the entire dispute resolution process to ensure that it complies with regulatory standards and maintains investor protection. ○ The SEC also has the authority to intervene in cases where it deems necessary, providing an additional layer of oversight and ensuring that the dispute resolution process remains robust and effective. 4. Arbitration and Legal Recourse: <ul style="list-style-type: none"> ○ If the Dispute Resolution Panel's decision is not acceptable to either party, the matter can be taken to arbitration as per the rules governing securities transactions. ○ Investors and firms also have the option to seek legal recourse through the judicial system if they are not satisfied with the arbitration outcomes. <p>Summary The dispute resolution system for securities firms and customers in Sri Lanka involves multiple layers of oversight and mechanisms to ensure fair and transparent handling of investor grievances. The system includes direct complaints to firms, escalation to the CSE, a dedicated Dispute Resolution Panel, and oversight by the SEC. Additionally, arbitration and legal recourse provide further options for resolving disputes.</p>
17	Vietnam	VBMA	Currently there are no dispute resolution systems as such in place. However, there were precedents that the parties requested VBMA to act as a mediator. VBMA will provide mediation in accordance with Mediation Rules of VBMA.

III – 7. Investor Education Activities

No.	Market	Name of Organization	Investor Education Activities
1	Asian Region	ASIFMA	Investor Education Council, Investor Bulletin or Circulars from SFC or HKEX
2	Asian Region	ICMA	N/A
3	Bangladesh	DBA	Yes, we have nationwide financial literacy program for our Investors.
4	Cambodia	CASF	-Public seminars organised by Regulator, Exchange and securities firms -Annual Stock Market Exhibition organized by the Exchange and participated by all securities firms
5	China	SAC	1. Organizing the securities industry to carry out special activities for investor education on Consumer Rights and Interests Protection Day (March 15), National Investor Protection Awareness Day (May 15), and so on;

No.	Market	Name of Organization	Investor Education Activities
			<p>2. Organizing the securities industry to carry out investor education activities on campuses, joining hands with schools to offer financial knowledge popularization courses, organizing financial competitions, and providing internships for college and university students, so as to further enhance students' financial literacy;</p> <p>3. Publishing the Guidelines for Evaluation of Investor Education Work of Securities Companies, organizing the securities industry to carry out investor education evaluation, and guiding securities operators to continuously improve the level of investor education.</p>
6	Hong Kong	HKSA	<p>SFC set up the Investor and Financial Education Center (IFEC) in 2012, with the mission to equip the public with the knowledge, attitude and skills necessary for making informed investment and financial decisions and managing money wisely.</p> <p>The IFEC is supported by the four financial regulators, namely the Hong Kong Monetary Authority, Insurance Authority, Mandatory Provident Fund Schemes Authority and SFC, as well as the Education Bureau.</p> <p>The IFEC promotes and delivers free and impartial investor and financial education resources and programmes through its education platform, The Chin Family. It also leads the Financial Literacy Strategy to facilitate stakeholders to deliver quality investor and financial education to the Hong Kong public.</p> <p>Theme “Before you invest, ask the right question” was conducted in 2006, that public are encouraged to ask question toward investment products and services offered by advisors to make informed choices. Additionally, “know your risk” education theme was launched in 2007 for investors’ risk education.</p> <p>SFC and IFEC normally educates the public by means of TV ads, seminars, print-outs as well as useful tools such as retirement calculator or guides on how to educate their children on money management.</p>
7	India	ANMI	<ul style="list-style-type: none"> • SEBI and Exchanges conducts various seminars and programs for educating market participants. • ANMI conducts Investor Awareness progress throughout the year in age groups of 18 and above university students and also educates its members through various events, seminars and conferences throughout the year. • ANMI also shares Investor Awareness content on its social media handles and also through its Monthly Journal.
8	India	BBF	For investor education, BBF has conducted 4000+ Investor Awareness Programs in last 10 years and trained more than 150000 participants across various sections of the society.
9	Japan	JSDA	<p>The year 2024 marked a significant milestone for not only for us, but also for enhancing financial literacy.</p> <p>The government's Doubling Asset-based Income Plan calls for enhanced financial and economic education to instill the importance of stable asset formation, and this has become extremely important.</p> <p>JSDA had provided education for schools and for citizens in collaboration with other entities, such as administrative agencies, stock exchanges and Japan Bankers Associations. The JSDA has provided educational materials, coordination of lecturers, seminars, and information in booklets and online for a long time.</p> <p>The "Study Group on the Promotion of Financial and Economic Education," for which JSDA serves as the secretariat, conducted a survey of financial and economic education in junior high and high schools in Japan, and the Overseas Survey Subcommittee investigated the state of financial and economic education in elementary and junior high schools overseas (UK, Estonia, Australia, Korea, Finland, Singapore, and USA).</p> <p>In April 2024, Japan financial Literacy and Education Corporation(J-FLEC) was established, which offers financial and economic education tailored to meet each citizen’s need. In summer 2024, financial and economic education conducted by the JSDA and other parties such as BOJ and JBA has been centralizes in J-FLEC for further initiatives.</p> <p>JSDA also continued to cooperate with IOSCO's "World Investor Week (WIW)" by setting up a special page on its website to promote the event. We also participated in the IOSCO Committee 8, where we gave a presentation on financial education in Japan and exchanged opinions.</p>
10	Malaysia	ASCM	<p>Besides regulating the stockbroking companies and trading activities, investor education also plays an important part in the development of the capital market. Both the SC and Bursa Malaysia organize series of educational programs aimed to educate and inculcate awareness amongst investors.</p> <p>SC’s investor education initiatives include events such as the annual InvestSmart. InvestSmart aims to provide the public, particularly the next generation of investors, with valuable investment information, presented in a simplified format through new technology and multimedia platforms, which will supplement existing investor education channels.</p> <p>Bursa Malaysia has year-round investor education programs for all investor categories including fund managers, corporates and retail investors. In recent years, Bursa Malaysia has put in increased efforts to boost retail participation in the stock market. It established the Bursa Marketplace, a web portal for all investors, regardless of whether they are newbies or professional traders to learn, explore and access the wealth of information available there.</p> <p>Invest Malaysia Kuala Lumpur (IMKL) is Bursa Malaysia's flagship event organised annually for the global investing audience. The IMKL platform showcases the diversity of Malaysia's capital market and introduces key multinational companies and global champions that are set to drive economic growth within the ASEAN marketplace. The objectives of IMKL are:</p> <ul style="list-style-type: none"> • To provide an annual platform for regulators and policy makers to promote the Malaysian agenda – announcements of key developments in the Malaysian capital market. • To attract local and international investors by showcasing premier public listed companies (PLCs) and providing an avenue for engagements with the owners/senior management of these PLCs. • To offer institutional investors an avenue to network with policy makers and industry leaders to facilitate their investment decisions. • To increase the visibility of Malaysia in the international investment community via international media coverage/partnerships
11	Mongolia	MASD	<p>We regularly organize basic stock market knowledge training in cooperation with the Financial Regulatory Commission and Mongolbank. The training covers the following subjects:</p> <ul style="list-style-type: none"> • The current state of the capital market, policy, and regulatory environment • Basic concepts of economics, financial, and securities markets

No.	Market	Name of Organization	Investor Education Activities
			<ul style="list-style-type: none"> • Understanding of securities, their types, and nature • Issuance and trading of securities • Professional participants in the securities market • Legal regulation of the securities market and protection of investors' interests • International securities markets • Topics including fintech and cryptocurrencies
12	New Zealand	NZFMA	N/A
13	Philippines	PASBDI	<p>Taking off from its forerunner, the PSE Training Institute, the Market Education Department (MED) was organized with a mandate to carry out the Exchange's educational and marketing efforts for institutional and retail investors – so called the “demand side” of the market.</p> <p>As its name implies, MED's mandate extends to that of educating market participants other than investors. Such are the listed companies, trading participants, analysts, finance teachers, underwriters, and others. Accordingly, MED employs education as it's primary strategy for promotions and though initially conceived as a veritable marketing organization, its principal activities compel MED to take upon itself the broader and estimable purpose of investor education.</p> <p>PSE Academy is the official market education website of the Philippine Stock Exchange, Inc. (PSE) created in partnership with the PSE Foundation, Inc.</p> <p>The PSE Academy provides a comprehensive, interactive, and practical web-based investor education for market participants, would-be equity investors, and the public in general.</p> <p>One of the key features of the website is the e-Learning section, which allows users to enhance their knowledge on stock investments and eventually acquire new trading skills through a full access to free downloadable reading materials and video books. Also part of the e-Learning component are materials that furnish market practitioners with information on securities licensure examinations, stock market courses and trainings.</p> <p>Aside from this, a key innovation is Market Talk, an interactive tool that allows users to gather and participate in discussions concerning issues related to the capital markets, and to positively find solutions to various investing challenges.</p> <p>Additional features like <i>webinars</i>, <i>podcasts</i>, and an <i>investment calculator</i> will be integrated in the website.</p>
14	Singapore	SAS	Seminars, Webinars, Blogs, Reports and more.
15	South Korea	KOFIA	<ul style="list-style-type: none"> · Public seminars and workshops on investment strategies · Educational materials and resources available online · Collaborative programs with educational institutions
16	Sri Lanka	CSBA	<p>Investor Education Activities by CSE, SEC, and Stock Brokers</p> <p>1. Colombo Stock Exchange (CSE) Initiatives:</p> <ul style="list-style-type: none"> • Investor Forums: Regular investor forums and roadshows are conducted in various cities and internationally to educate potential and existing investors about market opportunities and trading mechanisms. • Workshops and Seminars: These are organized on topics like stock market fundamentals, investment strategies, and risk management. • Online Resources: The CSE website provides educational materials, including articles, videos, and interactive tools for investors. <p>2. Securities and Exchange Commission (SEC) Initiatives:</p> <ul style="list-style-type: none"> • Capital Market Clubs: Established in schools across the country to promote financial literacy among students. • Public Seminars: Conducted nationwide to raise awareness about investing and market operations. • Collaborations with Universities: Programs like Varsity Battles, a quiz competition targeting university students, to enhance their understanding of capital markets. <p>3. Stock Brokers:</p> <ul style="list-style-type: none"> • Client Education Programs: Many stock brokers offer educational sessions and personalized guidance to their clients, covering topics such as market analysis, trading platforms, and investment planning. • Research Reports: Providing clients with regular market updates, research reports, and investment recommendations. • Online Platforms: Offering educational content through their websites and trading platforms to help clients make informed investment decisions. <p>Summary</p> <p>The CSE, SEC, and stock brokers are actively engaged in educating investors through various programs, forums, and resources to promote informed investment decisions and enhance financial literacy.</p>
17	Vietnam	VBMA	<p>Annually, the Dialogue between regulators and VBMA members and non-members is organized. The Dialogue is a communication channel between regulators and market players. At the Dialogue, regulators popularize new policies to market players and market players update the market situation to regulators and make suggestions for market improvement.</p> <p>- The basic and advanced training for member is organized.</p>

No.	Market	Name of Organization	Investor Education Activities
			On an annual basis, there are training courses provided for VBMA members about International and Vietnam bond market information, bond/derivatives trading technique, corporate bond issuance technique, back office operation,... etc. Multiple discussion rounds among market participants about fixed income market are organized under different forums. VBMA also organizes workshops to investors through cooperation with other prestigious international organizations (ie.ADB, World Bank, S&P Global) and Vietnam Minister of Finance.

IV. Market Structures



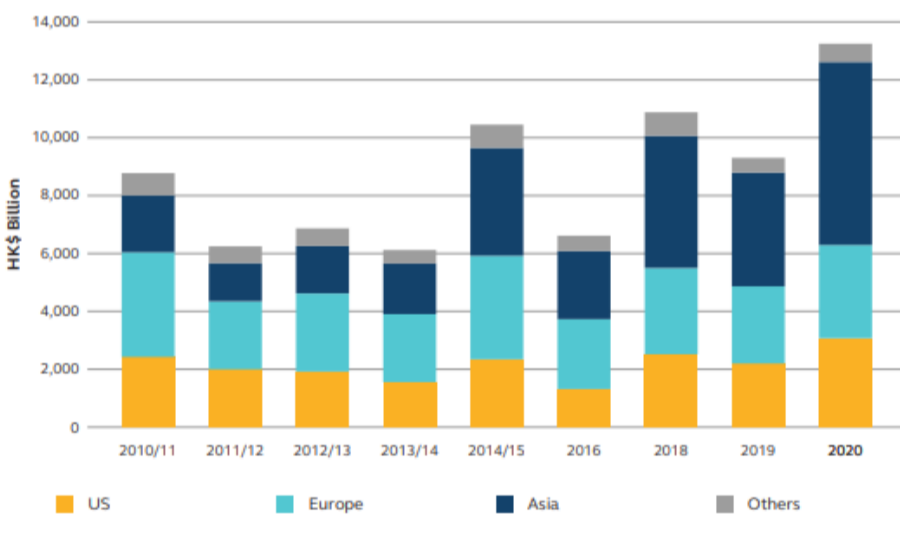
IV – 1. Breakdown of Financial Assets held by Household Account

No.	Market	Name of Organization	Breakdown of Household Financial Assets																																
1	Asian Region	ASIFMA	10.2% (2019) https://www.hkex.com.hk/-/media/HKEX-Market/News/Research-Reports/HKEX-Surveys/Cash-Market-Transaction-Survey-2020/CMTS2020_e.pdf																																
2	Asian Region	ICMA	N/A																																
3	Bangladesh	DBA	N/A																																
4	Cambodia	CASF	N/A (But we can reasonably assume majority of investment beside bank saving is property since it is the only mainstream investment avenue available to Cambodian public)																																
5	China	SAC	-																																
6	Hong Kong	HKSA	<p>While the data on Financial Assets held by Household Account is not available, Hong Kong-based asset and wealth management businesses' total assets under management (AUM) stood at HK\$30.54 billion 4 (US\$3,912 billion) at the end of 2022, according to the Securities and Futures Commission (SFC)2, representing growth of 143% over the previous 10 years. A breakdown of its makeup can be seen below:</p> <table border="1"> <tbody> <tr> <td>the asset management and fund advisory business</td> <td>HK \$22,388 billion (US\$2,867 billion)</td> </tr> <tr> <td>Private banking and private wealth management business</td> <td>\$8,965 billion (US\$1,148 billion)</td> </tr> <tr> <td>Assets held under trusts</td> <td>\$5,006 billion (US\$641 billion)</td> </tr> <tr> <td>Net fund inflows</td> <td>\$88 billion (US\$11 billion)</td> </tr> <tr> <td>Asset and wealth management business of Mainland-related licensed corporations and registered institutions</td> <td>\$132 billion (US\$17 billion)</td> </tr> <tr> <td>Assets sourced from non-Hong Kong investors</td> <td>64% of the AUM.</td> </tr> </tbody> </table>	the asset management and fund advisory business	HK \$22,388 billion (US\$2,867 billion)	Private banking and private wealth management business	\$8,965 billion (US\$1,148 billion)	Assets held under trusts	\$5,006 billion (US\$641 billion)	Net fund inflows	\$88 billion (US\$11 billion)	Asset and wealth management business of Mainland-related licensed corporations and registered institutions	\$132 billion (US\$17 billion)	Assets sourced from non-Hong Kong investors	64% of the AUM.																				
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7	India	ANMI	<p>As of March 2023, household financial assets are estimated at 438.07 billion USD, equivalent to 135 percent of India's GDP, according to a study by RBI officials.</p> <p>Source: Business line Newspaper, Monday, July 29, 2024</p> <p>Financial Assets held by households: Fixed Deposits / Recurring Deposits Investment in Equity Shares & Mutual Funds Investment in Bonds like Sovereign Gold Bonds etc. Investments in Government Schemes like Public Provident Funds</p>																																
8	India	BBF	<p>For the year 2022-23 Currency and Deposits – 45% Equity – 11% Life insurance and retirement accounts and Debt– 44% Source: RBI, NSO</p>																																
9	Japan	JSDA	<p>The composition of household financial assets as of FY 2023 end was as follows.</p> <table border="1"> <thead> <tr> <th></th> <th>FY2021</th> <th>FY2022</th> <th>FY2023</th> </tr> </thead> <tbody> <tr> <td>Financial Assets of Households (Amount in \ trillion (US\$ billion)</td> <td>2026,1 (18,419.5)</td> <td>2,053.1 (17,853.2)</td> <td>2,199.1 (16,534.9)</td> </tr> <tr> <td>Cash & Deposits</td> <td>53.7%</td> <td>53.9%</td> <td>50.9%</td> </tr> <tr> <td>Debt Securities</td> <td>1.3%</td> <td>1.3%</td> <td>1.3%</td> </tr> <tr> <td>Shares & Other Equities</td> <td>10.9%</td> <td>11.4%</td> <td>14.2%</td> </tr> <tr> <td>Investment Trust Beneficiary Certificates</td> <td>4.5%</td> <td>4.4%</td> <td>5.4%</td> </tr> <tr> <td>Insurance, Pensions and Standardized Guarantees</td> <td>26.5%</td> <td>26.0%</td> <td>24.6%</td> </tr> <tr> <td>Others</td> <td>3.1%</td> <td>3.0%</td> <td>3.6%</td> </tr> </tbody> </table> <p>(Notes) 1. Data is as of of August 9, 2024. 2. Currency exchange rates are based on the fiscal year-end figures released by Mitsubishi UFJ Research & Consulting</p> <p>(Source) Bank of Japan</p>		FY2021	FY2022	FY2023	Financial Assets of Households (Amount in \ trillion (US\$ billion)	2026,1 (18,419.5)	2,053.1 (17,853.2)	2,199.1 (16,534.9)	Cash & Deposits	53.7%	53.9%	50.9%	Debt Securities	1.3%	1.3%	1.3%	Shares & Other Equities	10.9%	11.4%	14.2%	Investment Trust Beneficiary Certificates	4.5%	4.4%	5.4%	Insurance, Pensions and Standardized Guarantees	26.5%	26.0%	24.6%	Others	3.1%	3.0%	3.6%
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10	Malaysia	ASCM	<p>Chart 1.5: Household Sector – Composition of Assets</p> <p>Including housing wealth, household assets stood at about 4 times of debt</p> <p>Source: Risk Developments and Assessment of Financial Stability in 2017 Report by Bank Negara Malaysia https://www.bnm.gov.my/files/publication/fsps/en/2017/cp01.pdf</p> <p>Note : 2018 figures are not available</p>																																																			
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17	Vietnam	VBMA	N/A																																																			

IV – 2. Share of Foreign Investors in the Stock Trading on the Exchange

No.	Market	Name of Organization	Share of Foreign Investors in the Stock Trading on the Exchange
1	Asian Region	ASIFMA	36.6% institutional, 6.7% retail (2019)
2	Asian Region	ICMA	N/A
3	Bangladesh	DBA	N/A

No.	Market	Name of Organization	Share of Foreign Investors in the Stock Trading on the Exchange
4	Cambodia	CASF	- Domestic: 85% - Foreign: 15%
5	China	SAC	-
6	Hong Kong	HKSA	<p>According to the latest Cash Market Transaction Survey conducted in 2020 by HKEX, in 2020, overseas investors' contribution to the total market turnover was 41%, down from 43% in 2019. Their contribution has increased gradually from its recent trough of 39% in 2013/14. Overseas investor trading came mainly from institutions — 36% of the total market turnover (down from 37% in 2019), compared to 5% from overseas retail investors (7% in 2019).</p> <p>The total implied value of overseas investor trading grew by 42% in 2020 relative to 2019. In 2020, Asian investors continued to be the largest contributor group from overseas, contributing 48% of overseas investor trading (42% in 2019) and 20% of total market turnover (18% in 2019).</p> <p>European investors were the second largest overseas contributor group, contributing 24% of total overseas investor trading, slightly down from 29% in 2019, and 10% of total market turnover in 2020 (12% in 2019).</p> <p>The US was the third largest overseas contributor group, contributing 23% of overseas investor trading (24% in 2019) and 10% of total market turnover in 2020, unchanged from 2019.</p> <p>Overseas investor trading came from over 40 separate jurisdictions.</p> <p>1 Distribution of market trading value by investor type</p> <p>Figure 1. Distribution of cash market trading value by investor type (2020)</p>  <p>Figure 4. Distribution of cash market trading value by local and overseas origin (2020)</p>  <p>Figure 5. Implied value of overseas investor trading in cash market by origin (2010/11 - 2020)</p>  <p>HKEX. (2022, April). Cash Market Transaction Survey 2020. https://www.hkex.com.hk/-/media/HKEX-Market/News/Research-Reports/HKEX-Surveys/Cash-Market-Transaction-Survey-2020/CMTS2020_e.pdf</p>
7	India	ANMI	<p>CDSL & NSDL data states India's FPI Investment as of August 2024 - 15.77 billion USD Source: https://www.cdslindia.com/Publications/FIIFPIYrWiseInvstmntDtls.aspx https://www.fpi.nsdl.co.in/web/Reports/Yearwise.aspx?RptType=6</p> <p>As of March 31, 2024, 11,219 Foreign Portfolio Investors (FPIs) were registered with the Securities and Exchange Board of India (SEBI)</p> <p>Source: https://www.hindustantimes.com/business/us-accounts-for-highest-fpi-investment-in-india-luxembourg-next-in-list-sebi-101723432638038.html</p> <p>As of July 31, 2024: Foreign Institutional Investor (FIIs) - 4.3 USD Bn Domestic Institutional Investor (DIIs) - 31.3 USD Bn Source: https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Market_Pulse_August_2024.pdf</p>
8	India	BBF	FPI Net Investment Details Equity


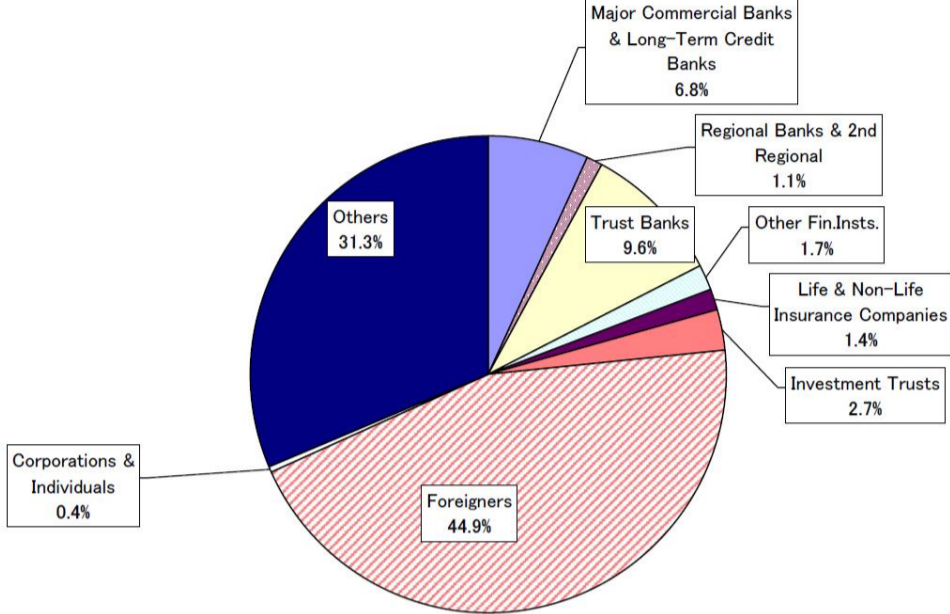
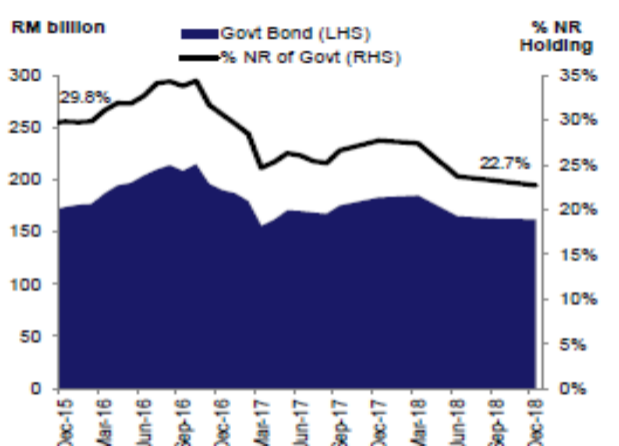
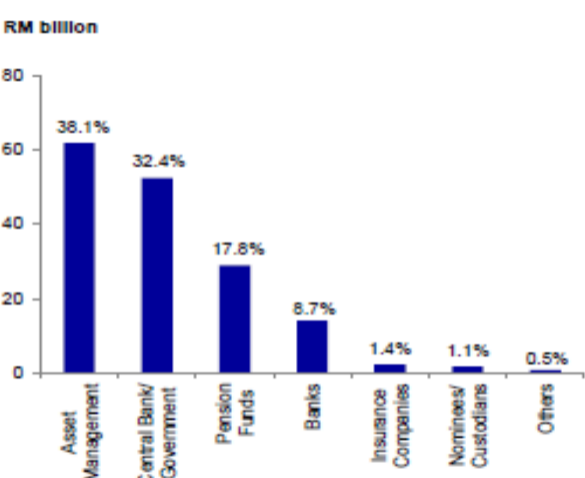

No.	Market	Name of Organization	Share of Foreign Investors in the Stock Trading on the Exchange																																																																												
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9	Japan	JSDA	<p>Market Shares & Trading Balance by Types of Investors</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Market share</th> <th colspan="3">Selling on balance (-) / Buying on balance (+) (\ billion)</th> </tr> <tr> <th>2021</th> <th>2022</th> <th>2023</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Securities company self-dealing</td> <td>13.1%</td> <td>12.6%</td> <td>11.2%</td> <td>2,454</td> <td>-1,816</td> <td>3,592</td> </tr> <tr> <td>Individual</td> <td>21.8%</td> <td>20.7%</td> <td>22.7%</td> <td>281</td> <td>1,177</td> <td>-2,919</td> </tr> <tr> <td>Foreigner</td> <td>58.8%</td> <td>60.7%</td> <td>60.5%</td> <td>343</td> <td>-2,250</td> <td>3,122</td> </tr> <tr> <td>Investment trust</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>-1,208</td> <td>-122</td> <td>-1,003</td> </tr> <tr> <td>Business company</td> <td>1.1%</td> <td>1.2%</td> <td>1.2%</td> <td>-1,208</td> <td>5,189</td> <td>4,901</td> </tr> <tr> <td>Insurance company</td> <td>0.2%</td> <td>0.1%</td> <td>0.1%</td> <td>-462</td> <td>-710</td> <td>-566</td> </tr> <tr> <td>Major city bank/ regional bank</td> <td>0.1%</td> <td>0.1%</td> <td>0.1%</td> <td>-785</td> <td>-946</td> <td>-932</td> </tr> <tr> <td>Trust bank</td> <td>2.7%</td> <td>2.4%</td> <td>2.0%</td> <td>-2,283</td> <td>-388</td> <td>-6,017</td> </tr> <tr> <td>Other financial institution</td> <td>0.1%</td> <td>0.1%</td> <td>0.1%</td> <td>-125</td> <td>-72</td> <td>-582</td> </tr> </tbody> </table> <p>(Note) The figures reflect the numbers released by Tokyo Stock Exchange and Nagoya Stock Exchange (Source) Japan Exchange Group</p>		Market share			Selling on balance (-) / Buying on balance (+) (\ billion)			2021	2022	2023	2021	2022	2023	Securities company self-dealing	13.1%	12.6%	11.2%	2,454	-1,816	3,592	Individual	21.8%	20.7%	22.7%	281	1,177	-2,919	Foreigner	58.8%	60.7%	60.5%	343	-2,250	3,122	Investment trust	2.0%	2.0%	2.0%	-1,208	-122	-1,003	Business company	1.1%	1.2%	1.2%	-1,208	5,189	4,901	Insurance company	0.2%	0.1%	0.1%	-462	-710	-566	Major city bank/ regional bank	0.1%	0.1%	0.1%	-785	-946	-932	Trust bank	2.7%	2.4%	2.0%	-2,283	-388	-6,017	Other financial institution	0.1%	0.1%	0.1%	-125	-72	-582
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11	Mongolia	MASD	The share of foreign investors in the stock trading on the Mongolian Stock Exchange (MSE) varies annually. In 2022, foreign investors accounted for approximately 30% of the total trading volume. This reflects an increase in interest from international investors, contributing significantly to the market's liquidity and development. Number of share accounts of foreigners - 2535																																																																												
12	New Zealand	NZFMA	Total Stock Market Capitalisation: \$170.5b About 30% of shares are held by international investors, with significant holdings from investors in Australia, the United States, and Europe. Source: NZX (https://www.nzx.com/markets/NZSX)																																																																												
13	Philippines	PASBDI	Local investors made up 98.5% of total accounts while the remaining 1.5% were foreign investors. In the online space, retail accounts comprised 99.9% of total online accounts. Local investors owned 98.8% of the online accounts while foreign online accounts took up the remaining 1.2%. <table border="1"> <thead> <tr> <th>Year-to-date Figures</th> <th>In Philippine Peso (PhP)</th> <th>In US\$ (at average US\$1.00 = PhP55.630 rate in 2023)</th> </tr> </thead> <tbody> <tr> <td>Foreign Buying</td> <td>PhP 620,743,740,780.91</td> <td>US\$ 11,158,435,031.11</td> </tr> <tr> <td>Foreign Selling</td> <td>PhP 674,411,917,355.32</td> <td>US\$ 12,123,169,465.31</td> </tr> <tr> <td>Net Foreign Buying / Selling</td> <td>(PhP 53,668,176,574.43)</td> <td>US\$ 964,734,434.20</td> </tr> <tr> <td>% of Foreign to Total</td> <td>44%</td> <td></td> </tr> </tbody> </table>	Year-to-date Figures	In Philippine Peso (PhP)	In US\$ (at average US\$1.00 = PhP55.630 rate in 2023)	Foreign Buying	PhP 620,743,740,780.91	US\$ 11,158,435,031.11	Foreign Selling	PhP 674,411,917,355.32	US\$ 12,123,169,465.31	Net Foreign Buying / Selling	(PhP 53,668,176,574.43)	US\$ 964,734,434.20	% of Foreign to Total	44%																																																														
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14	Singapore	SAS	~15 – 20% of clients in general for brokers in Singapore ~40% of TBSG clients are non-SINGAPOREANS with majority from ASEAN region																																																																												
15	South Korea	KOFIA	27.4%, 555 billion USD as of 2023																																																																												
16	Sri Lanka	CSBA	<p>For the year 2023 Total Market Turnover: \$1.37 billion Domestic Investor Contribution: \$1.24 billion Foreign Investor Contribution: \$130.9 million (9.56%)</p> <p>As of December 2023, the value of securities held by foreign investors in Sri Lanka is detailed as follows:</p> <ul style="list-style-type: none"> • Foreign Companies: <ul style="list-style-type: none"> • Equity: \$3.10 billion • Corporate Debt: \$57,067 • Total: \$3.10 billion • Foreign Individuals: <ul style="list-style-type: none"> • Equity: \$202 million • Corporate Debt: \$886,467 • Total: \$202.9 million • Combined Total Value of securities held by foreign investors: \$3.30 billion <p>The value of securities held by foreign investors is approximately 23.56% of the total securities value in Sri Lanka as of December 2023</p>																																																																												
17	Vietnam	VBMA	Trading value of foreign investors in all 3 bourses (HOSE, HNX and UPCoM): USD 23.11 billion, accounting for 9.3% of total stock market liquidity. Total sell = USD 10.37 billion; Total buy = USD 12.75 billion; Net selling:																																																																												

No.	Market	Name of Organization	Share of Foreign Investors in the Stock Trading on the Exchange
			USD 2.38 billion.

IV – 3. Share of Foreign Investors in the Bond Trading on Exchange/ OTC Market

No.	Market	Name of Organization	Share of Foreign Investors in the Bond Trading on Exchange/ OTC Market																				
1	Asian Region	ASIFMA	N/A																				
2	Asian Region	ICMA	N/A																				
3	Bangladesh	DBA	0%																				
4	Cambodia	CASF	1% (99% domestic institutional investors)																				
5	China	SAC	-																				
6	Hong Kong	HKSA	<p>While there is no data on the percentage of foreign investors in Bond Trading in the Hong Kong market, Hong Kong is a major bond issuance hub in Asia. The performance of the three key segments of the Hong Kong bond market in 2023 – Hong Kong dollar (HKD), offshore renminbi (CNH) and G31 – is summarised in Box 1 in equivalent US dollar (USD) terms.</p> <div data-bbox="651 854 1228 1380" data-label="Table"> <p>Box 1: Hong Kong bond market at a glance</p> <table border="1"> <thead> <tr> <th>US\$ billion</th> <th>HKD debt securities³</th> <th>CNH debt securities⁴</th> <th>G3 Asian international bond issuances⁵</th> </tr> </thead> <tbody> <tr> <td>Outstanding size at end-2023</td> <td>190.4 (154.5)</td> <td>132.1 (99.4)</td> <td>627.2</td> </tr> <tr> <td>Of which: corporate issuance⁶</td> <td>153.9 (118.0)</td> <td>93.3 (60.6)</td> <td>602.4</td> </tr> <tr> <td>New issuance in 2023</td> <td>121.4 (67.5)</td> <td>110.6 (56.0)</td> <td>52.4</td> </tr> <tr> <td>Of which: corporate issuance</td> <td>107.8 (53.9)</td> <td>75.8 (21.3)</td> <td>42.9</td> </tr> </tbody> </table> <p>Note: Figures may not add up to the corresponding totals due to rounding and may be subject to revisions. The G3 bond figures do not include certificates of deposit (CDs). For HKD and CNH, figures in parentheses exclude CDs.</p> </div> <p>In 2023, total new issuance of HKD debt securities increased by 4.9% year on year to HK\$948.5 billion (US\$121.4 billion) (Chart 1). Authorized Institutions and non-multilateral development bank (MDB) overseas issuers continued to be the most active categories of issuers in volume terms, accounting for about 31% and 44% of new issuance in 2023 respectively; MDB issuers expanded their issuance by around 55%. During the year, HKD Government bond issuance increased to HK\$106.3 billion (US\$13.6 billion), including HK\$20 billion (US\$2.6 billion) of retail green bonds.</p> <div data-bbox="651 1626 1228 2122" data-label="Figure"> <p>CHART 1 New issuance of HKD debt securities in Hong Kong (by type of issuer)</p> <p>Sources: Bloomberg, Central Moneymarkets Unit (CMU), Dealogic, Reuters and Hong Kong Monetary Authority (HKMA) staff estimates</p> </div> <p>The new issuance of CNH debt securities in Hong Kong grew by 18.2% year on year to RMB785.8 billion (US\$110.6 billion) in 2023 (Chart 3). Non-certificates of deposit issued during the year amounted to RMB398.1 billion (US\$56.0 billion), an increase of 35.4% from 2022, while new issuance of certificates of deposit (CDs) increased by 4.5% to RMB387.6 billion (US\$54.6 billion) in 2023.</p>	US\$ billion	HKD debt securities ³	CNH debt securities ⁴	G3 Asian international bond issuances ⁵	Outstanding size at end-2023	190.4 (154.5)	132.1 (99.4)	627.2	Of which: corporate issuance ⁶	153.9 (118.0)	93.3 (60.6)	602.4	New issuance in 2023	121.4 (67.5)	110.6 (56.0)	52.4	Of which: corporate issuance	107.8 (53.9)	75.8 (21.3)	42.9
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No.	Market	Name of Organization	Share of Foreign Investors in the Bond Trading on Exchange/ OTC Market
			<p>CHART 3 New issuance of CNH debt securities in Hong Kong (by type of issuer)</p> <p>Sources: Bloomberg, CMU, Dealogic, Reuters and HKMA staff estimates</p> <p>Interest rate hikes by major central banks in 2023 have continued to weigh on G3 bond issuance globally. G3 bonds issued in Hong Kong decreased by 41% year on year to US\$52.4 billion in 2023 (Chart 5) due primarily to slowing Mainland offshore issuance. Nonetheless, Hong Kong continued to capture the largest share of debut G3 issuances from Asia. Total outstanding G3 bonds in Hong Kong stood at US\$627.2 billion at the end of 2023.</p> <p>CHART 5 New issuance of G3 bonds in Hong Kong (by issuer nationality)</p> <p>Sources: Dealogic and HKMA staff estimates</p> <p>One special feature about the Hong Kong market is the Bond Connect. It is a mutual market access scheme that allows foreign investors from Mainland China and overseas to trade in each other's bond markets through connection between the related Mainland and Hong Kong financial infrastructure institutions.</p> <p>Since its launch in July 2017, the foreign holdings of the Chinese Interbank Bond Market has grown to 4.31 trillion (USD 601 billion). Northbound Trading under Bond Connect continued to serve as a major channel for foreign investors to invest in the onshore bond market, accounting for 66% of foreign investors' annual total turnover in the China Interbank Bond Market in 2023. Northbound Trading continued to grow, with average daily turnover increasing by 24% year on year to over RMB40 billion in 2023 (Chart 7).</p> <p>CHART 7 Northbound Trading average daily turnover</p> <p>Source: HKMA</p> <p>With increasing foreign participation in the Mainland bond market, there is also a growing need for relevant risk management tools. In May 2023, Northbound Trading of Swap Connect was launched to provide a convenient and secure channel for international investors to trade interest rate swap products on the Mainland via a connection between infrastructure institutions on the Mainland and in Hong Kong. The scheme complements Northbound Trading under Bond Connect and facilitates global investors' management of interest rate risks arising from their allocation to Mainland bonds. In January 2024, the HKMA and the People's Bank of China announced the further opening up of the onshore repo market to all China Interbank Bond Market foreign institutional investors (including Bond Connect investors), and the expansion of the list of eligible collateral for the HKMA's RMB Liquidity Facility to include RMB bonds issued onshore by the Ministry of Finance and the policy banks on the Mainland.</p> <p>(External Department, Financial Infrastructure Department, Monetary Management Department, Research Department. (n.d.). The Hong Kong Bond Market in 2023. Hong Kong Monetary Authority. https://www.hkma.gov.hk/media/eng/publication-and-research/quarterly-bulletin/qb202403/fa1.pdf)</p>
7	India	ANMI	As of June 29, 2024, global investors had invested almost \$11 billion in Indian bonds eligible for the index. The appeal of India's bonds is evident as they have been Asia's top performers, yielding returns of 5.3%.

No.	Market	Name of Organization	Share of Foreign Investors in the Bond Trading on Exchange/ OTC Market
			Source: https://www.livemint.com/market/stock-market-news/india-eases-paperwork-for-foreign-bond-investors-amid-inclusion-in-jpmorgans-emerging-market-bond-index-11719632689002.html
8	India	BBF	FPI Net Investment Details Debt Calendar Year 2023 – USD 7960 million Source: NSDL
9	Japan	JSDA	<div style="background-color: #003366; color: white; padding: 5px; text-align: center;"> <h2 style="margin: 0;">2. Bond Market in Japan</h2> </div> <div style="text-align: right; margin-top: 5px;">  </div> <div style="text-align: center; margin-top: 10px;"> <h3>4. Bond Trading Volume by Sector (2023)</h3> </div>  <p style="font-size: small; margin-top: 10px;">*Note: "Others" includes Bank of Japan, government-related organizations (e.g. Government Pension Investment Fund), etc.</p> <p style="text-align: right; font-size: x-small;">© Japan Securities Dealers Association. All Rights Reserved. 8</p> <p style="font-size: small; margin-top: 5px;">*Note: "Others" includes Bank of Japan, government-related organizations (e.g. Government Pension Investment Fund), etc.</p>
10	Malaysia	ASCM	<h3 style="text-align: center; color: #003366;">Non-resident Holdings of Malaysian Government Bonds</h3> <div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p style="font-size: x-small; text-align: center;">Non-resident Holdings of Malaysian Government Bonds</p>  </div> <div style="width: 45%;"> <p style="font-size: x-small; text-align: center;">Distribution of Non-resident Holdings of Government Bonds as at end-Dec'18</p>  </div> </div> <p style="font-size: x-small; margin-top: 5px;">Source: Bank Negara Malaysia</p> <p style="font-size: x-small; margin-top: 5px;">Note:</p> <ul style="list-style-type: none"> - Malaysian Government Bonds includes Malaysian Government Securities (MGS), Malaysian Government Investment Issues (MGI), and Sukuk Perumahan Kerajaan (SPK). - "Others" include individuals, non-financial corporations and unidentified sectors. - Data may vary pending further classification by reporting entities. <div style="text-align: center; margin-top: 10px;">  <p style="font-size: x-small;">BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA</p> </div>
11	Mongolia	MASD	-
12	New Zealand	NZFMA	<p>Corporate Bond Market Outstanding: US\$33.5b / NZ\$55.8b (Source: NZX Listed), US\$39.7b / NZ\$66.1b (Listed and non-listed) Source: NZFMA</p> <p>No information on foreign ownership of corporate bonds.</p> <p>Government Bond Market Outstanding: US\$103.8b / NZ\$173b (Source: Debt Management Office, The Treasury - New Zealand Government Securities Overview 2024-25 (treasury.govt.nz))</p> <p>As of May 2024, 62% of NZ Government Bonds were held by non-resident investors.</p>
13	Philippines	PASBDI	N/A
14	Singapore	SAS	10% for retail market
15	South Korea	KOFIA	On Exchange + OTC Market = 9.7%, 180 billion USD as of 2023
16	Sri Lanka	CSBA	Foreign investment in government securities amounted to approximately USD 147.44 million by the end of July around 0.31%
17	Vietnam	VBMA	Figures from Hanoi Stock Exchange (HNX): Share of Foreign Investor in Bond Trading Market (by value): 3.6% (January to July 2024)

IV – 4. Settlement and Clearing Systems for Securities Transaction (for Stocks, Bond, Derivatives Respectively)

No.	Market	Name of Organization	Settlement Cycles									
			Settlement and Clearing Systems for Securities Transactions									
1	Asian Region	ASIFMA	Stocks and Exchange-listed Bonds T+2; OTC Bonds – no fixed settlement cycle CCASS (operated by HKSCC) for Stocks and Exchange Listed Bonds, DCASS for Derivatives (operated by SEOCH and HKCC)									
2	Asian Region	ICMA	N/A N/A									
3	Bangladesh	DBA	T+2 Currently Dhaka Stock Exchange is providing the services. However, formation of CCP is underway.									
4	Cambodia	CASF	T+2 for both bonds and stocks N/A									
5	China	SAC	<p>Stock: T+1 (Except for B-shares and Hong Kong Stock Connect).</p> <p>Bonds: 1. The majority of transactions on the exchange are settled at T+1, while RGTS (Real Time Gross Settlement, commonly used for large trades) is settled at T+0; 2. The vast majority of the interbank market operates at T+0, with some traders and counterparties agreeing on a settlement date of T+1.</p> <p>Derivatives: 1. On exchange option derivatives are T+0; Off exchange derivatives shall be in accordance with the contract agreement between both parties. (Except for special transactions such as repurchase agreements and stock pledges).</p> <p>Stocks: China Securities Depository and Clearing System. Bonds: 1. Bonds traded on the exchange floor are settled by the China Securities Depository and Clearing System; 2. Bond settlement in the interbank market is handled by China Bond Depository and Clearing Corporation. Derivatives: 1. On exchange option derivatives are settled in the China Securities Depository and Clearing System; 2. Off exchange derivatives are settled in various securities companies.</p>									
6	Hong Kong	HKSA	<table border="1"> <tr> <td>Hong Kong Equities (scripless):</td> <td>T+2</td> </tr> <tr> <td>Stock Connect China A-shares (scripless)</td> <td>Securities: T+0; Cash: T+0 (T+0 cash settlement is optional and is subject to the eligibility of the CCASS cash clearing bank of both counterparties.), T+1</td> </tr> <tr> <td>Fixed income securities (scripless):</td> <td>Settlement period is not fixed, freely negotiable between buyer and seller.</td> </tr> <tr> <td>Bond Connect securities (scripless)</td> <td>T+0, T+1, T+2 or T+3 Defaulted bond on maturity: T+1 or T+2</td> </tr> </table>	Hong Kong Equities (scripless):	T+2	Stock Connect China A-shares (scripless)	Securities: T+0; Cash: T+0 (T+0 cash settlement is optional and is subject to the eligibility of the CCASS cash clearing bank of both counterparties.), T+1	Fixed income securities (scripless):	Settlement period is not fixed, freely negotiable between buyer and seller.	Bond Connect securities (scripless)	T+0, T+1, T+2 or T+3 Defaulted bond on maturity: T+1 or T+2	<p>There are four settlements and clearing houses in Hong Kong, which are Hong Kong Securities Clearing Co Ltd (HKSCC), HKFE Clearing Corporation Ltd (HKCC), The SEHK Options Clearing House Ltd (SEOCH) and OTC Clearing Hong Kong Ltd (OTC Clear).</p> <p>HKSCC, HKFE and HKCC are wholly-owned by Stock Exchange of Hong Kong (HKex), while OTC Clear is a 76% owned subsidiary of HKex. HKSCC operates the central clearing and settlement system (“CCASS”) which provides CCASS services to participants of CCASS subject to its General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. It settles all products listed in HKex. Since the introduction of the China Stock Connect (CSC) program in 2014, the investors can now invest in select stocks (A-Shares) of the Shanghai Stock Exchange and the Shenzhen Stock Exchange through the Northbound Channel of CSC. While all the Hong Kong stocks settle with a T+2 cycle, for A shares, the stock settlement is done on T+0 and the cash settlement is done on T+1.</p> <p>Effective on 28 May 2024, the standard settlement cycle for transactions in US securities will be shortened from two business days after the trade date (T+2) to one business day after trading (T+1) .</p> <p>HKCC settles all products listed in Hong Kong Futures Exchange.</p> <p>SEOCH clears all listed options as its name implies and OTC Clear settles OTC Derivatives transaction.</p> <p>OTC Clear is a central counterparty established by HKex, 76% owned by HKex and 12 financial institutes as Founding Shareholders holding remaining 24% of shares, providing centralized OTC products clearing services. OTC Clear currently provides clearing of Interest Rate Swaps (IRS), Non-Deliverable Currency Forwards (NDF), Cross Currency Swaps (CCS) and deliverable (DFX). OTC Clear provides trade registration and novation, valuations, trade event management and collateral and margin calculations.</p> <p>Central Moneymarkets Unit (CMU) was established in 1990 to provide clearing and settlement facilities for Exchange Fund Bills and Notes. Lately, non-HK dollar debt securities services was extended in 1996 and CMU linked with US dollar, euro and RMB RTGS system in 2000. Recently, Bond Connect linkage services between Mainland and Hong Kong is in place since 2017. CMU provides clearing and settlement link in bond trade between two markets.</p>
Hong Kong Equities (scripless):	T+2											
Stock Connect China A-shares (scripless)	Securities: T+0; Cash: T+0 (T+0 cash settlement is optional and is subject to the eligibility of the CCASS cash clearing bank of both counterparties.), T+1											
Fixed income securities (scripless):	Settlement period is not fixed, freely negotiable between buyer and seller.											
Bond Connect securities (scripless)	T+0, T+1, T+2 or T+3 Defaulted bond on maturity: T+1 or T+2											
7	India	ANMI	<p>1. T+1</p> <p>2. Introduction of Beta version of T+0 rolling settlement cycle on optional basis in addition to the existing T+1 settlement cycle in Equity Cash Markets has come into force with effect from March 28, 2024</p> <p>Source: https://www.sebi.gov.in/legal/circulars/mar-2024/introduction-of-beta-version-of-t-0-rolling-settlement-cycle-on-optional-basis-in-addition-to-the-existing-t-1-settlement-cycle-in-equity-cash-</p> <p>NSE Clearing Limited (NCL): https://www.nsclindia.com/clearing-settlement/capital-market https://www.nseindia.com/nscl-nse-clearing/clearing-settlement</p> <p>Indian Clearing Corporation Limited (ICCL): https://www.icclindia.com/Static/Clearing/funds_payin_payout.aspx</p>									

No.	Market	Name of Organization	Settlement Cycles
			Settlement and Clearing Systems for Securities Transactions
			<p>Multi Commodity Exchange Clearing Corporation Limited (MCXCCL): https://www.mcxcl.com/clearing-and-settlement/OverView</p> <p>National Commodity Clearing Limited (NCCL): https://www.nccl.co.in/clearing-settlement/overview</p>
8	India	BBF	<p>Stocks T+1 Bonds T+1 and T+2 Derivatives T+1</p> <p>Clearing corporation (National Securities Clearing Corporation Limited (NSCCL) & Indian Clearing Corporation Limited (ICCL) carries out clearing and settlement functions as per the settlement cycles provided in the settlement schedule. Clearing Corporations (CC) follows a T+1 rolling settlement cycle. For arriving at the settlement day all intervening holidays, which include bank holidays, Exchange holidays, Saturdays and Sundays are excluded. BSE: http://www.bseindia.com/bse_slb/clearingandsettlement.aspx?expandable=2 NSE: https://www.nseindia.com/products/content/equities/equities/clearing_settlement.htm</p>
9	Japan	JSDA	<p>Stocks T+2; Bonds T+2 (JGB Government Bond T+1)</p> <p>In Japan, the settlement services for securities transactions are provided mainly by Japan Securities Depository Center, Inc. (JASDEC). Its services consist of the registration of securities, settlement by book-entry transfer of securities, custody and its related operations such as general shareholders notification, conversion agency service (CB), dividend payments and proxy services for foreign stocks. In addition to those services, JASDEC provides settlement matching services, and pre-settlement matching services.</p> <p>On the other hand, Japan Securities Clearing Corporation (JSCC) provides clearing services for securities such as obligation assumption, netting of cash/securities positions, settlement instruction to CSDs/Settlement Banks for securities/cash, and settlement guarantees.</p>
10	Malaysia	ASCM	<p>Stocks (including Exchange Traded Bonds): T+2 Bonds (OTC): T+2</p> <p>The settlement services for securities transactions are provided by Bursa Malaysia Depository. Its services consist of the registration of securities, settlement by book-entry transfer of securities, custody and its related operations such as general shareholders notification, electronic dividend payments, electronic share application and provision of depositors' records service. For Institutional clients, there is a matching facility provided by Bursa Malaysia Depository i.e. Central Matching Facility (CMF) in which the settlement via book-entry transfer of securities could be expedited through files transfers. In Malaysia, the settlement period for securities transaction has recently been shortened from T+3 to T+2 effective 29 April 2019, bringing Bursa Malaysia in line with other regional markets such as Thailand, Indonesia and Singapore.</p> <p>Bursa Malaysia Securities Clearing and Bursa Malaysia Derivatives Clearing provide clearing services for securities and derivatives transactions respectively. The clearing services include netting of cash/asset positions, settlement instruction to settlement banks for asset/cash, and settlement guarantees.</p> <p>Government bonds and unlisted corporate debt securities are settled and cleared at the Central Bank's Real Time Electronic Transfer of Funds and Securities (RENTAS) settlement system.</p>

No.	Market	Name of Organization	Settlement Cycles
11	Mongolia	MASD	<p data-bbox="667 290 1050 329">Equities - Primary Market</p> <p data-bbox="667 350 1869 400">■ For equities primary market, MSE IPO system is used for submitting/executing orders and MIT system is used to trade in secondary market. For that, the execution results of primary market need to be uploaded to MIT system daily to prepare for secondary trading.</p> <div data-bbox="655 430 1911 1053"> <p data-bbox="1633 421 1906 489">*words in red & bold font highlights issues/barriers seen in the current flow</p> <p data-bbox="655 468 1911 1053"> <ol style="list-style-type: none"> 1. Deposit Money (Pre Funding) 2. Submit Order (by email) 3. checks balance to MSCC (by Tel) 4. Submit Order (by MSE IPO system) 5. Query Balance (by e-clearing) 6. Sends Balance info (by e-clearing) 7. MSE executes the order (by MSE IPO system) 8. Sends execution result (by MSE IPO system) 9. MSCC cash transfers from Client A account to Listed company Account within MSCC (by e-clearing) 10. MSCC downloads the data from MSE IPO system and upload it to e-clearing system. At the same time, MSCC sends the downloaded file to MCSD (by email) 11. Sends execution result (by e-clearing) 12. Downloads the data from e-clearing and upload to MIT system 13. MCSD executes ownership transfer (by MIT system) 14. Check transaction result by accessing to MCSD webserver 15. If client wants to withdraw cash from MSCC account, client obtains a "paper form" from a securities firm and submit to MSCC. Normally, Securities Firm substitutes it for clients 16. Based on 15. request, Transfers cash to beneficiary account in commercial bank (by RTGS system) </p> <p data-bbox="655 1015 724 1053">NRI</p> <p data-bbox="1879 1015 1911 1053">48</p> </div> <p data-bbox="667 1104 1180 1142">Corporate Bonds - Primary Market</p> <p data-bbox="667 1163 1848 1213">■ For corporate bond market, MSE IPO system is used for submitting/executing orders and MIT system is used to trade in secondary market. For that, the execution results of primary market need to be uploaded to MIT system daily to prepare for secondary trading.</p> <div data-bbox="703 1231 1890 1869"> <p data-bbox="1633 1222 1906 1291">*words in red & bold font highlights issues/barriers seen in the current flow</p> <p data-bbox="703 1246 1890 1869"> <ol style="list-style-type: none"> 1. Corporate Bond Registration (by Paper) 2. Corporate Bond Registration (by e-mail) 3. Deposit Money (Pre Funding) 4. Submit Order (by e-mail) 5. Balance Inquiry (by Phone) 6. Submit Order (by MSE IPO system) 7. Balance Inquiry (by email) 8. Balance Result to MSE (by e-mail) 9. MSE executes the order (MSE IPO system) 10. Underwriter logs on MSE IPO system and allocates the order (by MSE IPO System) 11. MSCC logs on MSE IPO system and Confirms the Execution Result 12. MSCC downloads File from MSE IPO system and upload it to RTGS system to execute Cash Settlement (by RTGS system) 13. MCC downloads File from MSE IPO system and upload it to e-clearing system to inform holder record to MCSD (by e-clearing) 14. MCSD manually downloads the data from e-clearing and upload to MIT. *small program is used to convert the format for MIT 15. MCSD executes ownership transfer (by MIT system) </p> <p data-bbox="655 1834 724 1872">NRI</p> <p data-bbox="1879 1834 1911 1872">49</p> </div>
12	New Zealand	NZFMA	<p data-bbox="655 1923 913 1961">Stocks T+2; Bonds T+2</p> <p data-bbox="655 1961 1312 2000">Stocks - NZX Clearing and Settlement System (NZX Clearing)</p> <p data-bbox="655 2021 955 2059">Bonds – NZClear via ESAS</p> <p data-bbox="655 2080 1249 2119">Derivatives - NZX Derivatives Clearing House (NDCH)</p>

No.	Market	Name of Organization	Settlement Cycles
13	Philippines	PASBDI	<p data-bbox="646 225 1329 231">Settlement and Clearing Systems for Securities Transactions</p> <p data-bbox="646 231 701 261">T+2</p> <p data-bbox="646 299 1944 368">On 24 August 2023, the Securities Clearing Corporation of the Philippines (SCCP) began implementing the T+2 settlement cycle from a T+3 settlement cycle.</p> <p data-bbox="646 409 1062 439">Operating Procedures of the SCCP</p> <p data-bbox="646 448 1860 513">2.1.5 Settlement Cycle Settlement shall be performed on a rolling T+2 cycle. Settlement Date shall be two (2) Business Days after Transaction Date (T+2). Settlement Cut-Off shall be at 12:00 NN of Settlement Date.</p> <p data-bbox="646 522 1136 552">2.2 Securities Accounting and Settlement in</p> <p data-bbox="751 560 982 590">i. Flag-level Netting</p> <p data-bbox="751 599 1923 694">The Clearing Members' Securities delivery obligations and entitlements shall be netted out on a flag-level basis, namely: LP-Local Principal, LC- Local Client, FPForeign Principal, and FC-Foreign Client, to arrive at either a net selling or net buying position for such security and flag.</p> <p data-bbox="751 703 1045 733">ii. Settlement of Contracts</p> <p data-bbox="751 742 1934 875">Upon satisfactory verification of Securities in the Securities Delivery Accounts of the Net Selling Clearing Members, SCCP effects simultaneous Settlement of the securities settlement Contracts through the enhanced Central Clearing System whereby delivery and receipt of Securities to counterparties are satisfied.</p> <p data-bbox="646 884 877 914">2.3 Cash Settlement</p> <p data-bbox="751 923 1913 1018">2.3.1 Multilateral Netting SCCP has adopted a multilateral netting system for Cash payment whereby Clearing Members' monetary entitlements and obligations are netted to arrive at a Net Money Obligation or Entitlement.</p> <p data-bbox="751 1026 1898 1130">2.3.2 Cash Settlement Account with Settlement Banks Clearing Members are required to open accounts with designated Settlement Banks through which Net Money Obligations are debited and Net Money Entitlements are credited for Settlement of Trades on Settlement Date.</p> <p data-bbox="751 1139 1923 1273">2.3.3 Settlement of Contracts Upon satisfactory verification of Cash in the Cash Delivery Account of the Net Buying Clearing Members, SCCP effects simultaneous Settlement of the cash settlement Contracts through the enhanced Central Clearing System whereby delivery and receipt of Cash to counterparties are satisfied.</p> <div data-bbox="772 1308 1801 2510" data-label="Diagram"> <pre> graph TD BI1[Buying Investor] --> B1[Broker] SI1[Selling Investor] --> B2[Broker] B1 <--> PSE((PSE)) B2 <--> PSE B1 --> SB1[Settlement Banks] B2 --> PDTC1[PDTC (Depository)] SB1 --> SCCP[SCCP (Clearing House)] PDTC1 --> SCCP SCCP <--> PDTC2[PDTC (Depository)] SCCP <--> SB2[Settlement Banks] PDTC2 --> B3[Broker] SB2 --> B4[Broker] B3 --> BI2[Buying Investor] B4 --> SI2[Selling Investor] </pre> </div> <p data-bbox="646 2564 1199 2594">The Revised Clearinghouse Rules of the SCCP</p> <p data-bbox="646 2635 1073 2665">Rule 1.3 The Central Clearing System</p> <p data-bbox="646 2674 1136 2703">1.3.1 The System and Services of the SCCP</p> <p data-bbox="646 2712 1556 2742">SCCP, through its Central Clearing System, shall perform the following functions:</p>

No.	Market	Name of Organization	Settlement Cycles
			<p>Settlement and Clearing Systems for Securities Transactions</p> <p>(a) Clearing and Settlement of the Security Element and Cash Element of SCCP Eligible Trades as fed into the Central Clearing System;</p> <p>(b) Performance of Fails Management;</p> <p>(c) Establishment, maintenance and administration of the Clearing Fund;</p> <p>(d) Risk monitoring and management of all SCCP-Eligible Trades cleared and settled through the Central Clearing System; and (</p> <p>e) Such other services necessary or incidental to the Clearing and Settlement of SCCP-Eligible Trades.</p> <p>Rule 3: Continuous Net Settlement</p> <p>Rule 3.1 Daily Multilateral Netting CCCS operates under continuous net settlement system and as such daily multilateral netting occurs upon receipt of the Trades from the Exchange. The CCCS performs the netting process as soon as the Trades are uploaded to the system.</p> <p>The Securities Settlement instructions are netted multilaterally into a net receipt or delivery position in a given Security for each Clearing Member.</p> <p>All Cash debits and credits from these Securities Settlement instructions are also netted into a single net cash position for each Clearing Member. There will no longer be a direct link between the original counter-parties of the Trades; instead, all Clearing Members will have a direct obligation to deliver or right to receive to/from SCCP.</p> <p>Rule 3.2 Novation of Exchange Trades and Replacement of Parties to PSE Trades Contracts</p> <p>Shortly after this multilateral netting takes place, Novation of the original PSE Trade contracts occurs and the SCCP now stands between the original trading parties and becomes the Central Counterparty to each Trade cleared through it.</p> <p>SCCP replaces each net position with a settlement obligation/receipt for the scheduled Settlement Date. On Settlement Date, book-entry settlement instructions will be created for each net position to facilitate movements from the net delivering Clearing Members to the net receiving Clearing Members.</p> <p>Consequently, each net delivery obligation shall be replaced by a new settlement Contract between the net delivering Clearing Member as seller and SCCP as buyer, as principals to such Contract, and each net entitlement shall be replaced by a new settlement Contract between the net receiving Clearing Member as buyer and SCCP as seller, as principals to such Contract.</p> <p>Scope The Clearing and Settlement procedures described herein are limited to SCCP-Eligible Trades. SCCP does not perform any Clearing and Settlement services for non-Exchange trades.</p> <p>Operating Procedures of the SCCP</p> <p>2.0 Clearing and Settlement of Trades</p> <p>2.1.2 Delivery-versus-Payment SCCP guarantees a Delivery-versus-Payment (DVP) Settlement of these eligible trades. SCCP has adopted a DVP net settlement system for SCCP-Eligible Trades.</p> <p>2.1.3 Entities SCCP interfaces with various entities to effect delivery of the Securities and Cash Elements to the Net Receiving Clearing Members as specified in the Contracts:</p> <ul style="list-style-type: none"> (a) The Philippine Stock Exchange, Inc. (PSE) – provides direct primary input of equities trade contracts as an electronic feed from PSE’s information system. (b) Depository Facilities – perform book-entry transfer of Securities from the Net Selling Clearing Members to the Net Receiving Clearing Members. Includes the Philippine Depository and Trust Corp. (PDTC), formerly the Philippine Central Depository, Inc. (PCD). (c) Registry Facilities – perform book-entry transfer and recording of registered ownership of Securities. Includes the various stock transfer and registry agents. (d) Settlement Bank(s) – perform the physical transfer of Cash to effect the Cash Settlement of any SCCP-Eligible Trades. (e) Clearing Members – execute transfer and delivery instructions into the SCCP Central Clearing System. <p>2.1.4 Central Clearing and Central Settlement (CCCS) System</p> <p>The Clearing and Settlement process is supported by an automated system called the Central Clearing and Central Settlement (CCCS) System, which is solely owned and operated by SCCP. The system is web-based, and uses online and/or file transfer interfaces with the entities as mentioned in Section 2.1.3 above.</p>
14	Singapore	SAS	<p>SGX is T+2</p> <p>In house developed for TBSG other brokers use companies like: contemi, broadrige, silverlake</p>
15	South Korea	KOFIA	<p>Stock T+2 / Bonds – Treasury : T+1, others : T+0, OTC : up to deal(until T+30)</p> <p>Stock : KRX(Clearing), KSD(Settlement) Bond : KRX(only Bonds in Exchange Clearing), KSD(OTC Market Clearing, Settlement) Derivatives : KRX(Clearing), KSD(Settlement)</p>
16	Sri Lanka	CSBA	<p>Equity transactions: T+2 Bonds: typically T+2</p> <p>Stocks (Equities)</p> <p>The settlement and clearing of stock transactions in Sri Lanka are managed by the Central Depository Systems (Pvt) Ltd (CDS), a fully owned subsidiary of the Colombo Stock Exchange (CSE).</p> <ul style="list-style-type: none"> • Settlement Cycle: The standard settlement cycle for equity transactions is T+2, • Clearing: The CDS acts as the central counterparty for trades executed on the CSE, ensuring that both parties fulfill their obligations. • Custody: CDS provides depository services, holding securities in dematerialized form. <p>Bonds</p> <ul style="list-style-type: none"> • Government Bonds: The Central Bank of Sri Lanka manages the issuance and primary auction of government securities.

No.	Market	Name of Organization	Settlement Cycles
			Settlement and Clearing Systems for Securities Transactions
			<ul style="list-style-type: none"> • Corporate Bonds: Similar to equities, listed corporate debt are cleared and settled through the CDS. • Settlement Cycle: Typically T+2 <p>Derivatives The derivatives market in Sri Lanka is still in the developmental stage.</p>
17	Vietnam	VBMA	<p>Stock: T+3, Bond: From T+2 to T+4</p> <p>The HNX has the “Electronic Bond Trading system” or E-BTS, which is a modernized and advanced alternative in bond trading. E-BTS allows only members of HNX to enter the trading bonds by EBT system. This system can facilitate electronic negotiation, payment by SBV and settlement by VSD.</p> <p>Bond-Trading operation process as in Timely Basis Transaction or dealing date (T-n) · Front office negotiates and makes deals with counterparty. · Back office verifies deals with internal front office, confirms deal with counterparty, and sends payment to BIDV as for ensuring cash availability or checks with VSD to make sure that bonds are available for selling. · Transactions, confirmation could be done within the same day as trading date (T) or up to a week before trading date (that is “n” could be a number from zero to 7) or an even longer period sometimes. Note that a larger number of n means that there could be more risk in settlement if the bond market is very volatile.</p> <p>Trade date (T) · Back office key in dealing details, as put through, into the Electronic bond trading system (E-BTS).</p> <p>Settlement date (T+ 1) · The E-BTS will automatically notify the SBV and VSD to make the payment and transfer securities.</p> <p>Processing timing for bond dealing, confirmation, payment, and settlement depends on agreement among the parties and has to be done within office hours of three main organizations, i.e., HNX, SBV and VSD, and before entering deals into the E-BTS system to prevent a failed settlement.</p>

IV – 5. Current Status of Off-Exchange Transactions (including PTS, ATS, MTF, etc.)

No.	Market	Name of Organization	Current Status of Off-Exchange Transactions												
1	Asian Region	ASIFMA	N/A												
2	Asian Region	ICMA	N/A												
3	Bangladesh	DBA	N/A												
4	Cambodia	CASF	<table border="1"> <thead> <tr> <th>2023</th> <th>(USD)</th> <th>% of Total</th> </tr> </thead> <tbody> <tr> <td>Exchange Trade</td> <td>46,707,866</td> <td>90.2</td> </tr> <tr> <td>Off Market</td> <td>5,055,480</td> <td>9.8</td> </tr> <tr> <td>Total Trade</td> <td>51,763,347</td> <td>100.0</td> </tr> </tbody> </table>	2023	(USD)	% of Total	Exchange Trade	46,707,866	90.2	Off Market	5,055,480	9.8	Total Trade	51,763,347	100.0
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Exchange Trade	46,707,866	90.2													
Off Market	5,055,480	9.8													
Total Trade	51,763,347	100.0													
5	China	SAC	-												
6	Hong Kong	HKSA	<p>Off-exchange transaction for listed securities is not a common practice in Hong Kong, yet the dark pool (Alternatives Liquidity pools ALP) system exists among large financial institutions. However, once there is transaction done by dark pool, the institution must report to the Exchange immediately and the trades will be recorded accordingly. Licensed or registered person operating ALP should keep SFC informed of any changes in relation to operation of ALP.</p> <p>Except the dark pool transactions, some of the bonds and funds (authorized & unauthorized mutual funds) are also traded off-exchange.</p> <p>The SFC is working with the industry to encourage the development and use of alternative funds and bonds distribution platforms. For instance, the SFC and the Government are exploring with HKex the possibility of creating an exchange-based platform for fund and bonds distribution. The establishment will help Hong Kong to establish itself as the regional capital raising and product distribution center.</p>												
7	India	ANMI	Very limited transactions.												
8	India	BBF	<p>Off-Exchange transactions would be less than 1% thus Negligible.</p> <p>Such transactions take place directly between the two parties who give direct instructions to the Depositories to conduct the transactions. These transactions mainly take place in case of an open offer or takeover of a company. Such transactions do not require reporting to the exchange. In case the off-exchange transaction is executed through a registered stockbroker on a principal-to-principal basis, the stockbroker must report such transactions to the Exchanges.</p>												
9	Japan	JSDA	19.2% (https://www.jsda.or.jp/en/statistics/pts-for-equity/files/en_03_nennkan_baibaikabusuu.xlsx)												
10	Malaysia	ASCM	<p>Equities, Derivatives and Exchange Traded Funds in Malaysia are traded on the Exchange. Unlisted debt securities are however traded over the counter and most of the debt securities available in the market are unlisted.</p> <p>The Electronic Trading Platform (ETP) operated by the Central Bank facilitates over the counter trading transactions. ETP is a centralized database on Malaysian government and unlisted corporate debt securities that is integrated with Fully Automated System for Issuing/Tendering (FAST). ETP provides information on terms of issue, real-time prices, details of trades done, and supplies relevant news on debt securities issued by both the government and the private sector</p>												
11	Mongolia	MASD	N/A												
12	New Zealand	NZFMA	N/A												
13	Philippines	PASBDI	N/A												
14	Singapore	SAS	~<3% of transactions are off-exchange at TBSG												
15	South Korea	KOFIA	Approximately Stock is traded only 7% at OTC-Market, but Bond is traded 92% at OTC-Market Currently, ATS is not exist but on developing												
16	Sri Lanka	CSBA	N/A												
17	Vietnam	VBMA	N/A												

IV – 6. Share of On-line Trading

No.	Market	Name of Organization	Share of On-line Trading																
1	Asian Region	ASIFMA	N/A																
2	Asian Region	ICMA	N/A																
3	Bangladesh	DBA	100%																
4	Cambodia	CASF	N/A																
5	China	SAC	-																
6	Hong Kong	HKSA	According to the report Retail Investor Study 2023 published by IFEC, overall, 80% of stock investor use online channels the most often for stock trading and usage of mobile applications dominates (33% for banks' mobile apps and 28% for that of securities brokerages) Investor and Financial Education Council. (n.d.). Retail Investor Study 2023. https://www.ifec.org.hk/web/common/pdf/about-ifec/retail-investor-study-2023.pdf																
7	India	ANMI	In India, there are a total of 692 million active internet users, with estimates projecting 900 million users by 2025. Indian Online Trading Platform market is the fastest growing market in the Asia-Pacific region. (NSE Market Capitalization – \$ 5.4 Tn)																
8	India	BBF	<table border="1"> <thead> <tr> <th>Modes of trading</th> <th>National Stock Exchange of India (NSE)</th> </tr> </thead> <tbody> <tr> <td>ALGO</td> <td>10.5%</td> </tr> <tr> <td>Non-ALGO</td> <td>16.19%</td> </tr> <tr> <td>Direct Market Access</td> <td>6.32%</td> </tr> <tr> <td>Co-location</td> <td>35.14%</td> </tr> <tr> <td>Internet Based Trading</td> <td>8.51%</td> </tr> <tr> <td>Mobile</td> <td>22.69%</td> </tr> <tr> <td>Smart Order Routing</td> <td>0.65%</td> </tr> </tbody> </table> <p>Figures for the month of July 2024</p>	Modes of trading	National Stock Exchange of India (NSE)	ALGO	10.5%	Non-ALGO	16.19%	Direct Market Access	6.32%	Co-location	35.14%	Internet Based Trading	8.51%	Mobile	22.69%	Smart Order Routing	0.65%
Modes of trading	National Stock Exchange of India (NSE)																		
ALGO	10.5%																		
Non-ALGO	16.19%																		
Direct Market Access	6.32%																		
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Mobile	22.69%																		
Smart Order Routing	0.65%																		
9	Japan	JSDA	35.6% trading company are dealing internet transaction system. (https://www.jsda.or.jp/shiryoshitsu/toukei/files/netcyousa2403.pdf)																
10	Malaysia	ASCM	According to statistics published by Bursa Malaysia, the Q1 2019 online traded value made up 31% of the total industry traded value while for Q4 2018 it was 33%.																
11	Mongolia	MASD	Currently, there is limited specific data available on the exact share of online trading in Mongolia in numerical terms, such as percentages or USD values. In the broader context, the Mongolian Stock Exchange (MSE) has been working on modernizing its trading systems and increasing access to online trading.																
12	New Zealand	NZFMA	N/A																
13	Philippines	PASBDI	In 2023, the value of online trades accounted for 11.6% of the total market trades (not including block sales). In 2023, the share of online accounts to 80% of total stock market accounts mainly driven by new accounts opened through the GStocksPH platform (available on an e-wallet). Online accounts stood at 1,525,768 as of end-2023, up by 21.2% or 266,861 accounts. <ul style="list-style-type: none"> Note: A total of 1,906,019 stock market accounts as of end-2023, higher by 11.3% or 193,285 accounts from 1,712,734 accounts in 2022. In 2023, the average value per online trade inched up by 1.8% to Php 47,050.48 from the 2022 average of Php 46,236.40. <ul style="list-style-type: none"> Note: The 2023 average value per trade in terms of total market transactions was at Php 85,385.54, an increase of 9.6% from Php 77,926.41. 																
14	Singapore	SAS	~70% of clients in general for brokers in singapore >95% of trading is online at TBSG																
15	South Korea	KOFIA	In the KOSPI market, the decreasing trend of trading through HTS continued as the trading through mobile phone(MTS) continuously increased; share of MTS increased from 46.8% in 2020 to 47.9% in 2021, and the share of HTS decreased from 36.6% in 2020 to 35.8 in 2021. In the KOSDAQ market, share of MTS was 47.7% whereas that of HTS was 39.3% in 2021.																
16	Sri Lanka	CSBA	<ul style="list-style-type: none"> Online trading accounted for approximately 52% of the total trading volume. This indicates a significant reliance on digital platforms for stock trading by investors. 																
17	Vietnam	VBMA	HNX introduced the new electronic system for the auction of government bonds in July 2012. HNX also introduced an electronic trading system for T-bills in September 2012. HNX introduced E-BTS for bond trading in 2015 and this EBTS run parallel with BTS which was launch in 2012																

V. Safety Net for Investors Protection

No.	Market	Name of Organization	Existence of Investor Protection Fund
1	Asian Region	ASIFMA	HKD 500,000 Max / Investor https://www.sfc.hk/en/faqs/Investor-compensation#3E7D3510610540D8ADB9BE2055D8947
2	Asian Region	ICMA	N/A
3	Bangladesh	DBA	Yes, we have IPE under regulators i.e. BSEC, DSE, CSE
4	Cambodia	CASF	None
5	China	SAC	In June 2005, the State Council approved the CSRC, the Ministry of Finance and the People's Bank of China to issue the

No.	Market	Name of Organization	Existence of Investor Protection Fund																																																								
			Administrative Measures for the Securities Investor Protection Fund, also agreed to establish a wholly state-owned China Securities Investor Protection Fund Co., Ltd. , and approved the articles of association of the company. On August 30, 2005, China Securities Investor Protection Fund Co., Ltd. It has registered and established in State Administration for Industry and Commerce. It is under the centralized management of CSRC.																																																								
6	Hong Kong	HKSA	<p>Investor Compensation Fund (ICF) was established by SFC in 2003 to compensate investors who suffer pecuniary losses as result of licensed intermediates or authorized financial institutes. ICF is administrated by Investor Compensation Company Ltd (ICC). Serving as a safety net, the ICF is based on a per-investor compensation limit of HK\$500,000 for trading securities and futures contracts respectively. Under the terms of the Fund, you are eligible for compensation should you sustain a loss because of default by an intermediary in relation to specified securities and futures contracts, or related assets.</p> <p>In the unfortunate case of a monetary dispute with a financial institution, instead of taking your complaint to the court, an alternative is to use the mediation and arbitration services at the Financial Dispute Resolution Centre ("FDRC"). This is a non-profit organisation, which administers a Financial Dispute Resolution Scheme ("FDRS") in an independent and impartial manner to resolve financial disputes between individual customers and financial institutions.</p>																																																								
7	India	ANMI	<ul style="list-style-type: none"> India is amongst the largest markets in the world in terms of the number of investors. One of the largest multi-asset class exchange NSE in India has 94 million unique PAN investors. 7 crores plus households accounting for almost 20 % of India's population directly investing in stock markets today. Also, MIIs have an Investor Protection fund in place for safety of investors as per SEBI regulations. <div style="text-align: center;"> <p>Investor growth</p> <p>Unique investor base (lakhs):</p> <table border="1"> <tr><th>Fiscal Year</th><th>Unique investor base (lakhs)</th></tr> <tr><td>FY20</td><td>310</td></tr> <tr><td>FY21</td><td>400</td></tr> <tr><td>FY22</td><td>594</td></tr> <tr><td>FY23</td><td>727</td></tr> <tr><td>FY24</td><td>916</td></tr> <tr><td>FY25TD*</td><td>972</td></tr> </table> <p>Individual investors participation* (lakhs):</p> <table border="1"> <tr><th>Fiscal Year</th><th>CM Segment (lakhs)</th><th>FO Segment (lakhs)</th></tr> <tr><td>FY13</td><td>~40</td><td>~10</td></tr> <tr><td>FY14</td><td>~45</td><td>~12</td></tr> <tr><td>FY15</td><td>~50</td><td>~15</td></tr> <tr><td>FY16</td><td>~55</td><td>~18</td></tr> <tr><td>FY17</td><td>~60</td><td>~20</td></tr> <tr><td>FY18</td><td>~65</td><td>~22</td></tr> <tr><td>FY19</td><td>~70</td><td>~25</td></tr> <tr><td>FY20</td><td>~75</td><td>~28</td></tr> <tr><td>FY21</td><td>~80</td><td>~30</td></tr> <tr><td>FY22</td><td>~150</td><td>~50</td></tr> <tr><td>FY23</td><td>~250</td><td>~80</td></tr> <tr><td>FY24</td><td>~307</td><td>~96</td></tr> <tr><td>FY25</td><td>~213</td><td>~68</td></tr> </table> <p>* As of June 30th, 2024</p> <p>* Individuals investors' participation has been defined here as investors who have traded at least once in the year. Data for FY25 is as of June 30th, 2024</p> </div>	Fiscal Year	Unique investor base (lakhs)	FY20	310	FY21	400	FY22	594	FY23	727	FY24	916	FY25TD*	972	Fiscal Year	CM Segment (lakhs)	FO Segment (lakhs)	FY13	~40	~10	FY14	~45	~12	FY15	~50	~15	FY16	~55	~18	FY17	~60	~20	FY18	~65	~22	FY19	~70	~25	FY20	~75	~28	FY21	~80	~30	FY22	~150	~50	FY23	~250	~80	FY24	~307	~96	FY25	~213	~68
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8	India	BBF	<p>Clearing Corporation or the Exchange Maintains a Settlement Guarantee Fund. Each member contributes to the Settlement Guarantee Fund. This fund is Utilized when a member defaults to meet his settlement Obligations.</p> <p>Investor Protection Fund (IPF) is set up by Stock Exchange in accordance with the guidelines issued by the Ministry of Finance for retail investor protection, in order to compensate the claims of investors against the members of exchanges (brokers) who have defaulted or failed to pay. The investor can ask for the compensation if a member (broker) of the National Stock Exchange (NSE) or BSE Ltd fails to pay the due money for the investments made.</p>																																																								
9	Japan	JSDA																																																									
10	Malaysia	ASCM	<p>Pursuant to the Capital Markets and Services (Amendment) Act 2012 (CMSA Amendment Act 2012), the establishment of the Capital Market Compensation Fund came into effect from 28 December 2012 under Part IV of the Capital Markets and Services Act 2007 (CMSA) to provide recourse and compensation to protect investors' interest.</p> <p>In addition, under the Capital Markets and Services (Dispute Resolution) Regulations 2010, the Securities Industry Dispute Resolution Center (SIDREC) was established to resolve monetary disputes between investors and capital market intermediaries registered as its members including securities brokers.</p>																																																								
11	Mongolia	MASD	N/A																																																								
12	New Zealand	NZFMA	None																																																								
13	Philippines	PASBDI	<p>The Securities Investors Protection Fund, Inc. (SIPF), a non-stock, nonprofit corporation, was organized for the main purpose of creating, maintaining and administering a fund for the interest and promotion of the securities industry, and for aiding and protecting investors and securities and members of the Fund. It has a Board of Trustees composed of five (5) representatives from the PSE (consisting of 4 broker representatives and PSE president) and two (2) representatives from the Public Sector, one of which shall be elected as Chairman. The SIPF was created to protect investors against losses in the case of failure, insolvency, or frauds of a member-broker or dealer; effect an orderly distribution of the property & assets of the insolvent; and carry out measures that would promote a vigorous & effective market for securities. Its responsibilities and functions are mandated under Section 36.5 of the Securities Regulation Code and the Implementing Rules and Regulations. As of June 30, 2024, the SIPF Fund amounted to Php1.35B.</p>																																																								
14	Singapore	SAS	MAS regulations clients assets with broker cannot be commingled with house assets by law.																																																								
15	South Korea	KOFIA	<p>Not Exist.</p> <p>But, to protect investor's asset, Korea Securities Finance Corporation operates "Separate Deposit System".</p> <p>It is deposited with an investment dealer or broker by a customer for purchasing securities and trading derivatives on the KRX.</p>																																																								
16	Sri Lanka	CSBA	Yes, Compensation Fund and Settlement Guarantee Fund (SGF)																																																								
17	Vietnam	VBMA	N/A																																																								

VI. ESG/SDGs and the Securities Market

VI – 1. Government and/or Industry Initiatives to Promote ESG/SDGs Investment

No.	Market	Name of Organization	Government and/or Industry Initiatives to Promote ESG/SDGs Investment
1	Asian Region	ASIFMA	HKMA three-phased approach https://www.hkma.gov.hk/eng/key-functions/banking/banking-regulatory-and-supervisory-regime/green-and-sustainable-banking/ SFC Supporting Code of Conduct for Voluntary Adoption by ESG ratings https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=23PR126
2	Asian Region	ICMA	<p>Government and/or industry initiatives to promote ESG/ SDGs investment: Listed below are some of the initiatives led internationally to further green and sustainable finance:</p> <ul style="list-style-type: none"> • The Corporate Forum on Sustainable Finance • The Global Green Finance Council (GGFC) • The Loan Principles (GLP & SLLP) • The Green Bond Pledge • Network of Central Banks and Supervisors for Greening the Financial System (NGFS) • Financial Stability Board - Task Force on Climate-related Financial Disclosures (Task Force) • G20 Sustainable Finance Study Group • The Sustainable Banking Network (SBN) • The Sustainable Stock Exchanges (SSE) • The Global Investors for Sustainable Development Alliance (GISD) • The International Platform on Sustainable Finance (IPSF) • The Coalition of Finance Ministers for Climate Action <p>Listed below are some of the regional and national initiatives to further green and sustainable finance:</p> <ul style="list-style-type: none"> • ASEAN Market • Brazilian Market • Chinese Market • European Market • Japanese Market • Kenyan Market • Mauritius Market
3	Bangladesh	DBA	Yes, Regulators i.e. Bangladesh Securities and Exchange Commission (BSEC) & Dhaka Stock Exchange PLC. (DSE) are promoting ESG & SDG immediately.
4	Cambodia	CASF	Guideline on Issuance of Green Bond, Social Bond and Sustainable Bond (2022)
5	China	SAC	<p>1. To guide securities companies to deepen the practice of inclusive finance and serve rural revitalization. In the past five years, 40 enterprises in poverty-stricken cities have issued and listed projects, raising 42.8 billion yuan in financing. 36 projects have been listed on the New Third Board, and 322.5 billion yuan has been raised through corporate bonds, stock issuances, and other means. In 2023, training will be organized for rural cadres, entrepreneurs, and leading figures in wealth creation, with a total of nearly 27000 participants.</p> <p>2. To mobilize securities companies to practice the concept of financial goodness and actively participate in public welfare and charity undertakings. In 2023, the public welfare expenditure of the securities industry will be 690 million yuan. The industry has established 27 public welfare foundations and carried out more than 570 public welfare projects, with a total investment of over 270 million yuan. Throughout the year, the securities company organized over 3600 volunteer service activities, with a total of 52000 employees participating in volunteer services.</p> <p>3. To mobilize securities companies to expand their achievements in green finance and support the development of low-carbon and environmental protection industries. Currently, 8 securities companies have participated in carbon emission trading and carbon finance activities, promoting the development of the carbon sink market.</p> <p>According to publicly available information, in April 2024, Shanghai Stock Exchange, Shenzhen Stock Exchange, and Beijing Stock Exchange jointly issued the ‘Guidelines for Sustainable Development Reporting of Listed Companies’, which clearly regulates the disclosure framework of ESG sustainable development information by listed companies, the disclosure rules for environmental information, social information, and corporate governance information. ESG information disclosure is gradually moving from encouragement and suggestion to mandatory era. ESG reporting and information disclosure are becoming standardized and regulated.</p>
6	Hong Kong	HKSA	<p>Hong Kong is trying to establish its position as a green and sustainable finance hub: The regulators have been actively aligning Hong Kong’s ESG guidelines to the international standard set by the Taskforce on Climate-related Financial Disclosures (“TCFD”).</p> <p>Listed Companies All issuers listed on the Stock Exchange of Hong Kong were required to provide climate-related disclosures aligned with the International Sustainability Standards Board’s (ISSB) Climate Standard, from beginning January 1, 2024.</p> <p>Asset management In 2019, the SFC conducted an industry-wide survey to gain a better understanding of how and to what extent licensed asset management firms and leading institutional asset owners consider environmental, social and governance (ESG) risks, into their investment and risk management processes, post-investment ownership practices and disclosures. The survey results were published in December 2019.</p> <p>In August 2021, the SFC published its Consultation Conclusions on the Management and Disclosure of Climate-related Risks by Fund Managers and announced amendments to its Fund Manager Code of Conduct to require fund managers to take climate-related risks into consideration in their investment and risk management processes as well as to make appropriate disclosures. A circular was also issued to set out baseline requirements for all fund managers covering four key elements, namely governance, investment management, risk management, and disclosure, as well as the enhanced standards for larger fund managers.</p> <p>Responsible ownership The Principles of Responsible Ownership are a set of principles and guidance to assist investors with determining how best to meet their ownership responsibilities. These principles specify that investors should</p>

No.	Market	Name of Organization	Government and/or Industry Initiatives to Promote ESG/SDGs Investment
			<p>encourage their investee companies to have policies on ESG issues and to engage with them on significant ESG issues which may affect the companies' goodwill, reputation and performance.</p> <p>ESG ratings and data product providers In October 2023, the SFC announced its support and sponsorship for developing a code of conduct for voluntary adoption by ESG ratings and data products providers providing products and services in Hong Kong.</p> <p>The VCoC will be developed via an industry-led working group, namely the Hong Kong ESG Ratings and Data Products Providers VCoC Working Group (VCWG), with the International Capital Market Association (ICMA) as the Secretariat of the VCWG. The initiative is supported and sponsored by the SFC. Further details are available in the terms of reference and participation list of the VCWG published by the ICMA.</p> <p>In May 2024, the SFC welcomed the launch of a one-month public consultation on a voluntary code of conduct (VCoC). The draft VCoC is interoperable as it is consistent with the expectations introduced in other major jurisdictions.</p>
7	India	ANMI	<p>ESG - SEBI Actions</p> <ol style="list-style-type: none"> 1. One of the latest ESG regulatory frameworks in India - SEBI is proactively spearheading the refinement of ESG reporting standards in India and has already mandated the top 1000 listed companies to submit Business Responsibility and Sustainability Reporting (BRSR) reports as a part of their listing disclosure requirements. 2. SEBI – BRSR core covers top 250 listed entities (by market capitalization), on a comply-or-explain basis from FY 2024-25. 3. The BRSR Core that covers the first 150 companies expects them to have an assurance by their FY24 annual report. This threshold is expected to include 250 more companies in FY25 and will eventually encompass the first one thousand listed companies by FY27. <p>Source: https://www.sebi.gov.in/legal/circulars/jul-2023/brsr-core-framework-for-assurance-and-esg-disclosures-for-value-chain_73854.html</p> <p>India's market regulator SEBI intends to expand the scope of its sustainable finance framework to include more products, a potential boost to ESG-labeled instruments in Asia. Its plans also include adding eligible asset-backed securities and a requirement for independent external reviews of all ESG debt.</p> <p>India's issuance of ESG debt this year has touched \$15.6 billion, surpassing a previous annual record in 2021, according to data compiled by Bloomberg Intelligence.</p> <p>SDG by Government of India India Accelerates Progress towards the SDGs. India's current overall SDG score is 71 for 2023-24, significant improvement from 66 in 2020-21. The launch of the SDG India Index in 2018 provided the impetus for the localization push, reaffirming States and UTs as key stakeholders in this transformative journey. The SDG India Index has been consistently improved over the years to provide a comprehensive and comparative analysis of progress on the goals.</p> <p>Since 2018, India has witnessed substantial progress in several key SDGs. Significant progress has been made in Goals 1 (No Poverty), 3 (Good Health and Well-being), 6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities).</p> <p>Government's focus on ensuring food & nutrition security, health, education, electrification, housing for all, sanitation, clean cooking fuel & energy has significantly contributed to the improvements.</p> <p>Source: https://pib.gov.in/PressReleasePage.aspx?PRID=2032857</p>
8	India	BBF	<ul style="list-style-type: none"> - Indian Capital Markets regulator, Securities and Exchange Board of India (SEBI) has constituted advisory committee on Environmental, Social and Governance(ESG) matters in May 2022. - From FY 2023 –2024, the top 1000 listed entities (by market capitalization) shall make disclosures as per the updated Business Responsibility and Sustainability Report (BRSR) format, as part of their Annual Reports - Further, ESG disclosures for the value chain shall be applicable to the top 250 listed entities (by market capitalization), on a comply-or-explain basis from FY 2024-25 - Master Circular for ESG Rating Providers (ERPs), July 2023 - New category of Mutual Fund schemes for Environmental, Social and Governance (“ESG”) Investing and related disclosures by Mutual Funds, July 2023 - Revised Disclosure Requirements for Issuance and Listing of Green Debt Securities, Feb 2023
9	Japan	JSDA	<p>Government Initiatives In order to realize the goal of reducing greenhouse gas emissions to net zero by 2050, JFSA is promoting various measures to encourage corporate disclosure and behavioral changes among investors from the perspective of promoting sustainable finance. Jul.31, 2023 "The Third Report by the Expert Panel on Sustainable Finance" https://www.fsa.go.jp/singi/sustainable_finance/siryoku/20230630/04.pdf</p> <p>Also, Aiming to promote transition finance, the Ministry of Economy, Trade and Industry (METI) has been formulating a series of technology roadmaps for each sector as an effort toward the transition to decarbonization. Mar 30, 2023 ” METI Compiles Technology Roadmap for Transition Finance in the Automobile Sector toward the Transition to Decarbonization” https://www.meti.go.jp/english/press/2023/0330_003.html</p>

No.	Market	Name of Organization	Government and/or Industry Initiatives to Promote ESG/SDGs Investment
			<p>JSDA Initiatives</p> <p>In March 2018, the JSDA published the SDG Declaration to express its clear commitment to the promotion of the SDGs both domestically and internationally. https://www.jsda.or.jp/en/activities/SDGs/files/sdgsdeclaration180322_e.pdf</p> <p>In December 2021, based on the JSDA's advocacy, the ASF Study Group on Transition Finance was established within the ASF.</p> <p>In July 2022, the ASF published the "Declaration on Promoting Sustainable Finance" to further accelerate the resolution of social issues through the securities industry and contribute to a sustainable society by widely presenting certain policies that the securities industry should follow to the financial and capital markets. https://www.jsda.or.jp/en/activities/SDGs/files/Declaration_on_Promoting_Sustainable_Finance.pdf</p> <p>In November 2023, the JSDA, the JSDA, as a founding sponsor, participated in Impact Consortium, a public-private partnership established to realize a virtuous cycle linking solutions for environmental and social issues to sustainable growth. In February 2024, the Japanese government issued "Climate Transition Bonds," which is the world's first sovereign transition bond, and the JSDA issued a statement from the Chairman in conjunction with the issuance. In the statement, the JSDA strongly expressed its commitment to contribute to the steady promotion of Green Transformation (GX) by utilizing the capital market and its functions.</p>
10	Malaysia	ASCM	<p>Launched at the historic United Nations (UN) Summit in New York in 2016, the SDGs were ratified by 193 UN member states as a common framework for countries, businesses and civil society to focus their efforts on transforming the world by 2030. For Malaysia, the SDGs align to and build on the sustainable development agenda already set in motion by the Eleventh Malaysia Plan 2016-2020, which seeks to ensure that no section of society is left behind in nation development.</p> <p>As an initial step in Bursa's journey to contribute to the SDGs, Bursa has looked at the five goals put forward by the Sustainable Stock Exchanges Initiative as relevant for stock exchanges to support:</p> <ul style="list-style-type: none"> - Gender equality - Decent work and economic growth - Responsible consumption and production - Climate Action - Partnership for the goals <p>In October 2015, Bursa Malaysia launched a new Sustainability Framework, comprising amendments to the Listing Requirements and the issuance of a Sustainable Reporting Guide and Toolkit.</p> <p>This mandates all listed companies to publish sustainability reports in stages over a three-year period. Those with a market capitalisation over MYR2 billion (US\$500 million) were required to disclose a sustainability statement in their annual report issued for the financial year ended 31 December 2016. All other listed companies are required to do the same by 2018. Bursa's required sustainability statement refers to the management of material economic, environmental and social (EES) risks and opportunities of their business.</p>
11	Mongolia	MASD	<p>Mongolia has defined its national policies and strategies towards a development path in which economic growth, environmental balance and social stability co exist. As part of its commitments under the Paris Agreement and the National Green Development Policy (2014), the country strives to achieve a 22.7% reduction in total national greenhouse gas (GHG) emissions compared to the projected emissions under a business-as-usual scenario. In addition to climate change, pollution is one of Mongolia's most critical environmental concerns. The National Program on Reduction of Air and Environmental Pollution (2017) aims to decrease air pollutants by 80%, prohibit the use of unprocessed coal anywhere except for thermal power plants in Ulaanbaatar, and reduce air and environmental pollution by at least 50% by 2025. Furthermore, Mongolia has set ambitious targets in areas such as climate adaptation, water efficiency, waste management, job creation, income equality, and the development of a stable, professional governance system. To support this shift, the banking sector in Mongolia put devoted efforts into promoting sustainable finance. Since 2013, banks have been working in collaboration under the Mongolian Sustainable Finance (MSF) Initiative, a voluntary, market-led project aimed at integrating environmental and social considerations in lending and investment activities. In 2018, Mongolia introduced its National Sustainable Finance Roadmap up to 2030, which marks a vast reform agenda in the financial system to embed sustainable finance beyond banking, in insurance, capital markets and institutional investors.</p>
12	New Zealand	NZFMA	Climate Related Disclosures Regime
13	Philippines	PASBDI	<p>In 2019 the Philippines SEC Securities and Exchange Commission announced the requirement of sustainability reporting on a comply or explain basis for all listed companies, together with the publication of a guidance. The guidance is intended to help listed companies assess and manage non-financial performance across economic, environmental and social aspects of their organization and enable listed companies to measure and monitor their contributions towards achieving universal targets of sustainability, such as the UN's Sustainable Development Goals as well as national policies and programs, such as AmBisyon (Ambition / The Vision) Natin 2040.</p> <ul style="list-style-type: none"> ● The Sustainability Reporting Template for Publicly-Listed Companies ● The SEC launched a guidance on sustainability reporting and announced a penalty for an Incomplete Annual Report provided under SEC Memorandum Circular No. 6, Series of 2005 (Consolidated Scale of Fines). <p>The SEC offers guidance on corporate governance which is based on the G20/OECD Principles of Corporate Governance and the ASEAN Corporate Governance Scorecard.</p> <ul style="list-style-type: none"> ● Code of Corporate Governance of 2016 (SEC Memorandum Circular No. 19, Series of 2016). <p>PSE ESG Milestones (2018 – 2023)</p>
14	Singapore	SAS	SGX do provide ESG/SGD related ETFs
15	South Korea	KOFIA	<p>Development of ESG guidelines and reporting standards – release K-ESG Guidelines in December 2022</p> <ul style="list-style-type: none"> ☐ Incentives for green bond issuance and sustainable investments <ul style="list-style-type: none"> – Ministry of Environment provides corporates issuing green bonds with support of up to 300 million KRW in interest costs. ☐ Collaboration with international ESG standard-setting bodies

No.	Market	Name of Organization	Government and/or Industry Initiatives to Promote ESG/SDGs Investment
			- Based on the International Organization of Securities Commissions (IOSCO)'s recommendations on Environmental, Social, and Governance Ratings and Data Products Providers, the ESG bonds Certification and Evaluation Guidelines established by FSS, KOFIA and other related institutions set forth the rules and principles for credit rating agencies.
16	Sri Lanka	CSBA	N/A
17	Vietnam	VBMA	Decision No 1191/QĐ-TTg issued on August 14th, 2017 approving the roadmap to develop the bond market in the 2017-2020 period with a vision to 2030 mentioned the need to develop policies on green bonds

VI – 2. Status of ESG/SDGs-related Market

No.	Market	Name of Organization	Status of ESG/ SDGs related market
1	Asian Region	ASIFMA	ESG funds https://www.sfc.hk/en/Regulatory-functions/Products/List-of-ESG-funds HKEX Core Climate (carbon markets) https://www.hkex.com.hk/Join-Our-Market/Sustainable-Finance/Core-Climate?sc_lang=en
2	Asian Region	ICMA	Status of ESG/ SDGs related market (e.g. Green bond issuance, ESG/SDGs ratings or index, investment funds with ESG/SDGs consideration, etc.): ICMA serves as Secretariat to the Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) and the Sustainability-Linked Bond Principles (SLBP), providing support while advising on governance and other issues. The Principles are backed by a global market initiative bringing together all market participants and stakeholders from the private and official sectors.
3	Bangladesh	DBA	We have green Sukuk Bond issued on BDT 30,000 million.
4	Cambodia	CASF	Albeit small, green bond has gained market traction with first sizable issuance of USD10M in 2024. Challenge is the lack of specific interest for green among the domestic bond investors.
5	China	SAC	In terms of underwriting green corporate bonds, there are a total of 60 securities companies serving as lead underwriters or managers of green asset securitization products in 2023, underwriting (or managing) 174 bonds (or products) with a total amount of 182.853 billion yuan. Among them, there are 73 asset securitization products with a total amount of 115.151 billion yuan. In the first half of 2024, there were a total of 37 securities companies that served as lead underwriters or asset securitization product managers for green bonds, underwriting (or managing) 59 bonds (or products) with a total amount of 67.006 billion yuan. As the lead underwriters of low-carbon transition bonds, there are a total of 9 securities companies underwriting 11 bonds with a total amount of 17.4 billion yuan.
6	Hong Kong	HKSA	Green Bond: In 2022, the total green and sustainable debt issued in Hong Kong, including bonds and loans, soared to US\$80.5 billion. That was a remarkable increase of more than 40% over the previous year. To further consolidate Hong Kong's position as a green and sustainable finance hub, it was announced in the 2023-24 Budget that the scope of the Government Green Bond Programme would be further expanded to cover sustainable projects. Thereafter, it was set out in the 2024-25 Budget that the Government would set a borrowing ceiling of a total of HK\$500 billion for the Infrastructure Bond Programme ("IB Programme") and GGB Programme to allow more flexibility in quota re-allocation. Pursuant to the passage of a Resolution (i.e. Cap 61I) under section 3 of the Loans Ordinance by the Legislative Council on 8 May 2024, the Government is authorised to borrow up to a maximum principal amount outstanding at any time of HK\$500 billion or equivalent under the IB Programme and GGB Programme [^] . At the same time, with the expansion of the GGB Programme to cover sustainable projects, the GGB Programme was renamed as the Government Sustainable Bond Programme ("GSB Programme"). The Resolution was published in the Government Gazette and took effect on 10 May 2024, replacing the previous resolution (i.e. Cap 61H). ESG Funds: In April 2019, the SFC issued a Circular to management companies of SFC-authorized unit trusts and mutual funds – Green or ESG funds (2019 Circular) as an initial step to enhance the disclosure standard of ESG funds and improve their comparability, transparency and visibility. In June 2021, the SFC issued a new Circular to management companies of SFC-authorized unit trusts and mutual funds - ESG funds, which superseded the 2019 Circular. This circular set out the SFC's expectations with respect to how requirements under the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products apply to SFC-authorized funds which consider climate change or green or ESG or sustainability factors in their investment process. At the end of last year, our Securities & Futures Commission had authorised more than 200 ESG (environmental, social and governance) funds, with total assets under management exceeding US\$160 billion. Again, an impressive growth of 24% and 20%, respectively, year-on-year. Education and training: In June 2021, the SFC released its consultation conclusions on proposals to enhance its ongoing competency framework for corporations and individual practitioners, including that ESG would be included as a relevant topic for training under the Guidelines on Continuous Professional Training. The amended guidelines became effective in January 2022. Sustainable finance is a core area of work of the Investor and Financial Education Council (IFEC), which enhances capacity building and raises public awareness through its investor education, outreach activities and research initiatives. In March 2019, the IFEC published a dedicated green finance webpage to provide retail investors with product, market and regulatory information, presenting both risks and opportunities to raise their awareness and support better informed decision-making. ESG and sustainable finance educational messages are disseminated through the IFEC's online and social media channels, publicity

No.	Market	Name of Organization	Status of ESG/ SDGs related market																																																																																	
			<p>campaigns, talks and press events.</p> <p>In January 2023, the SFC hosted a training module, Hong Kong's Global Approach to Sustainable Finance, for more than 100 university students to familiarise young people with regulatory and market developments in sustainable finance. The training introduced participants to local and global regulatory initiatives for asset management, corporate disclosures, investment products, stress testing and taxonomies.</p>																																																																																	
7	India	ANMI	<ul style="list-style-type: none"> • During FY23, Indian government raised about 1.93 billion USD through sovereign green bonds, which was hiked to about 2.41 billion USD crores in FY24. • The anticipated increase to 3.01 billion USD - 3.61 billion USD for FY25 underscores the government's commitment to scaling up green finance initiatives. • REC Limited, a Maharatna Central Public Sector Enterprise under the Ministry of Power and a leading NBFC, has been honored with the 'Sustainability Champion – Editor's Choice Award' at the 'Outlook Planet Sustainability Summit & Awards 2024. • REC also received the award for issuance of \$750 million USD Green Bonds in April 2023 which was also the first USD Green Bond issuance from India post India's assumption of G20 Presidency and the largest ever Senior Green Bond Tranche by a South or South-East Asian issuer. The bond issue was priced at a minimum new issue premium of 7.5 bps, which was tighter than the most recent high-rated issuances from the region. <p>Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2002548#:~:text=REC%20has%20received%20the%20award,or%20South%2DEast%20Asian%20issuer.</p> <p>(The green financial landscape is rapidly evolving, offering a variety of instruments such as Green Bonds, Green Funds, Green Insurance, Green credits, and sustainability linked bonds (SLBs).</p> <p>According to International Financial Services Centres Authority Report on Transition Finance A 2022 report by the Climate Policy Initiative ("Landscape of Green Finance in India 2022") found that domestic sources accounted for the majority of green finance in India, at 87% and 83% in fiscal years 2019 and 2020, respectively. While international sources are increasing (from 13% in FY 2019 to 17% in FY 2020), they are still insufficient to meet India's net-zero target.</p> <p>Source: https://ifsc.gov.in/Document/ReportandPublication/ifsc-report-on-transition-finance_final_without_signature_0107202401072024073647.pdf</p> <p>On January 25, 2023, India issued the first tranche of its first sovereign green bond worth INR 80 billion (equivalent to \$980 million)).</p>																																																																																	
8	India	BBF	<p>BSE Ltd. and National Stock Exchange also have ESG indices which can help investors screen such companies. ESG related Index in India</p> <ul style="list-style-type: none"> - Morningstar India Sustainability Index - The MSCI India ESG Leaders Index - NIFTY100 ESG - S&P BSE 100 ESG Index 																																																																																	
9	Japan	JSDA	<p>Amount and number of SDG bonds Publicly offered in Japan</p> <p>(Issuance Amount : 100 million Yen)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Green (Issuance Amount)</th> <th>Social (Issuance Amount)</th> <th>Sustainability-Linked (Issuance Amount)</th> <th>Transition (Issuance Amount)</th> <th>Green (Number of Issuance)</th> <th>Social (Number of Issuance)</th> <th>Sustainability-Linked (Number of Issuance)</th> <th>Transition (Number of Issuance)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>350</td> <td>100</td> <td>2</td> <td>0</td> <td>2</td> <td>100</td> <td>0</td> <td>0</td> </tr> <tr> <td>2017</td> <td>1,231</td> <td>669</td> <td>6</td> <td>0</td> <td>9</td> <td>669</td> <td>0</td> <td>0</td> </tr> <tr> <td>2018</td> <td>2,367</td> <td>2,521</td> <td>10</td> <td>0</td> <td>26</td> <td>2,521</td> <td>0</td> <td>0</td> </tr> <tr> <td>2019</td> <td>5,650</td> <td>5,119</td> <td>14</td> <td>0</td> <td>47</td> <td>5,119</td> <td>0</td> <td>0</td> </tr> <tr> <td>2020</td> <td>7,754</td> <td>9,150</td> <td>25</td> <td>0</td> <td>47</td> <td>9,150</td> <td>0</td> <td>0</td> </tr> <tr> <td>2021</td> <td>10,958</td> <td>11,642</td> <td>42</td> <td>0</td> <td>84</td> <td>11,642</td> <td>0</td> <td>0</td> </tr> <tr> <td>2022</td> <td>10,856</td> <td>19,608</td> <td>50</td> <td>0</td> <td>93</td> <td>19,608</td> <td>0</td> <td>0</td> </tr> <tr> <td>2023.9</td> <td>14,824</td> <td>7,006</td> <td>41</td> <td>0</td> <td>85</td> <td>7,006</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Year	Green (Issuance Amount)	Social (Issuance Amount)	Sustainability-Linked (Issuance Amount)	Transition (Issuance Amount)	Green (Number of Issuance)	Social (Number of Issuance)	Sustainability-Linked (Number of Issuance)	Transition (Number of Issuance)	2016	350	100	2	0	2	100	0	0	2017	1,231	669	6	0	9	669	0	0	2018	2,367	2,521	10	0	26	2,521	0	0	2019	5,650	5,119	14	0	47	5,119	0	0	2020	7,754	9,150	25	0	47	9,150	0	0	2021	10,958	11,642	42	0	84	11,642	0	0	2022	10,856	19,608	50	0	93	19,608	0	0	2023.9	14,824	7,006	41	0	85	7,006	0	0
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10	Malaysia	ASCM	<p>ESG Index</p> <p>In December 2014, Bursa Malaysia and FTSE launched an Environmental, Social and Governance (ESG) index i.e. FTSE4Good Bursa Malaysia Index for the Malaysian market to:</p> <ul style="list-style-type: none"> • support investors in making ESG investments in Malaysian listed companies; • increase the profile and exposure of companies with leading ESG practices; • encourage best practice disclosure; and • support the transition to a lower carbon and more sustainable economy. <p>The FTSE4Good Bursa Malaysia Index constituents are selected from the top 200 Malaysian stocks in the FTSE Bursa Malaysia EMAS Index, screened in accordance with the transparent and defined Environmental, Social and Governance</p>																																																																																	

No.	Market	Name of Organization	Status of ESG/ SDGs related market
			<p>(ESG) criteria. The index has been designed to identify Malaysian companies with recognised corporate responsibility practices, expanding the range of the benchmarks of the FTSE Bursa Malaysia Index Series for the Malaysian Markets.</p> <p>Criteria: To be included in the index, companies need to meet a variety of ESG inclusion criteria. The criteria are consistent with the global ESG model that FTSE has developed and draw strongly from leading global disclosure frameworks such as the Global Reporting Initiative (GRI) and Carbon Disclosure Project (CDP).</p> <p>Corporate Transparency: Assessments are based on publicly available data sources and therefore companies are encouraged to ensure that high quality data and information is provided publicly on their ESG practices and performance.</p> <p>Index Governance: Index governance is aligned with that of the FTSE4Good and FTSE Bursa Malaysia Index Series. The FTSE Bursa Malaysia Committee defines the eligible universe through the composition of the FTSE Bursa Malaysia Index Series, and the independent FTSE4Good Committee is responsible for overseeing the environmental, social and governance criteria.</p> <p>Investment funds with ESG/SDG considerations Some domestic institutions e.g. pension funds are taking ESG/SDG into consideration as part of their investment decision-making process.</p>
11	Mongolia	MASD	-
12	New Zealand	NZFMA	<p>Green bond issuance</p> <p>Investment funds with ESG/SDGs consideration</p>
13	Philippines	PASBDI	<p><u>Sustainable Finance Framework</u> (Bangko Sentral ng Pilipinas, 2020)</p> <p><u>Sustainable Finance Roadmap</u> (Bangko Sentral ng Pilipinas, 2020)</p> <p><u>Country Progress Report Philippines</u> (International Finance Corporation, 2021)</p> <p>The Philippines has moved up to the “Developing” sub-stage of the “Implementation” stage from the “Formulating” substage of the “Preparation” stage on the SBFN Progression Matrix. The Central Bank of the Philippines (BSP), issued the country’s first Sustainable Finance Framework in April 2020, requiring banks to integrate environmental and social risk management in their corporate governance and risk management frameworks, as well as in their strategic objectives and operations. Formal working groups were created within the BSP. One working group is under the supervision sector and aimed at developing and issuing enabling regulations and embedding environmental, social, and governance (ESG) considerations in supervision; the other working group is focusing on the implementation of the Sustainable Central Banking Program.</p> <p>2013 BSP and DENR join SBFN</p> <p>2018</p> <ul style="list-style-type: none"> SEC adopts the Association of Southeast Asian Nations (ASEAN) Green Bond Standards, and issues Guidelines on the Issuance of Sustainability Bonds Under the ASEAN Sustainability Bonds Standards in the Philippines <p>2019</p> <ul style="list-style-type: none"> SEC issues the Sustainability Reporting Guidelines for Publicly Listed Companies SEC issues the Guidelines on the Issuance of Social Bonds under the ASEAN Social Bonds Standards and the Guidelines of the Issuance of Sustainability Bonds under the ASEAN Sustainability Bonds Standards in the Philippines BSP adopts the Sustainable Central Banking Program as one of its corporate strategies, aiming to champion the sustainability agenda in the financial system by fostering environmentally responsible and sustainable policies and work practices BSP joins the ASEAN Task Force on the Roles of Central Banks in Managing Climate and Environment-Related Risks, which aims to conduct a study on the roles of ASEAN Central Banks in addressing or managing climate and environment-related risks to monetary, financial, and broader macroeconomic stability <p>2020</p> <ul style="list-style-type: none"> BSP issues the Sustainable Finance Framework (Circular No. 1085 Series of 2020). requiring banks to integrate environmental and social risk management in their corporate governance and risk management frameworks, as well as in their strategic objectives and operations BSP joins the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) BSP publishes the Impact of Extreme Weather Episodes on the Philippine Banking Sector: Evidence Using Branch-Level Supervisory Data (Working Paper series 2020-03) BSP, together with the members of the ASEAN Task Force, publishes the Report on the Roles of ASEAN Central Banks in Managing Climate and Environment-Related Risks As of the end of 2020, the country’s accumulative green, Social, and Sustainability bonds issuance have reached \$3.53 billion <p>2021</p> <ul style="list-style-type: none"> The Philippines Inter-Agency Technical Working Group for Sustainable Finance (ITSF) issues the Sustainable Finance Roadmap and Sustainable Finance Guiding Principles BSP issues the Environmental and Social Risk Management Framework (Circular No. 1128 Series of 2021), complementing the Sustainable Finance Framework <p>2022</p> <ul style="list-style-type: none"> In May 2022, the largest bank in the country, <u>Banco de Oro (BDO) conducted a US\$100 million blue bond issuance</u>, the first in the private sector in Southeast Asia through an investment from the International Finance Corporation (IFC), expanding financing for projects that help prevent marine pollution and preserve clean water resources, while supporting the country’s climate goals.

No.	Market	Name of Organization	Status of ESG/ SDGs related market
			<p>2023</p> <ul style="list-style-type: none"> In August 2023, the <u>IFC made its largest investment to-date with \$250 million into second largest bank Bank of the Philippine Islands' green bond</u>, which aims to finance renewable energy and electric vehicle projects in the Philippines. The bond will support the country's aim to increase the share of renewables from the current 21% to 35% by 2030 and 50% by 2040. This was a third issuance for BPI since 2018.
14	Singapore	SAS	Available in SGX
15	South Korea	KOFIA	<ul style="list-style-type: none"> Increasing issuance of green bonds and sustainability-linked bonds – Outstanding balance(green bond is 19 billion USD / SLB first issued at 2023 and now is 232 million USD) Enhanced ESG disclosure requirements for listed companies - Starting in 2026, companies designated as "green companies" by the Minister of Environment and publicly listed companies with total assets exceeding 2 trillion KRW(About 1.5 billion USD) will be required to disclose environmental information. Additionally, companies with assets exceeding 1 trillion KRW(About 0.75 billion USD) will be mandated to disclose their corporate governance reports.
16	Sri Lanka	CSBA	<p>Sri Lanka has been actively promoting Environmental, Social, and Governance (ESG) and Sustainable Development Goals (SDGs) investments through several initiatives by both the government and industry players. Here are some key initiatives:</p> <p>Government and Regulatory Initiatives</p> <ol style="list-style-type: none"> Securities and Exchange Commission (SEC) Initiatives: <ul style="list-style-type: none"> Regulatory Framework for Green Bonds: The SEC, with technical assistance from the Asian Development Bank (ADB), has implemented a regulatory framework for the listing and trading of Green Bonds on the Colombo Stock Exchange (CSE). The framework has been further amended to include Blue Bonds and other sustainable bonds under the umbrella term "Sustainable Bonds" ESG Index: An ESG index has been introduced to benchmark companies demonstrating exemplary ESG practices. The CSE has collaborated with a reputable third-party ESG rating company to develop the index methodology, which has been released for public feedback <p>Industry Initiatives</p> <ol style="list-style-type: none"> Colombo Stock Exchange (CSE) Initiatives: <ul style="list-style-type: none"> ESG Reporting and Sustainability: The CSE, as a member of the Sustainable Stock Exchanges initiative, promotes sustainability practices among its listed companies. It has developed sustainability reporting guides in collaboration with the Global Reporting Initiative (GRI) and conducts training programs and awareness sessions for listed companies. Green Bonds: The CSE has introduced Green Bonds as a tradable product to attract investors interested in environmentally responsible projects. This is part of a broader initiative to promote sustainable bonds on the exchange. Sponsorship and Awards: The CSE partners with organizations like the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Certified Management Accountants (CMA) to sponsor awards that promote excellence in corporate reporting, contributing to the achievement of SDGs. <p>Collaborative Efforts</p> <ol style="list-style-type: none"> Public-Private Partnerships: <ul style="list-style-type: none"> 100 School Clubs Initiative: In collaboration with the Ministry of Education and the Presidential Secretariat, the SEC and CSE have established Capital Market Clubs in 100 schools to promote financial literacy and sustainability awareness among the younger generation University Programs: The SEC and CSE conduct awareness programs and quiz competitions like Varsity Battles to enhance financial literacy and promote ESG investment culture among university students' <p>These initiatives demonstrate Sri Lanka's commitment to integrating ESG and SDG criteria into its capital markets, fostering a sustainable investment environment.</p>
17	Vietnam	VBMA	<p>There have been only a handful of green bond issuances in Vietnam so far. In June 2024, Seabank issued the first blue bond in Viet Nam and the first green bond by a private commercial bank in the country.with total value of USD 75 million. The deal was financed by IFC, in which IFC's subscription in a blue bond of \$25 million will allow SeABank to expand its funding for sustainable economic activities associated with ocean and water (aquaculture and fisheries, water supply, and others). IFC's subscription in a green bond of \$50 million will help the bank increase its financing of green assets, including green buildings, renewable energy, and energy efficiency. Beside, in July 2024, the Asian Infrastructure Investment Bank is committed to investing \$75 million into green and blue bonds to be issued by Southeast Asia Commercial Joint Stock Bank.</p>

VII. Challenges for Securities and Capital Market

VII – 1. Major Recent Incidents and/or Challenges in Securities and Capital Markets as a Whole

No.	Market	Name of Organization	Major Recent Incidents and/or Challenges in Securities and Capital Markets as a Whole
1	Asian Region	ASIFMA	High interest rate has significantly dampened the market activities across asset classes, especially equities. In Sept, one family office rep shared in a Conference that 90% of their asset was held in cash.
2	Asian Region	ICMA	<ul style="list-style-type: none"> Move to T+1 settlement cycle Market integrity and greenwashing risks in sustainable finance

No.	Market	Name of Organization	Major Recent Incidents and/or Challenges in Securities and Capital Markets as a Whole
			· FinTech and digitalisation
3	Bangladesh	DBA	Financial Literacy, Corporate Governance, Disclosure Systems etc.
4	Cambodia	CASF	<ul style="list-style-type: none"> - Cambodian market is still small and does not have meaningful scale for an efficient market - Low trading liquidity as few investors trade daily, react to market events and create price movement - Fraud and scam on investment instrument outside of regulatory environment - Lack of domestic institutional investors for equity market
5	China	SAC	On April 12, 2024, the "Several Opinions on Strengthening Supervision, Preventing Risks, and Promoting High quality Development of the Capital Market" (New National Nine Articles) were released: 1. Strictly control the access to issuance and listing. 2. Strict continuous supervision of listed companies. 3. Strengthen delisting supervision. 4. Strengthen the supervision of securities and fund institutions, promote the industry to return to its roots and become better and stronger. 5. Strengthen transaction supervision and enhance the inherent stability of the capital market. 6. Vigorously promote the entry of medium and long-term funds into the market, and continuously strengthen the long-term investment force. 7. Further comprehensively deepen reform and opening up, and better serve high-quality development. 8. Promote the formation of a joint force to promote high-quality development of the capital market.
6	Hong Kong	HKSA	<p>Major Recent Incidents and/or Challenges in Securities and Capital Markets as a Whole:</p> <p>1. Global Economic uncertainty and US-China Tensions</p> <p>The escalating geopolitical tensions between the United States and China continue to create significant uncertainty in global financial markets. In 2023, the US imposed a series of export controls targeting Chinese semiconductor companies, severely impacting the supply chain and causing significant volatility in the stock prices of affected firms. The ongoing trade war has led to a decoupling of the two largest economies, with Hong Kong caught in the middle. As a major financial hub that bridges Western and Chinese markets, Hong Kong faces the risk of losing its unique status if these tensions escalate further.</p> <p>2. Impact of Monetary Policy Shifts</p> <p>The aggressive tightening of monetary policy by the US Federal Reserve, which increased the federal funds rate by 524 basis points from Aug 2021 to Aug 2023, has had a pronounced impact on global capital flows. For Hong Kong, where the Hong Kong dollar is pegged to the US dollar, this has led to a rise in local interest rates, increasing borrowing costs across the board. This has put pressure on the property sector, which is heavily reliant on debt financing, and has contributed to a slowdown in economic growth. Hong Kong's private home prices have fallen for 10 consecutive months before edging up in March, after the financial city lifted curbs to boost the ailing property market. As a result, Cases of negative equity in Hong Kong's residential mortgage loans rose 27% in the first quarter from the previous one to the highest in 20 years.</p> <p>3. Market Liquidity and Economic Slowdown</p> <p>Hong Kong's market has been particularly slow, exacerbated by the slowdown in China's economy. China's GDP growth rate China GDP growth slows to 4.7% in Q2, missing forecasts and down from 6.3% in 2023, with the property sector crisis, marked by defaults from major developers like Evergrande and Country Garden, creating ripples across the financial system.</p> <p>Moreover, the Purchasing Managers' Index (PMI) for Hong Kong slipped below from May to July 2024, indicating contraction in business activity, primarily due to weak demand and a sluggish global economy. This economic slowdown has further strained the equity markets, with the lowest first-half total of IPOs in over two decades. Hong Kong only raised US\$6.3b between January to July 2024, a 43.8% decline in proceeds compared to H1 2023, the lowest first-half total since 2003's \$1.8b.</p> <p>4. Rise of Sustainable Finance</p> <p>Hong Kong has made strides in positioning itself as a hub for green finance. Hong Kong government leads Asia in green-bond issuance and becomes fifth largest green bond issuer worldwide. Hong Kong's sustainable debt market issuance grew 236 per cent year on year in 2023 to US\$18.2 billion, according to the Climate Bonds Initiative. The Hong Kong government has also launched the Government Sustainable Bond Programme (GSB Programme) with a borrowing ceiling of HKD 500 billion, aimed at funding sustainable infrastructure projects.</p> <p>However, the market faces challenges in standardizing ESG metrics and ensuring transparency. A study report published by the Hong Kong Institute of Certified Public Accountants (HKICPA) in Nov 2023 was of the view that the absence of a widely-adopted and harmonised set of international standards for ESG reporting has presented challenges to assurers, as a result, the Government indicated earlier on that the Green and Sustainable Finance Cross-Agency Steering Group was considering adopting a gradual approach in aligning the relevant local requirements with the baseline of the International Financial Reporting Standards Sustainability Disclosure Standards published by the International Sustainability Standards Board in June 2023.</p> <p>The Stock Exchange of Hong Kong Limited has published consultation conclusions on the new climate-related disclosure requirements (the "New Climate Requirements") for issuers in their ESG reports for financial years commencing on or after 1 January, 2025. The New Climate Requirements closely align with the IFRS S2 climate-related disclosures published by the International Sustainability Standards Board (the "ISSB"). They form part of the Hong Kong roadmap for the local adoption of the ISSB Standards to prepare issuers for internationally recognised sustainability reporting. To ensure a reasonable timeframe for compliance, the HKEx will adopt a phased implementation: certain disclosures will be "comply or explain" for the first financial reporting year, and implementation relief is available for issuers preparing to make disclosures.</p> <p>5. Digital Transformation and Cybersecurity Risks</p> <p>The rapid digitalization of financial services has introduced new risks, particularly in cybersecurity. In the first half of this year, the number of cyber security incidents handled by Hong Kong Computer Emergency Response Team Coordination Centre ("HKCERT") increased by 31%, compared to the latter half of 2023. Among these incidents, phishing attacks accounts for the largest proportion, rising from 2,018 to 3,212 cases,</p>

No.	Market	Name of Organization	Major Recent Incidents and/or Challenges in Securities and Capital Markets as a Whole
			<p>involving over 18,000 malicious URLs, also the highest on record. Furthermore, the security incidents that happened in the past six months revealed some more sophisticated, AI-related cyber attacks. Of particular concern is the Next-Level Phishing Attacks, such as the recent deepfake scam, targeting major institutions. These trends coincide with the five key security risks which HKCERT previously brought the public to alert.</p> <p>The growth of digital assets, including cryptocurrencies, has further complicated the regulatory landscape. Based on these principles, we have established a licensing system and regulatory requirements for Virtual Asset Service Providers (VASP), which commenced operation on June 1 2023. Currently, two licensed VA trading platforms, through license upgrades, are able to offer Bitcoin (BTC) and Ethereum (ETH) trading services to retail investors. Licensed platforms are subject to rigorous regulation by the Securities and Futures Commission (SFC) to provide substantial protection for investors. The Securities and Futures Commission (SFC) reminds the public that the non-contravention period for virtual asset trading platforms (VATPs) operating in Hong Kong under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap 615) (AMLO) will end on 1 June 2024.</p> <p>All VATPs in Hong Kong must be either licensed by the SFC or deemed-to-be-licensed applicants under the AMLO.</p> <p>Operating a VATP without proper licensing is a criminal offence, and the SFC will take appropriate action against any breaches.</p> <p>Hong Kong's regulators will need to decide how many VATP licenses they would like to issue, and if there is enough market size and products to sustain these licensed trading platforms.</p> <p>6. Corporate Governance and Fraud Concerns</p> <p>Recent corporate governance failures have raised red flags in Hong Kong's financial markets. The 2023 fraud scandal involving a major listed property developer, which the listed company and its founder has been accused of inflating revenues by \$78bn in the two years before the firm defaulted on its debt, is the largest ever financial fraud case in mainland China, has shaken investor confidence.</p> <p>The Hong Kong Stock Exchanged just published a consultation paper outlining proposed enhancements to the Corporate Governance Code (Code) and related Listing Rules in June 2024. The proposal includes stricter requirements to improve the independence, effectiveness and diversity in board. Despite these measures, the market remains cautious, and restoring trust will require sustained efforts.</p> <p>7. Mainland China's Market Influence</p> <p>The integration of Hong Kong's financial markets with Mainland China continues through the Stock Connect and Bond Connect programs. During Q1 2024, The Stock Connect Northbound and Southbound average daily turnover of RMB133.0 billion and \$31.0 billion respectively. Driven by the expansion of eligible stocks under the Stock Connect programme with over 1,000 additional stocks eligible for Northbound Trading since March 2023, Northbound ADT recorded a year-on-year increase of 37 per cent.</p> <p>Bond Connect reached a fresh record for the quarter. Recent initiatives announced by the China Securities Regulatory Commission, such as the expansion of eligible ETFs and the inclusion of Real Estate Investment Trusts in Stock Connect, the addition of RMB-denominated stocks in Southbound Stock Connect, as well as supporting leading Mainland companies to list in Hong Kong, will further elevate the attractiveness of Hong Kong's capital markets.</p> <p>Overall, while Hong Kong's securities markets continue to adapt to these evolving challenges, the ability to maintain its competitive edge as a global financial hub will depend on effectively managing these risks and leveraging new opportunities in sustainable finance and digital innovation.</p>
7	India	ANMI	<ol style="list-style-type: none"> In addition to more intense competition and higher demand, market participants must be prepared for frequent regulatory changes. The scenario reinforces the need for a more holistic approach to technology and the role it can play in managing risk and compliance. Need for creation of secondary market in debt instruments particularly in corporate debt. Another important challenge before Indian capital market is the development of market for derivative products.
8	India	BBF	<p>Recent Incidents:</p> <p>Regulatory unease on excessive participation of retail in speculative activities</p> <ul style="list-style-type: none"> SEBI study finds that 7 out of 10 individual intraday traders in equity cash segment make losses The study also noted the surge of over 300% in the number of individuals participating in intraday trading in equity cash segment in FY 2022-23 compared to FY 2018-19. <p>Challenges:</p> <ul style="list-style-type: none"> Rate of change of regulations leaves less time with Market participants to adapt and implement efficiently Rising cost of compliance in Indian Capital Market
9	Japan	JSDA	<p>The main area which JSDA focuses on FY2024-25 are as follows:</p> <ol style="list-style-type: none"> Stronger Support for Asset Building Achievement of the SDGs Fostering Start-ups Accommodating Digital Transformation (DX) Provision of Financial Services Fit for an Aging Society Uplifting the Securities Industry and Improving Efficiency of Industry's Middle and Back-office Operations <p>https://www.jsda.or.jp/en/about/major-tasks/</p>
10	Malaysia	ASCM	<p>The general observation of our securities market is that there is over-regulation of market players, specifically the surveillance triggers & alerts, fact findings & sharing, market alerts and unusual market activities. These may have prematurely prevented the right level of speculative activities in our equities market and affected market velocity. The ASCM is of view that the regulators need to balance their surveillance efforts while allowing a healthy level of speculative activities. Pre-emptive and precautionary steps undertaken by surveillance must be conducted discreetly so as</p>

No.	Market	Name of Organization	Major Recent Incidents and/or Challenges in Securities and Capital Markets as a Whole
			<p>not to dampen the stock market. The Malaysian stock market is relatively small and illiquid with an average daily trading value of only around USD500 million.</p> <p>A key feature of new and emerging regulatory policy is the focus on senior management accountability. On 18 December 2018, the SC imposed sanctions against RHB Investment Bank (RHBIB) for breaches of the CMSA and several provisions in SC's guidelines on the prevention of money laundering and terrorism financing for capital market intermediaries. At the same time, an unprecedented monetary penalty of RM200,000 was also imposed on the MD/CEO of RHBIB. The basis of such severe actions was not disclosed or explained, causing concern among key personnel of stockbroking companies. More transparency from the regulators will assist the market participants to better understand and cope with the increasing regulatory expectations.</p> <p>As mentioned in Part II of this questionnaire, the securities market is regulated by both the SC and Bursa Malaysia. This resulted in overlapping enforcement, surveillance and regulatory compliance leading in increase in operating/compliance costs. Having a single regulatory body will help reduce operating cost of stockbroking companies and the regulators alike, leading to reduction in cost of doing business.</p> <p>Over the last few years, the two regulators have also been requiring voluminous (and duplicate) regulatory reportings. The stockbroking companies are burdened with various reporting requirements by both regulators and there are too many reporting platforms to make multiple submissions. Examples include Bursa Malaysia's ARMADA system, SC's ComRep, in addition to Company Commission's Malaysian Business Reporting System (MBRS) and Inland Revenue Board's eXtensible Business Reporting Language (XBRL). Recently, SC has also established the SC Cyber Security Portal in addition to Bursa's Computer Emergency Response reporting which also deals in cyber security. While the SC has formed a working group to look into the matter, little progress has been achieved. Hopefully, the regulators can quickly come up with a common regulatory reporting platform.</p>
11	Mongolia	MASD	<p>The Mongolian capital market faces several common challenges, particularly in areas such as public financial education and overall market development. Financial literacy among the general public in Mongolia is relatively low. Many citizens lack a fundamental understanding of financial instruments, investment strategies, and the workings of the capital market. This limited financial knowledge hampers investor participation and confidence in the market. Efforts are being made to improve financial education through initiatives by the Mongolian Stock Exchange (MSE), Financial Regulatory Commission (FRC), and various educational programs, but progress remains slow and requires sustained effort. The infrastructure supporting the capital market, including trading systems, settlement processes, and custodial services, needs continuous upgrades to match the efficiency and reliability found in more mature markets. The transition to more advanced trading and settlement systems is a positive step, but full implementation and optimization are still in progress.</p>
12	New Zealand	NZFMA	Nil
13	Philippines	PASBDI	Starting on Jan. 1, 2018, the stock transaction tax (which is in lieu of capital gains tax) was raised by 20% from 0.5% to 0.6% of gross transaction value. The increase was part of the government's tax reform program.
14	Singapore	SAS	Low retail participation rate in Singapore. Not many new listings in Singapore.
15	South Korea	KOFIA	Korea Discount : Value-up Projects for Korean Listed Companies
16	Sri Lanka	CSBA	<p>Economic Crisis and Recovery Efforts</p> <ol style="list-style-type: none"> Economic Downturn: last two years was marked by a recovery phase following the worst economic crisis in Sri Lanka's history. The crisis severely tested the resilience of financial markets and institutions. IMF Bailout: In March 2023, the International Monetary Fund (IMF) approved a USD 2.9 billion bailout under a four-year program to help restore economic stability. Despite this, the path to recovery remained fraught with challenges. <p>Regulatory and Structural Reforms</p> <ol style="list-style-type: none"> Need for Reforms: The economic crisis underscored the need for comprehensive economic reforms, including strengthening public financial management, enhancing domestic resource mobilization, and improving the performance of state-owned enterprises (SOEs). Delay in Reforms: Delays in implementing these reforms, particularly the restructuring of SOEs, have been a significant issue. The fiscal burden and macroeconomic implications of such delays were profound. <p>Capital Market Challenges</p> <ol style="list-style-type: none"> Market Performance: The All Share Price Index (ASPI) grew by over 25% in 2023, helping to recover losses from 2022. However, the daily average turnover dropped indicating lower market activity despite positive index performance. Foreign Investment: Although there was a net foreign inflow the contribution of foreign investors to total market turnover was marginally increased, with local individuals continuing to dominate market activity. Around 10% <p>Structural Developments</p> <ol style="list-style-type: none"> Demutualization of the CSE: The ongoing process of demutualizing the Colombo Stock Exchange (CSE) aims to establish robust governance and management structures necessary for an efficient stock exchange. Digital Transformation: The Securities and Exchange Commission (SEC) has focused on digitalizing both regulatory and administrative functions to enhance operational efficiency and effectiveness. Introduction of New Products: Initiatives such as regulated short selling, Shariah-compliant debt securities, and the establishment of a multi-currency exchange are being introduced to diversify market offerings and attract more investors. <p>Investor Protection</p>

No.	Market	Name of Organization	Major Recent Incidents and/or Challenges in Securities and Capital Markets as a Whole
			<p>1. Safety Nets: The SEC has established mechanisms like the Compensation Fund and the Settlement Guarantee Fund (SGF) to protect investors and ensure the integrity of the market. The SGF had a balance of Rs. 1,279.2 million by the end of 2023.</p> <p>These incidents and challenges reflect the complex environment within which Sri Lanka's securities and capital markets operate. Continuous efforts in regulatory reforms, digital transformation, and investor protection are crucial for fostering a resilient and sustainable market.</p>
17	Vietnam	VBMA	<p>In 28 March 2019, the government issues decision 242/QD-TTg approving the plan to restructure Vietnam stock market and insurance market towards 2020 and set out direction for 2025. Vietnam has been on FTSE Russell's watch list for upgrading to Secondary Emerging market since 2018. In the latest FTSE review in September 2023, Vietnam still couldn't be upgraded from frontier market to secondary emerging market. Major hurdles include foreign ownership limit (FOL), capital flow, information disclosure in English, lack of stock borrowing and stock short sell. Investor base would be a key concern for bond market in Vietnam, the role of pension funds, asset management funds is not fully developed</p>

VII – 2. Specific Challenges in Equity Markets

No.	Market	Name of Organization	Specific Challenges in Equity Markets
1	Asian Region	ASIFMA	Low trading volume, lack of liquidity
2	Asian Region	ICMA	N/A
3	Bangladesh	DBA	Pricing and pricing environment. Capturing factors affecting equity prices and obtaining share price information on real time basis is the real challenge in the equity market.
4	Cambodia	CASF	<ul style="list-style-type: none"> - Investor knowledge on stock investment - Lack of confidence as most counters are not performing mainly due to lack of new investors in secondary market - Low liquidity - Investor looking for quick short-term gain and Cambodia stock market lack of the dynamics for short term price movement
5	China	SAC	<p>1. To further strengthen the institutional foundation for investor protection. 2. To further promote the improvement of the quality of listed companies. 3. To further promote industry institutions to improve their professional service level. 4. Further crack down on securities related illegal and criminal activities in accordance with the law. 5. Further smooth the channels for investors to protect their rights and seek relief.</p>
6	Hong Kong	HKSA	<p>Global Investor fleeing to other Asian-Pacific markets: Facing (a) macroeconomic challenges, (b) interest rate hikes and a (c) weaker-than-expected growth outlook, global investors diversified their allocations for Asia-Pacific to other jurisdictions, with India and Japan among the beneficiaries.</p> <p>Market Capitalization: With a market value of around \$3.99 trillion (Jul 2024), Hong Kong is home to one of the top-ranked stock markets globally just behind those in the United States, Europe, China, Japan and India.</p> <p>Average Daily Turnover: The average daily turnover in July 2024 was \$12.66 billion, while the average daily turnover for the first seven months of 2024 was \$13.94 billion, a 35% drop compared to 2022.</p> <p>Heng Seng Index Volatility: Hong Kong's Hang Seng Index fell by almost 14 percent in 2023, plunged 12% to below 15,000 in January, but then reversed course and soared over 30% to 19,636 in mid-May when Chinese authorities supported the property sector with new policies.</p> <p>IPO Proceeds: In the first half of the year, total funds raised on the Hong Kong market reach HK\$13.1 billion – a 27% drop year-on-year. There were 30 new listings in Hong Kong in the first half of 2024, including 29 companies listed through the Main Board and one GEM Board listing – a decrease of 9% compared to the first half of 2023.</p> <p>Weaker renminbi: A weaker renminbi has raised concerns among international investors about the impact of changes in the exchange rate on the earnings of mainland Chinese companies listed in Hong Kong and their share prices.</p>
7	India	ANMI	<ul style="list-style-type: none"> • Government Policies – Corporate Tax • Regulatory Policies of SEBI and Monetary Policy of RBI • Exchange Rates • Foreign Institutional Investors (FIIs) and Domestic Institutional Investors (DIIs) • Interest Rate and Inflation • Gold Prices and Bonds <p>https://www.5paisa.com/blog/9-factors-that-affects-the-indian-stock-market</p>
8	India	BBF	<p>Regulatory unease on excessive participation of retail in speculative activities:</p> <ul style="list-style-type: none"> - SEBI study finds that 7 out of 10 individual intraday traders in equity cash segment make losses - The study also noted the surge of over 300% in the number of individuals participating in intraday trading in equity cash segment in FY 2022-23 compared to FY 2018-19. - Capital markets need to improve investor suitability arrangement. - Another study by the regulator done on Equity F&O Segment found that 89% of the individual traders (i.e. 9 out of 10 individual traders) incurred losses, with an average loss of Rs. 1.1 lakh (~USD 1300) during FY22, whereas, 90% of the active traders incurred average losses of Rs. 1.25 lakh (~USD 1500) during the same period - No. of individual traders in index options and stock options went up by nearly 8 and 5 times, respectively, in last 3 years. - Among all the unique individual traders who traded in equity F&O segment, 98% traded in options while 11% traded in futures during FY22 as compared to 89% and 43%, respectively, during FY19
9	Japan	JSDA	-
10	Malaysia	ASCM	These are some of the specific challenges (although most of them are not new) facing the Malaysian equity market are:

No.	Market	Name of Organization	Specific Challenges in Equity Markets
			<ul style="list-style-type: none"> • Aging remisiers and few new entrants to the industry. This has resulted in stockbroking companies poaching remisiers from their competitors by offering attractive monetary incentives. The consequence of this poaching of remisiers caused the whole industry to suffer. • Low overall stock market trading volume. The pie is too small for everyone. (New Government to the rescue?). • Increasing operating, compliance, IT and cyber security costs. • Digitization, online trading and stiff competition leading to continuous pressure on the brokerage rates. • Over dependency on 2 main frontend trading system providers (N2N and ExcelForce).
11	Mongolia	MASD	-
12	New Zealand	NZFMA	N/A
13	Philippines	PASBDI	<p>On April 16, 2024, the SEC announced the <u>Removal of the Minimum Commission Charged by the PSE Stockbrokers</u> from a previous prescription of a minimum commission ranging from 0.25% to 0.05% of the value of the trade transaction.</p> <p>In response, PASBDI issued a statement that it supports reforms such as the No. 9277 or the Capital Markets Efficiency Promotion Act and it respectfully requests that reduction of taxes on stock transactions from 0.6% to 0.1% as well as reducing the tax on dividends of foreign non-residents from 25% to 10%, should go hand-in-hand with the reduction in broker commission charges, for a more meaningful reform that will be appreciated by a wider investor base.</p>
14	Singapore	SAS	Low retail participation rate in Singapore. Hence potentially a markets that can grow further.
15	South Korea	KOFIA	Korea Discount : Value-up Projects for Market Cap of Korean Listed Corporates & KOSPI, KOSPI
16	Sri Lanka	CSBA	<p>1. Delisting of Large Cap Companies</p> <ul style="list-style-type: none"> • Significant Impact on Market Confidence and Liquidity: The voluntary delisting of prominent companies like Expo Lanka PLC, Nestle Lanka PLC and other major entities such as Indo-Malay PLC, Good Hope PLC, Selinsing PLC, and Shalimar (Malay) PLC negatively affected market confidence and liquidity. These delistings were often due to strategic realignments and changes in the business environment, making continued listing less favorable for these companies. <p>2. Market Volatility and Economic Instability</p> <ul style="list-style-type: none"> • Economic Crisis: The severe economic crisis in Sri Lanka led to high market volatility, making it difficult for companies to maintain stable listings and for new companies to consider listing. This instability also deterred both local and foreign investors, impacting overall market performance. <p>3. Decline in Investor Confidence and Market Liquidity</p> <ul style="list-style-type: none"> • Reduced Trading Activity: Due to the economic challenges, there was a significant decrease in average daily turnover, reflecting cautious investor sentiment. The overall reduction in trading activity hampered market liquidity, making it challenging for investors to enter and exit positions efficiently. <p>4. Regulatory and Compliance Challenges</p> <ul style="list-style-type: none"> • Increased Regulatory Burden: The SEC and CSE faced numerous regulatory challenges, including the need to implement new frameworks to enhance market transparency and integrity. The introduction of regulations for short selling, stock borrowing and lending, and new sustainable financial products required significant adjustments from market participants. <p>5. Technological and Operational Challenges</p> <ul style="list-style-type: none"> • Modernization Efforts: The push towards modernizing and digitizing market infrastructure, including the implementation of a Central Counterparty (CCP) system and moving towards shorter settlement cycles (T+2 and T+1), presented significant operational challenges. These changes required substantial investment and adaptation from market participants. <p>6. Strategic Challenges</p> <ul style="list-style-type: none"> • Diversification of Market Offerings: While the introduction of new products like sustainability bonds and Shariah-compliant debt securities aimed to diversify the market, these initiatives required overcoming significant regulatory and operational hurdles. Ensuring market participants' readiness and investor awareness were key challenges. <p>Summary</p> <p>The equity market in Sri Lanka faced a multitude of challenges, primarily stemming from economic instability, significant delistings, regulatory changes, and efforts to modernize market infrastructure. These factors collectively impacted investor confidence, market liquidity, and overall market performance, necessitating robust strategic responses from regulatory bodies and market participants.</p>
17	Vietnam	VBMA	<p>Need to accelerate the equitization of State-owned companies</p> <p>Need to upgrade the electronic trading platform in order to handle the growth in investors' participation and enable T+0 trading (instead of T+3 currently), short-selling, Ho Chi Minh City Stock Exchange (HOSE) is preparing to go-live with the new KRX trading system.</p> <p>Need to strengthen stock market surveillance to timely identify stocks with abnormal trading activities and signs of manipulation.</p> <p>Need to enhance inspection, examination, and monitoring efforts to enforce information disclosure as required by laws to prevent fraudulent activities in the stock market.</p>

VII – 3. Specific Challenges in Bond Markets

No.	Market	Name of Organization	Specific Challenges in Bond Markets
1	Asian Region	ASIFMA	Collateral management, repo agreement
2	Asian Region	ICMA	<ul style="list-style-type: none"> · Bond market liquidity and resilience · Promoting a workable transparency regime / consolidated tape for bonds · Best practices for electronic trading · Accelerated settlement and settlement efficiency · Promoting common data standards across the issuance lifecycle
3	Bangladesh	DBA	<p>(1) High interest rate and crowding-out effect.</p> <p>(2) Regulatory barriers and tax disincentives.</p> <p>(3) Inadequate market infrastructure and liquidity.</p> <p>(4) Limited Investors base and product diversity.</p> <p>(5) Low Awareness and education level, etc.</p>
4	Cambodia	CASF	<ul style="list-style-type: none"> - Narrow investor base - Cost not always competitive compared with bank borrowings
5	China	SAC	There are differences in the standards of bond business under different regulatory systems, resulting in different regulatory standards for credit products but applying different regulatory regulations, which is not conducive to the balanced development of different bond varieties.
6	Hong Kong	HKSA	<p>Hong Kong’s Bond Segment is made up from three segments: (1) Hong Kong dollar (HKD), (2) offshore renminbi (CNH) and (3) G3 (bonds denominated in US dollars, euro or Japanese yen), each representing 190.4 B (20%), 132.1 B(14%) and 627.2 B(66%) in 2023. China’s local government financing vehicles.</p> <p>In 2023, close to US\$90 billion worth of international bond issuances from the region were arranged in Hong Kong, equivalent to around a quarter of the market.</p> <p>Collapsing issuance of dollar bonds by Chinese private real estate developers: By Jul 2024, Chinese real estate companies have defaulted on more than \$123 billion in international bonds and 148 billion yuan (\$20.3 billion) in onshore bonds since 2020, according to data compiled by Bloomberg. At least another \$59 billion of Chinese developer debt are trading at distressed levels. China-based private developers previously generated about 40 percent of Asia's dollar speculative-grade issuance, and over 70 percent of such issuance out of Greater China. Chinese offshore corporate bonds coming due this year (US\$92 bil.) is less than both 2023 (US\$111 bil.) and 2025 (US\$104 bil.). Real estate has US\$34 bil. maturing in 2024, much of which may undergo restructuring since most developers are in distress.</p> <p>Rising Credit Risk Among Chinese Issuers: As economic conditions in Mainland China remain challenging, there is an increasing risk of credit deterioration among Chinese bond issuers. The property sector crisis, marked by the defaults of major developers like Evergrande, has already led to a wave of credit downgrades. The ripple effects have been felt in the bond market, with yields on Chinese high-yield bonds spiking to multi-year highs, reflecting growing investor concern over potential defaults. In 2024, the default rate among Chinese high-yield issuers is expected to exceed 8%, up from 5.5% in 2023. This rise in credit risk is likely to lead to higher borrowing costs for Chinese companies, further deterring them from issuing new bonds, both onshore and offshore. Investors are increasingly demanding higher risk premiums to compensate for the elevated default risk, which could lead to a contraction in the bond market as a whole.</p> <p>China’s effort in deleverage local governments by limiting Local Financing Vehicles (LGFV): LGFVs have the next most bonds due this year (US\$20 bil.) and consumer sectors the third (US\$ 12bil.), hence more refinancing needs. Among LGFVs (c. 38% of SOE issuances), higher-rated firms (domestic ‘AAA’ and ‘AA+’) have been able to issue, but in lower volumes, impacting Hong Kong Bond Market. LGFVs saw their largest quarterly financing outflow in the second quarter since Fitch Ratings Inc. began to track the data in 2018. Net financing — new yuan bond issuance minus maturities — for the period came in at negative 179 billion yuan (\$24.6 billion), marking the third consecutive quarter of net outflows. The shrinking of LGFV debt highlights the government’s determination to rein in the sector and deleverage local governments, which have been hit hard by sliding land sales. Even so, reducing LGFVs’ debt remains a daunting task. LGFVs’ outstanding bond balance stood at 11.5 trillion yuan (\$1.6 trillion) as of June 30, according to Fitch Ratings. This trend stands in contrast to earlier years, when the LGFV bond market continued to expand despite authorities’ efforts to keep it in check. The second half of last year saw a rush by many LGFVs to raise 364-day offshore bonds, seemingly in a bid to circumvent regulation that requires them to seek approval for borrowing outside China with maturities longer than a year. Roughly \$9 trillion worth of local government debt poses a major risk to the world's second-largest economy and the country's financial stability, economists say, amid a deepening property crisis and years of over-investment in infrastructure.</p> <p>China Allowing Local Governments to issue ultra-long bonds: Regulators are giving some Chinese LGFVs and local SOEs greater access to long bonds. Previously, only large central state-owned enterprises (SOEs) could issue ultra-long bonds at tenors of 30 years or longer. Now we are seeing more long-bonds (tenors of 10 years or greater) from local government financial vehicles (LGFVs), and increased ultra-long bonds from local SOEs. The upshot for investors is they will be offered very long-dated bonds from some of China's weaker entities, presenting policy and interest-rate risks over the tenor of the instrument.</p> <p>Global Interest Rate Trends and Bond Market Vulnerabilities: The global bond market is currently at a crossroads, with expectations of a potential new cycle of interest rate reductions led by the US Federal Reserve. After a period of aggressive rate hikes, the market is now anticipating a pivot towards easing, especially if economic growth continues to slow. However, this shift carries its own set of risks. If the Fed initiates rate cuts, bond prices, particularly those with higher credit ratings, could experience a significant appreciation as yields fall. This scenario might lead to a temporary boost in bond market valuations. However, if the rate reduction cycle proves to be short-lived or if inflationary pressures re-emerge, there is a risk of an asset bubble forming in the bond market. Such a bubble could lead to sharp corrections once the market adjusts to the reality of rising rates or tighter monetary conditions. In Hong Kong, the bond market is particularly sensitive to these global interest rate movements due to the city’s pegged</p>

No.	Market	Name of Organization	Specific Challenges in Bond Markets
			currency system and its open capital markets. A sudden shift in global interest rates could lead to increased volatility in bond prices, particularly for longer-duration bonds, and could impact the overall stability of the financial system.
7	India	ANMI	<ul style="list-style-type: none"> • Narrow Investment Base • Insufficient Participation by foreign Investors • Virtually absent secondary market • Private placement
8	India	BBF	<ol style="list-style-type: none"> 1. Measure to increase the liquidity leading to price inefficiency and depth of the market. 2. Improve Corporate bond market with awareness programs so as to enhance participation. 3. Bond market are underdeveloped, and the proportion of debt financing is low.
9	Japan	JSDA	-
10	Malaysia	ASCM	Malaysia faces the challenge of how to improve broader access and efficiency of the bond market. A high degree of investor concentration, dominated by government pension funds, has the effect of impeding the growth of higher-yield bond market.
11	Mongolia	MASD	The bond market in Mongolia is presently undergoing a developmental phase. We are dedicated to driving progress, continuous improvement, and fostering innovation within this sector. Our focus is especially concentrated on the advancement and professionalization of bond trustees as well as external organizations that interact with and support the bond market. We are actively working to establish robust frameworks, enhance regulatory practices, and implement cutting-edge solutions to ensure the efficient functioning and growth of the market.
12	New Zealand	NZFMA	N/A
13	Philippines	PASBDI	N/A
14	Singapore	SAS	OTC bonds only available to accredited investors(AI)
15	South Korea	KOFIA	<input type="checkbox"/> Expected Volatility in the Bond Market Due to Anticipated but Irregularly Interest Rate Cuts <input type="checkbox"/> The decision on South Korea's inclusion in the FTSE Russell World Government Bond Index (WGBI) will be made in September 2024.
16	Sri Lanka	CSBA	<p>1. Foreign Participation</p> <ul style="list-style-type: none"> • Low Foreign Investment: The bond market saw limited foreign participation due to ongoing economic instability and concerns about the country's fiscal health. The lack of foreign investment affected market liquidity and overall market confidence. • Currency Risk: Foreign investors were cautious about currency risk given the volatility of the Sri Lankan Rupee, which further deterred significant foreign participation in the bond market. <p>2. Consistent Twin Deficits</p> <ul style="list-style-type: none"> • Fiscal Deficit: The persistent fiscal deficit created uncertainty about the government's ability to meet its debt obligations. This uncertainty made government bonds less attractive to both local and foreign investors, who were concerned about potential default risks and restructuring scenarios. • Current Account Deficit: The ongoing current account deficit added to the economic instability, affecting investor confidence in the bond market. Concerns about the country's balance of payments and external debt servicing capabilities further discouraged investment. <p>3. Debt Restructuring Complications</p> <ul style="list-style-type: none"> • Negotiations and Delays: Complications in debt restructuring negotiations created uncertainty in the bond market. Investors were wary of potential haircuts or restructuring terms that could affect the value of their investments. • Credit Rating Downgrades: Frequent downgrades by international credit rating agencies due to delays and uncertainties in the restructuring process led to a loss of investor confidence. Lower credit ratings made it more expensive and difficult for the government to issue new bonds or roll over existing debt. <p>4. Market Liquidity</p> <ul style="list-style-type: none"> • Thin Trading Volumes: The bond market experienced low trading volumes, partly due to the aforementioned factors, which contributed to lower liquidity. • Limited Secondary Market Activity: The secondary market for bonds was relatively underdeveloped, further limiting liquidity and making it difficult for investors to exit positions. <p>5. Regulatory and Policy Challenges</p> <ul style="list-style-type: none"> • Regulatory Uncertainty: Changes in regulatory policies and potential shifts in government strategy regarding debt management created an uncertain environment for bond market participants. Inconsistent policy measures affected long-term planning and investment decisions. • Interest Rate Volatility: Frequent changes in interest rates by the Central Bank in response to inflation and currency pressures created an unpredictable environment, affecting the attractiveness of bonds and complicating investment strategies. <p>Summary</p> <p>The bond market in Sri Lanka faced significant challenges in recent years, including low foreign participation, persistent fiscal and current account deficits, complications in debt restructuring, market liquidity issues, and regulatory uncertainties. These challenges collectively undermined investor confidence and market stability, requiring strategic interventions and reforms to foster a more resilient bond market environment.</p>

No.	Market	Name of Organization	Specific Challenges in Bond Markets
17	Vietnam	VBMA	<p>Lack of tools and products for hedging such as IRS, bond future, options, ... Hence, foreign participation in Vietnam bond market is minimal.</p> <p>The government is trying to develop the corporate bond market but the progress is slow due to several factors:</p> <p>Lack of credit ratings: Three credit rating agencies have been established and granted licenses but most bond issuances are not rated as credit rating is currently not compulsory by law. However, according to Decree No. 08/2023/ND-CP, from 01/01/2024, credit rating is mandatory for public offering of corporate bonds that meet some specific conditions, namely:</p> <p>a) The total face value of bonds raised in any 12-month period exceeds VND 500 billion and exceeds 50% of the equity according the latest audited annual financial statement.</p> <p>b) The face value of bond outstanding on the offering registration date exceeds 100% of the equity according the latest audited annual financial statement that is audited.</p> <p>Therefore, credit ratings will be more widely used from next year.</p> <p>- Lack of a diversified investor base: Most corporate bond investors are banks who follow “Buy and hold” practice hence, no the secondary market for corporate bonds is not liquid.</p> <p>- Lack of transparency: Information about corporate bonds in Vietnam is limited, which makes it challenging for investors to assess the risk of a specific bond and to make more informed investment decisions.</p> <p>- Concentration risk: A large amount of corporate bonds are issued by a few major corporations in the real estates and industrial sectors, which limit the choices for investors and creating concentration risk for the bond market.</p>

VII – 4. Specific Measures Introduced / Implemented for the Securities Market

No.	Market	Name of Organization	Specific Measures Introduced/Implemented for the Securities Market
1	Asian Region	ASIFMA	HK Government Liquidity Taskforce in 2023 – reduced stamp duty, proposed severe weather trading and tick size reduction
2	Asian Region	ICMA	N/A
3	Bangladesh	DBA	Road Show, Awareness Program, etc./ Road Shows, Awareness program in different countries.
4	Cambodia	CASF	<ul style="list-style-type: none"> - Launched EKYC early 2024 - Launching share margin financing early 2025
5	China	SAC	<p>The CSRC has nearly 50 supporting policy documents and institutional rules related to the "1+N" policy, including delisting, cash dividends, share reduction, procedural trading supervision and other institutional arrangements.</p> <p>1. Attract more medium and long-term capital into the capital market. Optimize support policies for the entire chain of "fundraising, investment management, and withdrawal" around venture capital, private equity investment, etc., guide better investment in early, small, and hard technology, and promote a virtuous cycle of "technology industry finance". Create a favorable atmosphere that encourages innovation and tolerates failure, and promote the vigorous development of new quality productivity.</p> <p>2. Guide listed companies to establish a proactive investor return awareness. Listed companies are the source of investment value in the capital market, which will further guide them to establish a proactive awareness of returning to investors, strengthen communication with investors, enhance information transparency and governance norms, and better use cash dividends, repurchase and cancellation methods to repay investors.</p> <p>3. Strengthen penetrating supervision and further build a comprehensive punishment and prevention system. Place strong supervision in a more prominent position, continuously improve and strengthen supervision on the track of rule of law, identify, warn, expose and dispose of various risks early, and continuously enhance the inherent stability of the capital market. Strictly crack down on all types of securities illegal and criminal activities in accordance with the law, and effectively maintain the openness, fairness, and justice of the market.</p> <p>4. Strengthen the monitoring and supervision of related transactions. Fully consider the market situation where small and medium-sized investors make up the vast majority, strengthen monitoring and supervision of high-frequency quantitative trading, over-the-counter derivatives and other trading tools, and enhance regulatory targeting and adaptability. We will closely monitor and crack down on any behavior that disrupts the market and illegally profits by utilizing advantages such as technology, information, and shareholding.</p> <p>5. Strengthen cooperation with judicial authorities and other parties, better leverage the active role of insurance institutions, promote the implementation of more cases such as securities special representative litigation, advance compensation, and party commitment, and provide stronger support for investors to obtain compensation and relief.</p>
6	Hong Kong	HKSA	<p>Severe Weather Trading will take effect from 23 September 2024: Hong Kong’s securities and derivatives markets, including Stock Connect, derivatives holiday trading, and after-hours trading, will be open during severe weather conditions. Brokerage and banking services should be provided through electronic channels during severe weather conditions to ensure safety. Severe Weather Trading will take effect from 23 September 2024, with certain special arrangements to be offered to Participants requiring assistance, until the end of 2024</p> <p>SFC sets a clear timeline for implementing an uncertificated securities market (USM) in Hong Kong: The USM initiative will remove the need for manual and paper-based processes and thus enhance operational efficiencies within Hong Kong’s financial market infrastructure. Investors will be able to hold securities in uncertificated form and have direct legal ownership of their securities electronically, instead of only holding a beneficial interest through the existing nominee structure in CCASS. Investors will thus enjoy better shareholder protection as well as the convenience of being able to manage their portfolio electronically.</p> <p>HKEX Publishes Consultation Paper on Reduction of Minimum Spreads in the Hong Kong Securities Market: HKEX proposes to reduce stock minimum spreads within certain price bands, with an aim to lower overall transaction costs and boost liquidity. Two-phase approach will be adopted to reduce minimum spreads from \$0.5 to \$50 by 50-60% The consultation period will end on 20 September 2024</p>
7	India	ANMI	1. Graded Surveillance Measure (GSM)

No.	Market	Name of Organization	Specific Measures Introduced/Implemented for the Securities Market
			<p>Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures such as reduction in price band, periodic call auction and transfer of securities to Trade for Trade segment from time to time.</p> <p>2. SEBI proposes measures to control derivatives trading volume surge by two primary measures could significantly impact trading volumes if implemented: the substantial increase in contract size, which would make trading derivatives unaffordable for small-ticket traders, and the limitation on weekly expiries, which would reduce trading opportunities. Proposals also include limiting strike prices, requiring upfront collection of option premiums from buyers, intra-day monitoring of position limits, and increasing margin requirements closer to expiry.</p> <p>3. Establishment of Corporate Debt Market Development Fund (CDMDF), a regulated backstop facility to enhance the liquidity of the corporate bond market during stressed market situations</p> <p>4. Introduction of ASBA for primary and secondary markets</p> <p>5. Introduction of revised pledging/repledging system, strengthening investor safeguards by ensuring pledged securities remain in investor accounts, thereby mitigating the risk of misuse by brokers</p> <p>6. Investor Risk Reduction Access (IRRA) platform, to reduce investor risk in cases of outages/ technical glitches at brokers' end, giving investors an opportunity to square off open positions directly with the exchange</p> <p>7. Cyber Incidents Reporting Portal (CIRP) for reporting cyber incidents by MIIs, stockbrokers, MFs, portfolio managers and RTAs to facilitate reporting and tracking of cyber incidents at one place</p> <p>8. Enhanced monitoring and surveillance of the largest brokers with high influence on the markets under the Qualified Stock Brokers (QSB) framework</p>
8	India	BBF	<ul style="list-style-type: none"> - Industry Standards Forum to facilitate ease of implementation of regulations <p>In line with its commitment to facilitate capital formation in the economy and ease of doing business, SEBI, in July 2023, proposed the formation of an Industry Standards Forum, to be formed by Industry Associations and chaired by an Industry leader under the aegis of the Stock Exchanges. ISF is responsible to work on the standards for implementation of circulars including operational modalities in consultation with SEBI</p> <ul style="list-style-type: none"> - SEBI is currently under process to implement stricter guidelines to curb derivative volume <p>The move has been necessitated due to increased retail participation on speculative activities on Exchanges.</p>
9	Japan	JSDA	-
10	Malaysia	ASCM	<ul style="list-style-type: none"> • Stamp duty exemption for ETF, structured warrants and small and mid-cap stocks for 3 years • Implementation of Intraday short-selling for selected stocks • Introduction of Marketing Representatives • Introduction of the LEAP Market • Implementation of volume-based incentive program • Waiver of clearing fees for new investors for 6 months • Various proactive measures by Bursa Malaysia to boost retail participation
11	Mongolia	MASD	<p>In order to develop the securities market in Mongolia, the following activities have been conducted recently.</p> <ul style="list-style-type: none"> • Regulatory Reforms, • Market Infrastructure Improvements, • Investor Protection Measures, • Market Development Initiatives, • Corporate Governance Enhancements, • International Cooperation <p>These steps are integral to creating a more robust, transparent and efficient financial environment.</p>
12	New Zealand	NZFMA	N/A
13	Philippines	PASBDI	Last 23 October 2023, the PSE launched the <u>Short Selling and Securities Borrowing and Lending Facility</u> for PSE Index companies and ETFs while maintaining a ratio of short interest to outstanding shares of at least 10%.
14	Singapore	SAS	<p>SG has increased education avenues to retail market</p> <p>MAS has been giving grants to encourage hiring and better automation in the industry.</p>
15	South Korea	KOFIA	<ul style="list-style-type: none"> · introducing an internal control responsibility framework to enhance self-regulatory functions · developing an alternative trading system to provide more trading options and increase market efficiency
16	Sri Lanka	CSBA	-
17	Vietnam	VBMA	<ul style="list-style-type: none"> - More frequent dialogues between regulators and market participants - Bond future, cover warrant market (no short sell) has been launched in 2019 1H <p>Decree No. 153/2020/ND-CP dated 31/12/2020 on corporate bond issuance through private placement was later amended by Decree No. 65/2022/ND-CP and Decree No. 08/2023/ND-CP to enhance market operation, allow issuers to use non-cash assets to pay for bond interest and principals, extend terms to maturity up to 2 years, change bond terms and conditions with the agreement of bondholders.</p>

VII – 5. Measures to Invite Foreign Investment (De-regulation, Promotion Activities, etc.)

No.	Market	Name of Organization	Measures to Invite Foreign Investment
1	Asian Region	ASIFMA	Recent measures include InvestHK for FDIs https://www.investhk.gov.hk/en/about-investhk/ HK regulators have consistently published rules in English and required English disclosure for listed firms
2	Asian Region	ICMA	ICMA is devoted to promoting resilient well-functioning international and globally coherent cross-border debt securities markets, by: <ul style="list-style-type: none"> • bringing together members from all segments of the wholesale and retail debt securities market through regional and sectoral member committees, and focusing on a comprehensive range of regulatory and market practice issues which impact all aspects of international market functioning; • promoting internationally accepted standards of best practice through the development of appropriate, broadly accepted guidelines, and rules, recommendations and standard documentation aimed at maintaining and enhancing the framework of cross-border issuance, trading, and investment in debt securities; and • engaging with international and national regulators and policymakers to provide market expertise and technical knowledge to assist in ensuring that financial regulations promote the resilience and efficiency of international capital markets.
3	Bangladesh	DBA	Promotion activities: Road Show, Investment Summit in 9 countries.
4	Cambodia	CASF	Improve market liquidity
5	China	SAC	The General Office of the State Council has issued the ‘Action Plan for Solidly Promoting High level Opening up and Attracting and Utilizing Foreign Investment with Greater Efforts’, proposing 24 measures from five aspects to promote high-level opening up and attract and utilize foreign investment with greater efforts. These five aspects include: 1. Expanding market access and improving the level of foreign investment liberalization.2. Intensify policy efforts to enhance attractiveness to foreign investment. 3. Optimize the fair competition environment and provide good services for foreign-invested enterprises.4.Smooth the flow of innovative elements and promote innovation cooperation between domestic and foreign enterprises. 5. Improve domestic regulations and better align with international high standard economic and trade rules.
6	Hong Kong	HKSA	<p>HKEX Adds Abu Dhabi Securities Exchange and Dubai Financial Market as Recognized Stock Exchanges on 19 Jul 2024: Recognized Stock Exchanges (RSEs) status allows public joint stock companies listed on Abu Dhabi Securities Exchange (ADX) and Dubai Financial Market (DFM) to apply for a secondary listing on HKEX. This will allow public joint stock companies with a primary listing on the main market of these two exchanges in the United Arab Emirates (UAE) to apply for a secondary listing in Hong Kong. Exchange now recognizes 19 international exchanges as RSEs. Hong Kong has also taken steps to deepen its cross-border relationships with strategically important global partners. It has strengthened ties with the Middle East and Southeast Asia and included Saudi Arabia and Indonesia's bourses on its recognized list of international stock exchanges, paving the way for secondary and cross-border listings between the jurisdictions. International companies from these regions stand to benefit from accessing Hong Kong's global investor base, and Hong Kong investors will have access to a broader array of investment options, according to the Hong Kong Stock Exchange.</p> <p>The global initiative has already started to bear fruit, with Asia's first-ever Saudi Arabia exchange traded fund listing in Hong Kong at the end of 2023. The listing secured US\$1 billion in upfront investment, making it one of the largest market debuts in Hong Kong, according to the Financial Times.</p> <p>Clear institutional rules on the overseas listings of Chinese companies: On February 17, 2023, the China Securities Regulatory Commission (CSRC) issued a raft of institutional rules on the overseas listings of Chinese companies. The new measures clarify the requirements for Chinese companies to lawfully list on overseas stock exchanges, thereby eliminating the regulatory grey area in which many public Chinese companies have hitherto been operating in.</p> <p>The release includes six sets of institutional rules, chief among them being the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (the “trial measures”), along with five sets of supporting guidelines. The trial measures and supporting guidelines will come into effect on March 31, 2023.</p> <p>These are implemented to encourage more IPO candidates to pursue Hong Kong listings. Capital from global and domestic markets flowing back into equities will benefit liquidity and valuations.</p> <p>The GEM Listing Reform came into effect on 1 Jan 2024: Introducing a new streamlined transfer mechanism to enable eligible GEM issuers to transfer to the Main Board without the need to appoint a sponsor to carry out due diligence or produce a “prospectus-standard” listing document; Introducing a new alternative “market capitalisation/ revenue/ R&D test” for an initial listing on GEM that targets high growth enterprises heavily engaged in research and development (R&D) activities; Reducing the post-IPO lock-up period imposed on GEM issuers’ controlling shareholders to 12 months; and Removing mandatory quarterly reporting requirements and aligning other continuing obligations of GEM with those of the Main Board.</p> <p>New Climate Requirement effective from 2025: Exchange’s New Climate Requirements aligns more closely with IFRS S2, to be effective from 2025 reporting year in phases. Exchange publishes Implementation Guidance (with references to IFRS S1) to assist issuers’ compliance with the New Climate Requirements</p> <p>Reduction of stamp duty rate on Hong Kong stock transfer effective from Nov 2023: The 2023 Policy Address delivered on 25 October 2023 proposed to reduce the stamp duty rate on transfer of Hong Kong stock from 0.13% to 0.1% for each of the buyer and the seller. The legislative process for implementing the reduced stamp duty rate is now completed.</p> <p>Enhancing capital management : treasury shares regime modernized under listing rules: From 11 June 2024, the Listing Rules on the Exchange will be amended to empower issuers to retain repurchased shares as treasury shares, subject to the laws of their places of incorporation and constitutional documents.</p> <p>Under the current Listing Rules, all shares listed on the Exchange that are repurchased by an issuer have to be cancelled, and the relevant share certificates have to be destroyed and cancelled after settlement (Share Cancellation). Subsequent issuance of new shares will be subject to listing applications to be granted by the Exchange.1</p> <p>In practice, new shares are often issued by issuers to support various corporate actions (e.g. issuance for fund raising purposes, as consideration shares, grants under share schemes or pursuant to obligations under convertible securities).</p>

No.	Market	Name of Organization	Measures to Invite Foreign Investment
			<p>If issuers can hold the repurchased shares in treasury for future use, not only can the corporate actions be executed efficiently and administrative steps be dispensed with, issuers can deploy the treasury shares strategically and with flexibility (such as to resell in small lots on-market at full market price, as opposed to other fund raising means such as placings of new shares, which are often at a discounted value).</p> <p>This is expected to improve flexibility for the issuers to adjust their capital structures and to react promptly to the ever-changing market conditions.</p> <p>Task Force on Enhancing Stock Market Liquidity: In August 2023, the Hong Kong government established the Task Force on Enhancing Stock Market Liquidity to comprehensively review the factors affecting market liquidity, including the listing regime, market structure and trading mechanism. The Hong Kong regulators are actively implementing measures proposed by the task force and are considering an array of measures to boost market efficiency and liquidity, including: (i) enhancing the listing regime; (ii) improving the transaction mechanism; and (iii) boosting investor services.</p>
7	India	ANMI	<ol style="list-style-type: none"> 1. FDI in Insurance 2. FDI in Asset Reconstruction Companies 3. FDI in Stock Exchanges 4. FDI in Public Sector Enterprises 5. FDI in the Financial Sector 6. Residency for Foreign Investors 7. Centre-State Investment Agreement 8. Expanding Eligible Instruments <p>Source: https://www.indiafilings.com/learn/budget-fdi-measures/</p>
8	India	BBF	<ol style="list-style-type: none"> 1. Simplification of KYC requirements for Foreign Portfolio Investors (FPI) Several relaxations have been made in the KYC requirements. For instance lower KYC requirements for funds from FATF member countries, KYC reliance on global custodian where the local custodian and global custodian are from the same financial group, removal of self-certification requirement for supporting documents etc. 2. Reserve Bank of India (RBI) has allowed foreign investors in Gujarat International Finance Tec - (GIFT) City is India's first operational smart city and International Financial Services Centre (IFSC) to invest in Sovereign Green Bonds 3. Production Linked Incentive (PLI) Schemes in India The PLI scheme was introduced to promote domestic manufacturing in strategic sectors of the economy. Under this scheme, eligible companies receive financial incentives based on incremental production over a specified base year. These incentives encourage companies to enhance their manufacturing capabilities, invest in new technologies, and expand their production capacities, which helps create job opportunities. Till November 2023, the scheme has seen an investment of over ~USD 13 billion, exports worth USD 40 billion, and created over 600000 jobs, directly and indirectly
9	Japan	JSDA	-
10	Malaysia	ASCM	<p>Today, licence have been issued to 7 foreign brokers with the objective to facilitate the inflow of foreign funds into the Malaysian stock market.</p> <p>The annual Invest Malaysia Kuala Lumpur ("IMKL") event by Bursa Malaysia together with participation of fund managers and major public listed companies showcases Malaysia and Bursa Malaysia to the world.</p>
11	Mongolia	MASD	<p>To enhance the attractiveness of Mongolia's stock market to foreign investors and to increase their participation, international visits were organized last year, which facilitated discussions aimed at expanding mutually beneficial cooperation.</p> <p>Representatives from the Board of Directors of the Mongolian Securities Dealers Association, along with delegates from its member organizations, undertook visits to several notable institutions, including the International Capital Market Association (ICMA), the Asia Securities Industry & Financial Markets Association (ASIFMA), Bank of China Hong Kong Asset Management, Zeal Asset Management, the Hong Kong Green Fund Association, and the Hong Kong Stock Exchange. During these visits, official meetings were conducted to explore potential areas of collaboration.</p> <p>In addition, the Mongolian Securities Dealers Association formalized a new memorandum of cooperation with the Japanese Securities Dealers Association in Tokyo, Japan. This memorandum outlines a framework for collaboration on sustainable financing initiatives, the introduction of digital financial products to the markets of both countries, and the development of a conducive regulatory environment.</p> <p>These international engagements mark a significant step towards fostering sustainable cooperation and advancing long-term policy goals by both the Union and industry professionals. They aim to increase the volume of bilateral foreign investment and strengthen the integration of Mongolia's stock market within the global financial system.</p>
12	New Zealand	NZFMA	N/A
13	Philippines	PASBDI	<p>Policy Reform The Retail Trade Liberalization Act and the Foreign Investment Act benefit both foreign and local businesses and enable new technology; the Public Services Act liberalizes key public services such as airports, railways, expressways, and telecommunications, and renewable energy.</p> <p>Tax Reforms Boosting capital markets outlook are incentives that include reforms to align with the rest of the region by reducing taxes for Corporate Income from 30% to 20% by 2027, for stock transaction from 0.6% to 0.1%, and elimination of IPO tax.</p>
14	Singapore	SAS	Open to foreign brokers entering Singapore to make the local scene more vibrant.
15	South Korea	KOFIA	Relaxation of foreign investment limits - South Korea recently abolished the Foreign Investor Registration System to streamline the investment process for foreign entities

No.	Market	Name of Organization	Measures to Invite Foreign Investment
			<p>Tax incentives for foreign investors - South Korea should offers reduced tax rates and exemptions on capital gains to attract foreign investments.</p> <p>Strengthening Corporate Governance and Dividend Policies - Listed companies should enhance corporate governance frameworks and make dividend policies more transparent, while also increasing dividend payouts.</p>
16	Sri Lanka	CSBA	<p>1. Investor Forums and Roadshows</p> <ul style="list-style-type: none"> International Investor Forums: The SEC and CSE have actively organized and participated in investor forums in key financial hubs. These forums, held in countries like India, Singapore, and the UK, aim to showcase investment opportunities in Sri Lanka's capital market. These events typically involve presentations by high-ranking officials and executives from major Sri Lankan companies, providing detailed insights into the market's potential. <p>2. Promotion Activities</p> <ul style="list-style-type: none"> Marketing Campaigns: Targeted marketing campaigns have been launched to attract foreign investors. These campaigns highlight the strengths of the Sri Lankan equity market, including its regulatory framework, investment potential, and economic reforms. Collaborations with Global Financial Institutions: The SEC has partnered with international financial institutions to promote the Sri Lankan market. These collaborations often include joint seminars, workshops, and promotional events aimed at foreign institutional investors. <p>3. Regulatory Reforms</p> <ul style="list-style-type: none"> Demutualization of the CSE: The demutualization process of the Colombo Stock Exchange (CSE) is a significant reform aimed at improving governance and operational efficiency, making the market more attractive to foreign investors. Listing of State-Owned Enterprises (SOEs): The SEC has created a regulatory framework to enable the listing of SOEs on the CSE. This initiative is designed to increase market liquidity and transparency, making the market more appealing to foreign investors. <p>4. Ease of Doing Business</p> <ul style="list-style-type: none"> Establishment of the Investor Facilitation Centre: This centre is designed to provide comprehensive support to foreign investors, helping them navigate regulatory requirements and resolve issues efficiently. Simplified Regulatory Procedures: The SEC has streamlined various regulatory processes to reduce the bureaucratic hurdles faced by foreign investors. This includes faster approval times for new listings and easier access to market information. <p>5. Innovative Products</p> <ul style="list-style-type: none"> Multi-Currency Exchange: The establishment of a multi-currency securities exchange in the Colombo Port City is expected to attract foreign investors by allowing the trading of securities in multiple currencies. Introduction of New Financial Instruments: The SEC has facilitated the introduction of green bonds, blue bonds, and infrastructure bonds. These instruments are designed to attract ESG-focused (Environmental, Social, and Governance) investors, a growing segment among global investors. <p>6. Digital Transformation</p> <ul style="list-style-type: none"> Enhanced Digital Infrastructure: The SEC is focusing on digitalizing both regulatory and administrative functions to create a paperless environment. This includes e-filing systems for regulatory reporting and improvements in information security. Real-Time Market Surveillance Systems: The implementation of advanced market surveillance systems aims to enhance regulatory oversight and investor protection, building greater confidence among foreign investors. <p>7. Capacity Building and Education</p> <ul style="list-style-type: none"> Investor Education Programs: The SEC has launched various programs aimed at educating potential and existing investors about the benefits of investing in the Sri Lankan market. These programs are conducted in collaboration with international partners and cover a range of topics from market basics to advanced investment strategies. <p>Summary To attract foreign investment in the equity market, Sri Lanka has implemented a multi-faceted strategy involving international investor forums, targeted promotion activities, regulatory reforms, ease of doing business initiatives, innovative financial products, digital transformation, and investor education programs. These measures are designed to enhance market attractiveness, improve investor confidence, and ultimately increase foreign participation in Sri Lanka's capital markets.</p>
17	Vietnam	VBMA	<ul style="list-style-type: none"> - Develop derivative markets for hedging: VND/FX option, bond future. - Exempt withholding tax on interest income for Government bond foreign investors. - Roadshow, PR, marketing trip to have open a dialogue with Foreign Investors.