PROPOSALS FOR PROMOTING THE DEVELOPMENT OF ASIA-PACIFIC BOND MARKETS

ABAC Finance Working Group

Submitted by ABAC Chinese Taipei
Three Proposals

- Mechanism for public-private partnership for corporate bond market development
- General principles for bond market development cooperation
- Regional framework for cross-border insolvency and informal workouts
1. Mechanism for public-private partnership for corporate bond market development
1. Mechanism for bond market development cooperation

- ABAC/PECC Taipei and Tokyo conferences
  - Developed recommendations
  - Underscored the need for effective mechanisms
  - Importance of involving developed economies and international institutions
1. Mechanism for bond market development cooperation

- Focus on corporate bond market development in developing economies
- Possible form: policy dialogues
  - Involve developed/developing economies
  - Utilize Advisory Group on APEC Financial System Capacity-Building
  - Publicly-available reports
1. Mechanism for bond market development cooperation

Recommendations:

- Endorse establishment of mechanism in 2006
- Under APEC Finance Ministers’ Process with initial activities in 2007, with Advisory Group on APEC Financial System Capacity-Building collaborating
2. General principles for bond market development cooperation
2. General principles for bond market development cooperation

- Guide to effective cooperation, based on recommendations from private sector, officials, regulators, international institutions, academic experts
- Help promote consistency among various efforts being undertaken by different regional organizations (APEC, APT, EMEAP etc.)
2. General principles for bond market dev’t cooperation

- Preamble
- Public-private partnership
- Global and regional integration
  - Elimination of restrictions to cross-border investment and issuance
  - Region-wide convergence toward global standards and practices
2. General principles for bond market dev’t cooperation

- Domestic-level coordination
- Regional-level cooperation
  - Address interlocking measures
  - Coordination among regional organizations
- Strengthening market mechanisms
2. General principles for bond market dev’t cooperation

- The role of government
  - Provide enabling environment for market participants
  - Importance of government bond market
- Cooperation in the context of diversity
3. Regional framework for cross-border insolvency and informal workouts
3. Regional insolvency and informal workout regime

- Endorse regional guidelines for informal workouts and a model agreement for wider adoption by financial institutions in the region for APEC Finance Ministers, CBs, financial regulators to encourage their adoption.

- Endorse proposals to support the development of effective informal workout regimes to APEC Finance Ministers.