



# Technical Assistance Report

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Project Number: 47262-001  
Regional—Policy and Advisory Technical Assistance (R-PATA)  
April 2014

## Support for ASEAN+3 Bond Market Forum: Regional Standardization of Bond Issuance Framework and Transaction Flows

(Financed by the Investment Climate Facilitation Fund under the Regional Cooperation and Integration Financing Partnership Facility)

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Asian Development Bank



## ABBREVIATIONS

ABMF	–	ASEAN+3 Bond Market Forum
ABMI	–	Asian Bond Markets Initiative
ADB	–	Asian Development Bank
AMBIF	–	ASEAN+3 Multi-currency Bond Issuance Framework
ASEAN	–	Association of Southeast Asian Nations
ASEAN+3	–	ASEAN, the People’s Republic of China, Japan, and the Republic of Korea
BCLMV	–	Brunei Darussalam, Cambodia, the Lao People’s Democratic Republic, Myanmar, and Viet Nam
DVP	–	delivery-versus-payment
SF1	–	ABMF Sub-Forum 1
SF2	–	ABMF Sub-Forum 2
SRO	–	self-regulatory organization
TA	–	technical assistance
TF3	–	ABMI Task Force 3

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Type</b>	–	Regional—Policy and advisory technical assistance (R-PATA)
<b>Targeting classification</b>	–	General intervention
<b>Sector (subsectors)</b>	–	Finance (money and capital markets, banking systems, finance sector development)
<b>Themes (subthemes)</b>	–	<b>Regional cooperation and integration</b> (money and finance); economic growth (promoting macroeconomic stability, promoting economic efficiency and enabling business environment, widening access to markets and economic opportunities)
<b>Location (impact)</b>	–	Rural (low), urban (low), national (high), regional (high)
<b>Partnership</b>	–	Investment Climate Facilitation Fund under the Regional Cooperation and Integration Financing Partnership Facility

## NOTE

In this report, "\$" refers to US dollars.

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## I. INTRODUCTION

1. The Asian Bond Markets Initiative (ABMI) Task Force 3 (TF3) is a regional initiative established under the Finance Ministers and Central Bank Governors framework of the Association of Southeast Asian Nations (ASEAN), the People's Republic of China, Japan, and the Republic of Korea (collectively ASEAN+3) during its meeting in February 2006. The ABMI TF3 requested technical assistance (TA) from the Asian Development Bank (ADB) to review policies, practices, and regulatory standards for bond issuance, and explore the possibility of harmonizing these standards and practices to facilitate the Asian bond market development. The design and monitoring framework is in Appendix 1.

2. Following the request by the ABMI TF3, ADB provided regional policy and advisory technical assistance in 2008 to assess policies and standards of government and corporate bond markets and the role of self-regulatory organizations (SROs) in the ASEAN+3 economies.<sup>1</sup> The TA project supported activities under the ASEAN+3 Bond Market Forum (ABMF), which was established in September 2010 as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transactions in the region endorsed by the finance ministers. A follow-up TA project was approved to support the ABMF at the request of the ABMI TF3 during its meeting on 9 March 2011 in Bali, Indonesia.<sup>2</sup>

3. The proposed TA is intended to support the ABMF beyond the current activities, which will be finished by the first quarter of 2014. The TA aims to contribute to the long-term objective of the ABMI, which is greater and more efficient mobilization of regional resources through deeper, broader, and more integrated bond markets.<sup>3</sup>

## II. ISSUES

4. Much has been achieved since the ABMI was launched in 2003. The volume of local currency bonds outstanding in emerging East Asia has grown markedly, from less than \$1.0 trillion at the end of 2001 to \$6.5 trillion by the end of 2012.<sup>4</sup> Local currency bond markets became an effective alternative source of financing for government and corporations during the recent global financial crisis. Regional channeling of regional resources has improved from 2.8% in 2001 to 8.4% in 2011, as measured by the relative share of debt portfolio outflow from the region that was reinvested into the region.<sup>5</sup> However, many issues remain to be addressed: the bond market size is still small and is dominated by the banking sector; regional resource channeling should be further enhanced; volatile capital flows should be appropriately managed; and market efficiency needs to be improved through lower transaction costs, by streamlining regulations and market practices.

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<sup>1</sup> ADB. 2008. *Technical Assistance for Harmonization of Bond Standards in ASEAN+3*. Manila (TA 6514-REG, \$850,000, approved on 16 December 2008).

<sup>2</sup> ADB. 2012. *Technical Assistance for Harmonization of Bond Standards and Market Practices in ASEAN+3: Support for ASEAN+3 Bond Market Forum, Phase 2*. Manila (TA 8049-REG, \$1,200,000, approved on 13 January 2012, financed by the Investment Climate Facilitation Fund under the Regional Cooperation and Integration Financing Partnership Facility).

<sup>3</sup> The TA first appeared in the business opportunities section of ADB's website on 21 November 2013.

<sup>4</sup> Emerging East Asia is composed of the People's Republic of China; Hong Kong, China; Indonesia; the Republic of Korea; Malaysia; the Philippines; Singapore; Thailand; and Viet Nam. Data is from ADB. AsianBondsOnline. <http://asianbondsonline.adb.org/regional/regional.php>

<sup>5</sup> International Monetary Fund. Coordinated Portfolio Investment Survey. <http://www.imf.org/external/np/sta/pi/geo.htm>

5. To facilitate a more efficient discussion on streamlining regulations and market practices, the ABMF was established in 2010, where both public and private experts participate.<sup>6</sup> The ABMF was comprised of two forums: Sub-Forum 1 (SF1) and Sub-Forum 2 (SF2). The objective of SF1 was to close the information gaps in regulations and market practices, and other areas in the region's bond markets. SF2 focuses on enhancing regional straight-through processing by standardizing bond transaction procedures and messages.<sup>7</sup>

6. Under the ADB TA on Harmonization of Bond Standards in ASEAN+3 (the first TA), SF1 worked on collecting legal and regulatory information on each ASEAN+3 market, to eliminate information gaps in the markets. SF2 worked on identifying detailed bond transaction flows with a view to standardizing the flows and enhancing straight-through processing in the region. As a key output of the ABMF, a comprehensive *ASEAN+3 Bond Market Guide* was published in April 2012 containing comparative analysis on the bond markets across ASEAN+3 economies, with individual market guides for 11 economies.<sup>8</sup>

7. The information and findings gathered under the first TA became the foundation of the next ABMF activity. More specifically for SF1, the finding that the concepts of professional investor, professional market, and exempted regime already exist in most economies became the basis for the view that the region could pursue standardization of such concepts across economies. For SF2, it was found that many economies have significantly developed a bond trade and settlement infrastructure, although they are still fragmented and require further upgrades. The study was limited, however, to government bond delivery-versus-payment (DVP) flows and ABMF members, hence it would be beneficial to further study the other types of bond transaction flows to provide policy recommendations for standardization of the flows.

8. Against this background, the ABMF started the next phase supported by the TA project Harmonization of Bond Standards and Market Practices in ASEAN+3: Support for ASEAN+3 Bond Market Forum, Phase 2 (the second TA). Since 2013, SF1 has been working on developing a regionally standardized bond issuance framework called the ASEAN+3 Multi-currency Bond Issuance Framework (AMBIF) and SF2 has been working on identifying bond transaction flows, including corporate bond DVP flows, and on interest payment and redemption procedures to provide policy recommendations for standardization. With continued discussion through regular ABMF meetings, information gathered from market visits, and studies provided by the ADB secretariat team, the AMBF members finalized the interim reports for both SF1 and SF2 during the 12th ABMF meeting on 23–24 April 2013 in Jakarta, Indonesia, describing key policy recommendations for AMBIF and standardizing bond transaction flows.<sup>9</sup> The reports were submitted to the ASEAN+3 Finance Ministers and Central Bank Governors' Meeting on 2 May 2013 through the ABMI TF3. The activities supported by the second TA will be completed by 31 March 2014, with submission of full reports to the ABMI TF3.

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<sup>6</sup> Members of the ABMF, appointed or endorsed by the ABMI TF3, include regulatory bodies, stock exchanges, SROs, associations of market participants in region, and international market players. Key activities and outputs of the ABMF are reported to and guided by the ABMI TF3. ADB is participating in the ABMF as the secretariat.

<sup>7</sup> Straight-through processing is generally recognized as a mechanism that enables trading and transactions to be conducted electronically without manual handling or intervention.

<sup>8</sup> The guide has been positively evaluated and mostly referred by the market participants as the first official guide endorsed by policy authorities, and has contributed to enhancing investors' understanding of the markets.

<sup>9</sup> In the first TA, six ABMF meetings were organized quarterly during October 2010–December 2011. In the second TA, seven ABMF meetings were organized during February 2012–July 2013. On the sidelines of regular ABMF meetings, SROs have held their own gathering to discuss AMBIF-related and other issues since April 2012. Central banks and securities depositories organized the first Cross-border Settlement Infrastructure Forum in July 2013.



9. Through the activities supported by the second TA, key policy recommendations on AMBIF and bond transaction flows were identified, while actual policy actions for the recommendation will take time. ABMF members acknowledged the need for continued support for the implementation of AMBIF in the case of SF1, and additional study to help standardize bond transaction flows and support AMBIF bond issuance and transactions in the case of SF2.

10. In order to continue the progress made by the ABMF and its activities, the co-chairs of the ABMI TF3 requested ADB to continue to support the ABMF. The focus of the proposed TA includes (i) continued study on AMBIF components and providing support for regulators to adopt and implement AMBIF by 2014; (ii) developing reference DVP model flows and policy recommendations for standardizing message items, market practices, and cross-border collateral management; and (iii) updating the guide published in April 2012. Table 1 summarizes the key outputs of the first and the second TA projects, and the focus of the proposed TA.

**Table 1: Key Outputs and Focus of ABMF Activities**

	1st TA (2010–2011)	2nd TA (2012–2013)	Proposed TA (2014–2015)
Key Outputs and Focus	<p>Comprehensive market information gathering and publication of the <i>ASEAN+3 Bond Market Guide</i></p> <p>Identification of DVP bond transaction flows for government bonds</p>	<p>Policy recommendations and development of AMBIF</p> <p>Continued identification of DVP flows, interest payment, and redemption for both government and corporate bonds</p> <p>Updating of the guide</p>	<p>Support for adoption and implementation of AMBIF by 2014</p> <p>Recommendations for standardization of bond transaction flows and cross-border collateral</p> <p>Updating of the guide</p>

ABMF = ASEAN+3 Bond Market Forum, AMBIF = ASEAN+3 Multi-currency Bond Issuance Framework, DVP = delivery-versus-payment, TA = technical assistance.

Source: Asian Development Bank.

### III. THE TECHNICAL ASSISTANCE

#### A. Impact and Outcome

11. The impact of the TA will be increased intraregional bond issuance and transaction, which will contribute to greater and more efficient mobilization of regional resources. With the introduction of AMBIF and policy efforts to standardize transaction flows, intraregional bond investments are expected to grow further to 10% by 2015 from 8.4% in 2011. The outcome of the TA would be increase in issuance of AMBIF standardized bond. After introduction of AMBIF, it is expected that some bonds would be issued and transacted under the framework, supported by policymakers with better knowledge of the market.<sup>10</sup>

<sup>10</sup> The TA is consistent with ADB's Regional Cooperation and Integration Strategy adopted in 2006 identifying harmonization of regulatory standards and removal of regulatory hurdles that hamper the development of financial instruments as key focus. It is also consistent with the Financial Sector Operational Plan, which identifies regional financial cooperation as one of key focus areas of financial sector development together with capital market development.

## B. Methodology and Key Activities

12. The output components of the TA are as follows:

- (i) **Study and recommendations for adoption and implementation of AMBIF (SF1) by the participating regulators in 2014.** The study will include provision of additional information requested by and in consultation with the regulators.<sup>11</sup>
- (ii) **Clear and time-bound action plans for standardization of bond transaction flows and cross-border collateral recommended (SF2).** This includes developing a reference DVP model and message formats and message items. A study on cross-border collateral and repo services will be conducted, including on the legal and regulatory framework, market practices and infrastructure, services currently available in the market, and possible future services through linkage of the infrastructure.<sup>12</sup>
- (iii) **Updated ASEAN+3 Bond Market Guide produced.** The guide will contribute to attracting more investments by enhancing investors' understanding. It will incorporate the information gathered through various sources since its initial publication, including new individual market guides for Cambodia and Myanmar.

13. Progress made by the TA project will be shared with ABMI and ABMF members. Study visits will be conducted to collect necessary information on AMBIF components, message flows and formats, and cross-border collateral and repo management.<sup>13</sup>

14. Successful implementation of the TA activities, especially AMBIF and standardization of bond transaction flows, requires strong support from policy authorities and regulators. Cooperation with SROs and market practitioners will be needed in streamlining market practices.<sup>14</sup> Risks to the project include unexpected financial shocks that could negatively influence financial liberalization and harmonization, and lack of commitment by policy authorities in standardizing regulations and market practices. Timely recruitment of qualified consultants and experts for cross-border collateral would be important for successfully conducting required studies and developing policy recommendations.

## C. Cost and Financing

15. The TA is estimated to cost \$1,228,000, which will be financed on a grant basis by the Investment Climate Facilitation Fund under the Regional Cooperation and Integration Financing Partnership Facility and administered by ADB.<sup>15</sup> The cost estimates and financing plan are in Appendix 2.

## D. Implementation Arrangements

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<sup>11</sup> The support for regulators will include exploring pilot issuance under AMBIF. The issuer could include well-known or multinational corporations of ASEAN+3 and international financial institutions. The investors will be limited to professional investors, the specific scope of which will be identified by regulators.

<sup>12</sup> The study on collateral and repo services will review existing research, including that conducted by ADB for ASEAN economies, in close cooperation with ADB's Southeast Asia Department.

<sup>13</sup> Knowledge support for Brunei Darussalam, Cambodia, the Lao People's Democratic Republic, Myanmar, and Viet Nam (collectively BCLMV) to develop local currency bond markets focusing on government bonds and foundations for market development may also be considered on the sideline of the study visits.

<sup>14</sup> The cooperation will include consultation with key market participants, market associations, and SROs on ensuring market demand and distribution of bond issuance under AMBIF.

<sup>15</sup> The Investment Climate Facilitation Fund was established by the Government of Japan.

16. ADB will be the executing agency. The Office of Regional Economic Integration will implement the TA, in consultation with ABMF members and the ABMI TF3 co-chairs, and will supervise the work of the consultants. The TA is expected to be completed in 18 months, during April 2014–September 2015. During TA paper preparation, appropriate partners as centers of excellence will be explored.<sup>16</sup>

17. The TA will require 30 person-months of individual international consultant services and 36 person-months of individual national consultant services, comprising: (i) 9 person-months for the financial legal expert, with extensive knowledge of financial laws, regulations, and market practices in Asian financial markets as well as those of Europe and the United States; (ii) 6 person-months for the financial information technology specialist, with extensive knowledge of information systems, particularly of clearing and settlement in the region; (iii) 6 person-months for the collateral management specialist, with knowledge and experience of domestic and cross-border collateral management with respect to laws, regulations, and operational procedures; (iv) 9 person-months for the custody business specialist, with experience and knowledge of the custody industry and profound operational knowledge of settlement practices in financial markets, particularly in Asia; (v) 18 person-months for a national consultant with experience in project coordination; and (vi) 18 person-months for a national consultant with knowledge of website database management. About 12 resource persons will be invited to participate in seminars and workshops of the Office of Regional Economic Integration as speakers, discussants, or facilitators, for a total of 1 person-month. In the event that ADB staff act as resource persons for the purpose of effectiveness, travel costs are to be charged to the TA but their salaries and benefits will be absorbed by internal administrative expenses.<sup>17</sup> Recruitment of consultants will be undertaken on an individual basis in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The outline terms of reference for the consultants are in Appendix 3. Disbursement under the TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

#### IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$1,228,000 to be financed on a grant basis by the Investment Climate Facilitation Fund under the Regional Cooperation and Integration Financing Partnership Facility for Support for ASEAN+3 Bond Market Forum: Regional Standardization of Bond Issuance Framework and Transaction Flows, and hereby reports this action to the Board.

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<sup>16</sup> Consultation with Asia Securities Industry and Financial Markets Association (ASIFMA) and the Society for Worldwide Interbank Financial Telecommunication is under way to designate either of them as a center of excellence.

<sup>17</sup> A memo jointly issued by the Budget, Personnel, and Management Systems Department and the Strategy and Policy Department was circulated (dated 26 June 2013) to provide guidance on charging costs to TA and internal administrative expense budgets. In the memo, para. 3 item (ix) states that “for preparatory works, implementation and administrative support, ADB staff are not eligible to charge corresponding salaries and benefits to the TA. However, if RETA/TA paper clearly specifies and includes provision in its cost estimates to provide support services such as travel and administrative expenses, then such costs should be charged to the RETA/TA.”

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Increased intraregional bond issuance and transactions</p>	<p>Relative share of debt portfolio outflow invested into the region increases to 10% by 2015 (2011 baseline: 8.4%)</p>	<p>Bond market data of the ASEAN+3 economies</p> <p>ABMI TF3 monitoring of the progress of the ABMF, and promotion of harmonization of regulatory framework</p>	<p><b>Assumption</b> Support from ASEAN+3 countries</p> <p><b>Risks</b> Unexpected financial shock may delay financial liberalization and cooperation</p> <p>End of quantitative easing</p>
<p><b>Outcome</b> Issuance of AMBIF standardized bonds are increased</p>	<p>At least two bond issuance and transactions through AMBIF by 2015 (2013 baseline: 0)</p>	<p>Consultation with regulators</p> <p>Report on consultation with ABMI TF3 co-chairs, including reporting to ABMI TF3 by the ABMF chairs at the official meetings at least twice a year</p>	<p><b>Assumption</b> Timely adoption of AMBIF and recommendation on standardizing bond transaction flows</p> <p><b>Risk</b> Lack of market appetite for AMBIF and standardization</p>
<p><b>Outputs</b> 1. Study and recommendations for adoption and implementation of AMBIF is submitted (SF1)</p>	<p>Policy recommendations for adoption and implementation of AMBIF are submitted to the ASEAN+3 finance ministers and central bank governors in May 2015</p>	<p>Report on consultations with ABMI TF3 co-chairs, including reporting to ABMI TF3 by the ABMF chairs at the official meetings at least twice a year</p>	<p><b>Assumption</b> Support from regulators of ASEAN+3 countries</p>
<p>2. Clear and time-bound action plans for standardization of bond transaction flows and cross-border collateral recommended (SF2)</p>	<p>Policy recommendations on (i) reference DVP model, (ii) standardization of message formats and items, (iii) market practices, and (iv) cross-border collateral and repo services, submitted to the ASEAN+3 finance ministers and central bank governors in May 2015</p>	<p>Report on consultations with ABMI TF3 co-chairs, including reporting to ABMI TF3 by the ABMF chairs at the official meetings at least twice a year</p>	<p><b>Assumption</b> Sustained support from policy authorities of ASEAN+3</p> <p><b>Risk</b> Country-specific legal and economic complexities</p>

<b>Design Summary</b>	<b>Performance Targets and Indicators with Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
3. Updated ASEAN+3 Bond Market Guide produced	Publication of the updated ASEAN+3 Bond Market Guide by June 2015	SWIFT, ABMF members, and market experts	<p><b>Assumption</b> Inputs from ABMF members and experts are provided in timely manner</p> <p><b>Risk</b> Time and resource limitations of ABMF members prevent sufficient involvement in the updating process</p>

<b>Activities with Milestones</b>	<b>Inputs</b>
<b>1. Study and support for adoption and implementation of AMBIF (SF1)</b>	<b>Investment Climate Facilitation Fund<sup>a</sup> under the Regional Cooperation and Integration Financing Partnership Facility: \$1,228,000</b>
1.1 Organize ABMF meetings regularly for SF1 and SF2 from Q2 2014	<b>Item</b> <b>Amount (\$'000)</b>
1.2 Nominate and reappoint, if needed, the ABMF members and experts for SF1 and SF2 by April 2014	Consulting services and per-diem 730
1.3 Organize weekly teleconferences to communicate among ABMF core members and experts of SF1 and SF2 to check on progress of the study from March 2014	Travel expenses for consultants 175
1.4 For SF1, prepare a study on detailed components of AMBIF to support regulators' discussions in Q2 2014	Reports and communications 40
1.5 First reporting to ABMI TF3 during the first half of 2014	Meetings, seminars and conferences 100
1.6 Conduct study visits in ASEAN+3 countries to collect necessary information on AMBIF components during Q3 2014	Surveys, publications, and printing 40
1.7 16th ABMF meeting to discuss the result of the study visit in July–August 2014	Miscellaneous administrative and support costs 60
1.8 Second reporting to ABMI TF3 in Q3 2014	Contingencies 83
1.9 17th ABMF meeting to discuss the progress of the study including the results of study visits in October–November 2014	<b>Total</b> <b>1,228</b>
1.10 Draft the report on detailed AMBIF components and support for regulators' meeting by December 2014	
1.11 For SF1, explore possible AMBIF bond issuance during Q3–Q4 2014	
1.12 18th ABMF meeting to discuss the draft reports of SF1 and SF2 in January–February 2015	
1.13 Third reporting to ABMI TF3 in Q1 2015	
1.14 19th ABMF meeting to approve the draft reports to ABMI of SF1 and SF2 in April–May 2015	
1.15 Submission of the reports to ASEAN+3 Finance Ministers and Central Bank Governors Meeting through ABMI TF3 in May 2015	

<p><b>2. Clear and time-bound action plans for standardization of bond transaction flows and cross-border collateral recommended (SF2)</b></p> <p>2.1 Prepare survey questionnaire on model DVP flows, message format, market practices, and cross-border collateral and repo management in Q2 2014</p> <p>2.2 Conduct study visits to member economies to collect necessary information on message flows and formats, and cross-border collateral and repo management during Q3 2014</p> <p>2.3 Draft the report on model DVP flows, standardization of message items and market practices, and cross-border collateral and repo management by Q4 2014</p> <p>2.4 Conduct workshops and public conferences to collect the opinions of market players and experts by Q4 2014</p> <p><b>3. Updated ASEAN+3 Bond Market Guide produced</b></p> <p>3.1 Update the ASEAN+3 Bond Market Guide by Q3 2014</p> <p>3.2 Publish the reports by Q3 2015</p>	
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ABMI = Asian Bond Markets Initiative; ABMF = ASEAN+3 Bond Market Forum; AMBIF = ASEAN+3 Multi-currency Bond Issuance Framework; ASEAN+3 = Association of Southeast Asian Nations, the People's Republic of China, Japan, and the Republic of Korea; DVP = delivery-versus-payment; SF1 = ABMF Sub-Forum 1; SF2 = ABMF Sub-Forum 2; SWIFT = Society for Worldwide Interbank Financial Telecommunication; TA = technical assistance; TF3= ABMI Task Force 3.

<sup>a</sup> Established by the Government of Japan. Administered by the Asian Development Bank.

Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

<b>Item</b>	<b>Amount</b>
<b>Investment Climate Facilitation Fund<sup>a</sup> under the Regional Cooperation and Integration Financing Partnership Facility</b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	650.0
ii. National consultants	80.0
b. International and local travel	175.0
c. Reports and communications	40.0
2. Meetings, seminars, and conferences <sup>b</sup>	100.0
3. Surveys, publications, and printing	40.0
4. Miscellaneous administration and support costs <sup>c</sup>	60.0
5. Contingencies	83.0
<b>Total</b>	<b>1,228.0</b>

<sup>a</sup> Established by the Government of Japan. Administered by the Asian Development Bank.

<sup>b</sup> ADB staff may be utilized as resource persons at these events.

<sup>c</sup> Includes courier, shipping, and other miscellaneous administration and support costs.

Source: Asian Development Bank estimates.



## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### A. International Consultants

1. **Financial legal expert** (9 person-months, intermittent). The financial legal expert must have extensive knowledge of financial laws, regulations, and market practices in Asian financial markets as well as those of Europe and the United States, particularly regarding corporate and government bonds issued through both public listings and private placement. He or she should have knowledge of standards developed by international self-regulatory organizations such as the International Primary Market Association, International Capital Market Association, and International Swaps and Derivatives Association. The consultant will:

- (i) provide detailed analyses of laws and regulations on cross-border bond issuance in the Association of Southeast Asian Nations (ASEAN) countries, the People's Republic of China, Japan, and the Republic of Korea (collectively ASEAN+3), paying special attention to the professional market segments;
- (ii) provide knowledge support for regulators' discussions on implementation of the ASEAN+3 Multi-currency Bond Issuance Framework (AMBIF);
- (iii) provide analyses of laws and regulations on primary and secondary bond markets across the ASEAN+3 countries, particularly those on foreign investment and cross-border issuance and trading;
- (iv) identify laws and regulations impeding the development of each ASEAN+3 market and provide knowledge support for the economies at an early stage of bond market development;
- (v) recommend measures to harmonize laws and regulations across the region in line with best international practices, taking into account activities to be undertaken under the technical assistance (TA);
- (vi) update the ASEAN+3 Bond Market Guide for ABMF Sub-Forum 1 (SF1);
- (vii) support the chair of SF1 as appropriate;
- (viii) organize and participate in regular ASEAN+3 Bond Market Forum (ABMF) meetings; and
- (ix) perform other tasks as reasonably requested by ADB.

2. The candidate is preferred to hold a degree in law with relevant experience and should meet the following requirements:

- (i) suitability to undertake the responsibilities mentioned above at the required level;
- (ii) at least 10 years of relevant experience or academic research related to bond market development; and
- (iii) excellent oral and written communication skills in English.

3. **Financial information technology specialist** (6 person-months, intermittent). The financial information technology specialist must have extensive knowledge of information systems, particularly clearing and settlement. He or she should have deep knowledge of, and experience in developing, financial settlement systems in the region. As the work would involve communication with relevant authorities, such as central banks in the region, working experience with these regulators is desirable. The consultant will:

- (i) collect all relevant information to clarify transaction procedures involved in cross-border bond transactions, which will lead to harmonization of messaging formats in the region;

- (ii) develop a reference model of delivery-versus-payment bond transaction flows and study standardization of message formats and items as recommendations for policy authorities;
- (iii) identify impediments in clearing and settlement infrastructure and flows of each ASEAN+3 market, and provide knowledge support for the economies at an early stage of bond market development;
- (iv) facilitate and support the work of the ABMF national members and experts to produce information on transaction procedures;
- (v) provide expertise on cross-border collateral management with respect to clearing and settlement infrastructure;
- (vi) update the ASEAN+3 Bond Market Guide for ABMF Sub-Forum 2 (SF2);
- (vii) support the chair of SF2 as appropriate;
- (viii) organize and participate in regular ABMF meetings; and
- (ix) perform other tasks as reasonably requested by ADB.

4. A university degree in economics, finance, information technology, or a related field will be an advantage, preferably at Master's level or its equivalent. Relevant experience and other requirements include the following:

- (i) suitability to undertake the responsibilities mentioned above at the required level;
- (ii) at least 10 years of relevant experience or academic research related to bond market development focusing on clearing and settlement; and
- (iii) excellent oral and written communication skills in English.

5. **Collateral management specialist** (6 person-months, intermittent). The collateral management specialist must have extensive knowledge and experience in domestic and cross-border collateral management in relation to laws, regulations, and operational procedures. Knowledge and understanding of bond markets in Asia is also required. It is desirable that he or she should have experience in developing and implementing collateral management in Asia and Europe. The consultant will:

- (i) collect relevant information and conduct a study on regulation, market practice, and infrastructure relating to domestic and cross-border collateral management;
- (ii) provide professional inputs to the work of the financial legal expert and financial information technology specialist;
- (iii) support the chairs of SF1 and SF2 as appropriate;
- (iv) participate in regular ABMF meetings; and
- (v) perform other tasks as reasonably requested by ADB.

6. A university degree in economics, business, finance, accounting, or a related field will be an advantage, preferably at Master's level or its equivalent. Relevant experience and other requirements include the following:

- (i) suitability to undertake the responsibilities mentioned above at the required level;
- (ii) at least 10 years of relevant experience or academic research related to collateral and repo services, and bond market development; and
- (iii) excellent oral and written communication skills in English.

7. **Custody business specialist** (9 person-months, intermittent). The custody business specialist must have extensive knowledge and experience in the custody industry and profound operational knowledge of settlement practices in financial markets, particularly in Asia. He or

she should have a deep understanding of financial laws and applicable regulations in Asian financial markets as well as those of Europe and the United States. He or she should have comprehensive knowledge of information systems and processing concepts supporting custody business, particularly relevant for settlement and corporate actions. It is desirable that he or she should have experience in developing and implementing financial information systems supporting financial transactions. The consultant will:

- (i) provide intellectual inputs to the work of the financial legal expert and the financial information specialist based on his or her experience in custody business;
- (ii) provide practicality analyses of the work of the financial legal expert, the financial information technology specialist, and the collateral management specialist;
- (iii) coordinate the work of SF1 and SF2 to ensure consistency of the work;
- (iv) coordinate with the financial legal expert and the financial information technology specialist in supporting the SF1 and SF2 chairs;
- (v) organize and participate in the ABMF meetings; and
- (vi) perform other tasks as reasonably requested by ADB.

8. A university degree in economics, business, finance, accounting, or a related field will be an advantage, preferably at Master's level or its equivalent. Relevant experience and other requirements include the following:

- (i) suitability to undertake the responsibilities mentioned above at the required level;
- (ii) at least 10 years of relevant experience related to custody business and bond market development; and
- (iii) excellent oral and written communication skills in English.

## **B. National Consultants**

9. **Research assistant** (18 person-months, continuous). The research assistant will be engaged to assist relevant ADB staff and consultants with their research work. The consultant will:

- (i) manage and update the ABMF website;
- (ii) assist in collecting relevant data to support other consultants' research;
- (iii) help in reviewing the TA reports to ensure that they meet ADB standards;
- (iv) compile reports produced by the consultants; and
- (v) perform other tasks, as reasonably required.

10. A Filipino national with a university degree in economics, business, finance, accounting, or a related field is preferred. Relevant experience and other requirements include the following:

- (i) suitability to undertake the responsibilities mentioned above at the required level;
- (ii) at least 5 years of relevant experience in TA administration;
- (iii) knowledge of website database management;
- (iv) experience with donor-funded projects and with the government agencies or institutions responsible for implementing such projects; and
- (v) excellent oral and written communication skills in English.

11. **Project coordinator** (18 person-months, continuous). The project coordinator will be engaged to work with ADB staff and other TA consultants to assist in TA implementation. The consultant will:

- (i) monitor and coordinate the schedule of activities of the TA;
- (ii) assist with the administrative tasks under the TA;
- (iii) coordinate logistical arrangements for meetings, market consultations, and conferences;
- (iv) help ADB staff ensure that TA activities are administered and implemented in accordance with ADB policies and guidelines;
- (v) help in reviewing the TA reports to ensure that they meet ADB standards; and
- (vi) perform other tasks as reasonably required.

12. A Filipino national with a university degree in economics, business, finance, accounting, or a related field is preferred. Relevant experience and other requirements include the following:

- (i) suitability to undertake the responsibilities mentioned above at the required level;
- (ii) at least 5 years of relevant experience in project coordination;
- (iii) experience with donor-funded projects and with government agencies or institutions responsible for implementing such projects; and
- (iv) excellent oral and written communication skills in English.

**C. Resource Persons (12 persons, 1 person-month total)**

13. Resource persons with backgrounds as policymakers and/or subject experts will be engaged to participate in related seminars, workshops, and conferences; or to facilitate the training courses.