

# 11<sup>th</sup> COMPARATIVE ANALYSIS OF ASIAN SECURITIES REGULATORS & SROs AND MARKET CHARACTERISTICS

(Data and information provided by participating organizations of the 16th 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)<sup>1</sup> Tokyo Round Table<sup>2</sup>. Started in 2010 after the 6<sup>th</sup> 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 16th 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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<sup>1</sup> The Asia Securities Forum (ASF), established in 1995, is an international forum that brings together key organizations in the securities industry of the Asia-Pacific region to exchange information, foster cross-border cooperation, and ultimately promote economic growth and the development of securities markets.

<sup>2</sup> 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-Pacific region.

## I. Basic Organizational Features

### I – 1. Organization Type, Statutory Basis

No.	Market	Name of Organization		Organization Type	Statutory Basis
1	Asian Region	<b>International Capital Market Association</b>	ICMA	SRO	Established pursuant to articles 60 to 79 of the Swiss Civil Code
2	Bangladesh	<b>DSE Brokers Association of Bangladesh</b>	DBA	Other (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)
3	Cambodia	<b>Cambodia Securities Exchange</b>	CSX	Exchange	Established spontaneously
4	Japan	<b>Japan Securities Dealers Association</b>	JSDA	SRO Industry Association	Established by or in accordance with Law (Established pursuant to Financial Instruments and Exchange Act)
5	Korea	<b>Korea Financial Investment Association</b>	KOFIA	SRO Industrial Association	Established by or in accordance with Law (Financial Investment Services and Capital Markets Act)
6	Laos	<b>Lao Securities Exchange</b>	LSX	SRO Exchange	Established by or in accordance with Law (Established pursuant to the Law on Securities)
7	Pakistan	<b>Pakistan Stock Brokers Association</b>	PSBA	Industrial Association	Established by or in accordance with Law (Trade Organizations Act/Rules 2013)
8	Sri Lanka	<b>Securities and Exchange Commission of Sri Lanka</b>	SECSL	Government Regulator	Established by or in accordance with Law (Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021)
9	Thailand 1	<b>Association of Thai Securities Companies</b>	ASCO	Industrial Association	Established by or in accordance with Law (Securities and Exchange Act B.E 2535)
10	Thailand 2	<b>The Thai Bond Market Association</b>	ThaiBMA	SRO Industrial Association	Established by or in accordance with Law (Securities and Exchange Act B.E.2535)
11	Turkey	<b>Turkish Capital Markets Association</b>	TCMA	SRO	Established by or in accordance with Law (Established in accordance with Article 75 of the Capital Market Law no. 6362)
12	Vietnam 1	<b>Vietnam Association of Securities Business</b>	VASB	Other (Socio-Professional Organization)	Established by or in accordance with Law (Decree No.45/2010/ND-CP dated April 21, 2010 of the Government on the establishment, operation and supervision of associations)
13	Vietnam 2	<b>Vietnam Bond Market Association</b>	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	ICMA	50	Membership Fee	620 members in 66 jurisdictions															
2	Bangladesh	DBA	12	Membership Fee	251 (Stock-Broker and Stock-Dealer Company)															
3	Cambodia	CSX	42	Membership Fee Other Resources (Listing fees, Trading Clearing & Depository fees)	- 13 Members; all are Securities Companies - 13 Participants including 5 Cash Settlement Banks, 3 Securities Registrar & Transfer Agents, 3 Paying Agents, 1 Bondholder Representative, and 1 Custodian Agent in the Securities Sector															
4	Japan	JSDA	363 (as of July, 2023)	Membership Fee Other Resources (Fees for Examination and Training Course)	(As of October, 2023) 272 Regular Members consisting of securities companies including 10 foreign securities companies 201 Special Members consisting of 178 banks, 13 insurance companies and 10 other financial institutions 11 Specified Business Members															
5	Korea	KOFIA	242 (Oct. 2023)	Membership Fee Other Resources (Examination fees for financial certifications and revenues from textbook sales)	<b>(As of Oct 17th, 2023)</b> <table border="1"> <thead> <tr> <th>Member Type</th> <th>No. of Companies</th> <th>Business Type</th> </tr> </thead> <tbody> <tr> <td><b>Regular</b></td> <td>403</td> <td>- Securities : 61 - Asset management : 325 - Real estate trust : 14 - Futures : 3</td> </tr> <tr> <td><b>Associate</b></td> <td>138</td> <td>- Investment advisory, Banking, Insurance, etc.</td> </tr> <tr> <td><b>Special</b></td> <td>28</td> <td>- Bond/fund/credit Rating, Fund administration, etc.</td> </tr> <tr> <td><b>Total</b></td> <td>569</td> <td></td> </tr> </tbody> </table>	Member Type	No. of Companies	Business Type	<b>Regular</b>	403	- Securities : 61 - Asset management : 325 - Real estate trust : 14 - Futures : 3	<b>Associate</b>	138	- Investment advisory, Banking, Insurance, etc.	<b>Special</b>	28	- Bond/fund/credit Rating, Fund administration, etc.	<b>Total</b>	569	
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6	Laos	LSX	60 staffs (as of October 30, 2023)	Membership Fee Other Resources (Shareholders cash contribution in yearly, in case yearly budget cannot cover)	- Members consist of 3 Securities Companies. - Market participants consist of 3 Custodian Banks, 3 correspondent banks for stocks and bonds, and 7 correspondent banks for central bank bills.															
7	Pakistan	PSBA	3	Membership Fee	146 Regular Corporate Members (as of October 26, 2023)															
8	Sri Lanka	SECSL	Permeant 86	Membership Fee	<b>Market Intermediaries licensed by the SEC</b>															

No.	Market	Name of Organization	No. of Full Time Staff	Funding Source	Number of Member Firms (by Business Category)
			Contract 04	Other Resources (Broker license fee, administrative levy, sale of publications, income received from educational programs)	19 Margin Providers 23 Investment Managers 08 Underwriters 02 Credit Rating Agencies 27 Stock Brokers (26 for Equity/Debt, 01 for Debt) 11 Stock Dealers (10 for Equity/Debt, 01 for Debt) 04 Corporate Finance Advisors 16 Managing Companies  <b>Market Institutions licensed by the SEC</b> 01 Licensed Exchange 01 Clearing House 01 Central Depository
9	Thailand 1	ASCO	40 FTEs	Membership Fee Other Resources (Professional Training and Examination Fees)	<b>Securities Companies: 42</b> Retail and Institutional Brokers: 36 (Full-Service Brokers 32   Discount Brokers 4) Institutional Brokers: 6  <b>ASCO provide supports the members in each business category covering front-liner to back office operations :</b> 1) Investment Banking Club 2) Back Office Operation Club 3) Compliance Club 4) Futures Industry Club 5) Information Technology Club, and 6) Human Resource Club
10	Thailand 2	ThaiBMA	59 full-time staffs (As of November 2023)	Membership Fee Other Resources (Bond Registration Fees, Bond Information Service Subscription Fees, Training Courses Fees)	As of November 2023, there are 54 member firms consists of; 44 Ordinary Members consisted of 12 Thai commercial banks, 6 foreign commercial banks and 26 securities companies which have debt trading license (Dealer). 5 Extraordinary Members are all securities companies which have inter-dealer broker license (IDB). 5 Associate Member is a securities company, which has monthly average trading value in the past one year less than 100 million baht.
11	Turkey	TCMA	N/A	Membership Fee Other Resources (Training fees from various vocational trainings, sponsorship revenues from various activities such as Turkish Capital Markets Congress)	71 brokerage firms, 48 banks, 62 portfolio management companies, 9 securities investment trusts, 42 real estate investment trusts and 8 venture capital investment trusts – total of 240. (as of November 2023)
12	Vietnam 1	VASB	05	Membership Fee	62 official members and 7 associate members: - 34 security firms (official members) - 28 security firms (official members) - 5 banks (associate members) - 2 others (associate members)
13	Vietnam 2	VBMA	7	Membership Fee Other Resources (Fees collected from training course, selling data to vendors)	81 institutional members (consisting of 37 banks, 17 securities firms, 10 insurance companies, 09 fund management companies, 04 finance companies, 02 rating agencies, 01 Law 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	ICMA	<p>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.</p> <p>ICMA has a regional structure, currently comprising sixteen regions (incl. one regional chapter) which are listed below:</p> <ul style="list-style-type: none"> <li>• <a href="#">Africa</a></li> <li>• <a href="#">Asia Pacific</a></li> <li>• <a href="#">Austria, Eastern and South Eastern Europe</a> - incl. regional chapter of Greece, Turkey, Cyprus and the Balkan States</li> <li>• <a href="#">Belgium</a></li> <li>• <a href="#">France and Monaco</a></li> <li>• <a href="#">Germany</a></li> <li>• <a href="#">Iberia</a></li> <li>• <a href="#">Ireland</a></li> <li>• <a href="#">Italy</a></li> <li>• <a href="#">Luxembourg</a></li> <li>• <a href="#">Middle East and North Africa</a></li> <li>• <a href="#">Netherlands</a></li> <li>• <a href="#">Nordic</a></li> <li>• Russia and other CIS countries - Suspended</li> <li>• <a href="#">Switzerland and Liechtenstein</a></li> <li>• <a href="#">United Kingdom and the Americas</a></li> </ul>
2	Bangladesh	DBA	Bangladesh Securities and Exchange Commission (BSEC)-

No.	Market	Name of Organization	Major Laws, Rules or Practices in the Securities Markets of Each Jurisdiction
			Dhaka Stock Exchange (DSE)- Chittagong Stock Exchange (CSE)- DSE Brokers Association of Bangladesh
3	Cambodia	CSX	<ol style="list-style-type: none"> <li>Governing Regulation: Law and Sub-Degree on the Issuance and Trading of Non-Government Securities and other subordinated regulations issued by Securities and Exchange Regulator of Cambodia. (<a href="https://www.serc.gov.kh/english/m21.php?pn=3">https://www.serc.gov.kh/english/m21.php?pn=3</a>)</li> <li>Exchange's Rules: There are 5 exchange rules on Securities Listing, Market Operations, Clearing &amp; Settlement, Depository, and Membership. (<a href="http://csx.com.kh/laws/rules/listPosts.do?MNCD=2050">http://csx.com.kh/laws/rules/listPosts.do?MNCD=2050</a>)</li> </ol>
4	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. (<a href="https://www.jsda.or.jp/en/rules-guidelines/rules/">https://www.jsda.or.jp/en/rules-guidelines/rules/</a>)</p> <ul style="list-style-type: none"> <li>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".</li> </ul>
5	Korea	KOFIA	Financial Investment Service and Capital Markets Act (Hereinafter referred to as the "FSCMA")
6	Laos	LSX	Regulatory Framework mostly based on the Law on Securities (Amended) 2019 and some regulations from Regulator which mainly specified the stock market supervisory in each chapter.
7	Pakistan	PSBA	Securities Act, 2015 Securities Brokers (Licensing and Operations) Regulations, 2016 Pakistan Stock Exchange (PSX) Rule Book
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021</li> <li>Rules applicable to Market Institutions</li> <li>Rules applicable to Market Intermediaries</li> <li>Takeovers and Mergers Code of 1995</li> <li>Collective Investment Scheme Code of 2022</li> <li>Sri Lanka Real Estate Investment Trust 2020</li> <li>Code of Best Practice on Corporate Governance</li> </ul>
9	Thailand 1	ASCO	<ol style="list-style-type: none"> <li>Securities and Exchange Act B.E. 2535</li> <li>Derivatives Act B.E.2546</li> <li>Emergency Decree on Digital Businesses B.E.2561</li> <li>Anti-money Laundering Act B.E. 2559</li> <li>Civil Registration Act B.E. 2534, Ministry of Interior</li> </ol> <p>Apart from local regulations that govern securities market mentioned above, international laws and standard practices are enforced. For example, Personal Data Protection Act (PDPA), Foreign Account Tax Compliance Tax Act (FATCA), and the implementation of Common Reporting System (CRS) reporting that have been imposed to all stakeholders in securities market.</p>
10	Thailand 2	ThaiBMA	<ul style="list-style-type: none"> <li>Securities and Exchange Act B.E. 2535</li> <li>Regulation and Notifications of the Securities and Exchange Commission (SEC's regulation)</li> <li>Regulation and Notifications of the Thai Bond Market Association (ThaiBMA's regulation)</li> </ul>
11	Turkey	TCMA	Capital Market Law (CML) no. 6362
12	Vietnam 1	VASB	<ul style="list-style-type: none"> <li><b>Law on Securities</b> No. 54/2019/QH14</li> <li><b>Law on Enterprises</b> No. 59/2020/QH14</li> <li><b>Decree No. 155/2020/ND-CP</b> on elaboration of some Articles of the Law on Securities</li> <li><b>Decree No. 153/2020/ND-CP</b> on prescribing private placement and trading of privately placed corporate bonds in domestic market and offering of corporate bonds in international market</li> <li><b>Decree No. 65/2022/ND-CP</b> on amending and supplementing some Articles of Decree 153/2020/ND-CP</li> <li><b>Decree No. 08/2023/NĐ-CP</b> on amending, supplementing and suspending some Articles of Decrees prescribing private placement and trading of privately placed corporate bonds in domestic market and offering of corporate bonds in international market</li> <li><b>Decree No. 156/2020/NĐ-CP</b> on prescribing penalties for administrative violations against regulations on securities and securities market</li> <li><b>Decree No. 158/2020/ND-CP</b> on derivatives and derivatives market</li> <li><b>Decree No. 128/2021/NĐ-CP</b> on amending, supplementing some Articles of Decree No. 156/2020/ND-CP</li> <li><b>Circular No. 30/2023/TT-BTC</b> on providing guidelines for registration, depositing, performance of corporate actions, transfer of ownership, settlement for transactions and organization of trading market for corporate bonds privately placed in domestic market</li> <li><b>Circular No. 96/2020/TT-BTC</b> on providing guidelines for disclosure of information on securities market</li> <li><b>Circular No. 118/2020/TT-BTC</b> on providing guidance for offering and issuance of securities, tender offer, share repurchase, registration and delisting of public companies</li> <li><b>Circular No. 119/2020/TT-BTC</b> on registration, depository, clearing and settlement of securities</li> <li><b>Circular No. 120/2020/TT-BTC</b> on trading of listed and registered shares, fund certificates, corporate bonds and secured warrants listed on securities trading systems</li> <li><b>Circular No. 122/2020/TT-BTC</b> on providing guidance for information disclosure and reporting prescribed in the Government's Decree No. 153/2020/ND-CP on private placement and trading of privately placed corporate bonds in domestic market and offering of corporate bonds in international market</li> <li><b>Circular No. 51/2021/TT-BTC</b> on providing guidance for obligations of organizations and individuals arising from foreign investment in Vietnam's securities market</li> <li><b>Circular 58/2021/TT-BTC</b> on providing guidelines for some Articles of Government's Decree No. 158/2020/ND-CP on derivatives and derivative market</li> <li><b>Circular No. 134/2017/TT-BTC</b> on providing guidelines for e-transactions on securities market</li> <li><b>Circular No. 73/2020/TT-BTC</b> on amending and supplementing some Articles of Circular No. 134/2017/TT-BTC</li> <li><b>Circular No. 58/2021/TT-BTC</b> on providing guidelines for some Articles of Government's Decree No. 158/2020/ND-CP on derivatives and derivative market</li> <li><b>Circular No. 197/2015/TT-BTC</b> on securities practice</li> </ul>
13	Vietnam 2	VBMA	<ul style="list-style-type: none"> <li>Law on Securities No. 54/2019/QH14 dated 26 November 2019</li> <li>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</li> <li>Decree 95/2018/NĐ-CP on Issuing, registering, depository, listing and trading of Government debt instrument, dated 30<sup>th</sup> of June 2018</li> <li>Decree No. 153/2020/NĐ-CP prescribing private placement and trading of privately placed corporate bonds in domestic market and offering of corporate bonds in international market, dated 31 December 2020, later amended by Decree No. 65/2022/ND-CP and Decree No.08/2023/ND-CP.</li> </ul>



No.	Market	Name of Organization	Major Laws, Rules or Practices in the Securities Markets of Each Jurisdiction
			<ul style="list-style-type: none"> <li>- Decree No. 155/2020/ND-CP providing guidelines for a number of articles of Law on Securities, dated 31/12/2020</li> <li>- Decree No. 158/2020/ND-CP on Derivative securities and the Derivative securities market, dated 31 December 2020</li> <li>- 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/ND-CP.</li> <li>- Decree No. 91/2018/ND-CP on government guarantee issuance and management, dated 26 June 2018.</li> <li>- Decree No. 93/2018/ND-CP providing for provincial-government debt management, dated 30 June 2018.</li> <li>- 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.</li> <li>- Circular 96/2020/TT-BTC guiding the disclosure of information on securities market, dated 16 November 2020.</li> <li>- 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.</li> <li>- 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</li> <li>- 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</li> </ul>

### 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	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.
2	Bangladesh	DBA	Trade Organization Rules 1994, Memorandum and Article of Association.
3	Cambodia	CSX	Prakas on the grant of approval to the operator of a securities market, the operator of a clearance and settlement facility and the operator of a securities depository. ( <a href="https://www.serc.gov.kh/english/m23.php?pn=3">https://www.serc.gov.kh/english/m23.php?pn=3</a> ) Main Function: To establish a fair, transparent and investor-friendly trading environment for both local and foreign investors, and to offer innovative products to all market participants by formulating and enforcing a wide range of a self-regulations and rules to cover the securities listing, trades, clearing & settlement and depository.
4	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.
5	Korea	KOFIA	<p><b>1. Regulation</b></p> <p>As an advocate for the development of the Korean capital market and financial investment industry, KOFIA examines various regulations in need of enhancement, and proposes opinions and solutions to the government, supervisory authorities, and lawmakers. To this end, KOFIA actively engages in networking with the financial investment industry, academia, and research institutes over current issues, and organizes councils and task forces with CEOs and professionals from member firms. Such efforts allow industry concerns to be more effectively reflected into financial policies.</p> <p>In 2022, KOFIA held consultation meetings with industry members in response to the government-wide push for financial regulatory innovation. KOFIA proposed the introduction of the Business Development Company(BDC) scheme to facilitate the supply of venture capital to innovative companies, and the amendment to the capital market act reflecting our proposal was approved by the National Assembly’s policy committee in May 2022. The association also urged the necessity to expand investment-type ISA and introduce Junior ISA. When the money market experienced a liquidity crunch in the 4Q 2022, KOFIA gathered industry feedback and collaborated with the government in an effort to stabilize the market.</p> <p><b>2. Self-Regulation</b></p> <p>KOFIA make and enforce self-regulations to perform the business based on FSCMA, which is to maintain sound trade practice among the members and to protect the interest of investors. KOFIA is the sole self-regulatory organization (SRO) of the Korean financial investment industry, overseeing a wide spectrum of industry areas. KOFIA believes that self-regulation should be responsive, flexible, and market-friendly. To effectively carry out its roles and functions as an SRO, KOFIA maintains the Self-Regulation Committee (SRC). The SRC is responsible for KOFIA’s self-regulatory activities, such as making decisions on regulatory enactments and revisions, and imposing sanctions on member companies, corporate executives and employees who fail to comply with regulations.</p>
6	Laos	LSX	Regulations on securities areas meanwhile the regulator makes and enforce the inspection directly in securities activities by-law.
7	Pakistan	PSBA	None
8	Sri Lanka	SECSL	<p>The establishment and constitution of the Securities and Exchange Commission of Sri Lanka was initially provided for by the Securities and Exchange Commission Act, No. 36 of 1987 (as amended by Act, No. 26 of 1991 and Act, No. 18 of 2003). The said Act has now been repealed and replaced by the Securities and Exchange Commission Act, No. 19 of 2021.</p> <p><b>Vision</b> “To become the benchmark regulator in South Asia for effective, efficient and proactive capital market regulation”</p> <p><b>Mission</b> “To promote, develop and maintain a capital market that is fair, efficient, orderly and transparent”</p> <p><b>Object and Purpose of the Act</b></p> <ol style="list-style-type: none"> <li>1. To establish the Securities and Exchange Commission of Sri Lanka;</li> <li>2. To create, maintain and regulate a fair, orderly, efficient and transparent securities market;</li> <li>3. To protect the interests of local and foreign investors; and</li> <li>4. To ensure the maintenance of high professional standards in the provision of services in relation to securities markets.</li> </ol>

No.	Market	Name of Organization	Major Rule-Making Functions
			Under Section 183 (1) of the Securities and Exchange Commission Act, No. 19 of 2021 (SEC Act) the Commission is empowered to make rules and every rule made under 183 (1) shall be published in the Gazette and shall come into operation on the date of such publication or on such later date as may be specified therein.
9	Thailand 1	ASCO	ASCO promotes ethical and transparent investment service business by issuance proper guidelines/rules underlying standard of business operations for the Association Members (the members). The rules/guidelines cover end-to-end business processes including pre-trade matters, trade transaction and post-trade processing to safeguard all the members as well as delivering the best business practice to the investor.
10	Thailand 2	ThaiBMA	<p>ThaiBMA plays key functional roles in five main areas;</p> <p><b>1. Self-Regulatory Organization (SRO)</b>  ThaiBMA oversees and monitors the conduct of its members to ensure fairness and efficiency in debt securities trading industry. It is committed to retaining the confidence of its members, regulators, and investors. SRO tasks comprise the following:</p> <ul style="list-style-type: none"> <li>- Act as the front-line regulator to detect any fraud or unfair trading practices by performing intraday market monitoring and post-trade surveillance.</li> <li>- Executing onsite and offsite inspection to ensure that members comply with relevant laws and regulations.</li> <li>- Issuing rules and guidelines regarding debt securities trading and good market practice.</li> <li>- Responsible for bond trader examination and registration and provide traders with ongoing education to enhance their professionalism.</li> </ul> <p><b>2. Bond Information Center</b>  Mandated as the sole information center for the Thai bond market, ThaiBMA collects, integrates, and processes the data from both the primary and secondary bond markets. It also develops financial tools and information essential for the bond market and disseminates those information through its website <a href="http://www.thaibma.or.th">www.thaibma.or.th</a>, and <a href="http://www.ibond.thaibma.or.th">www.ibond.thaibma.or.th</a>. Examples are;</p> <ul style="list-style-type: none"> <li>- <b>Yield curve:</b> ThaiBMA publishes various types of government bond yield curves and corporate yield curve on a daily basis.</li> <li>- <b>Bond information:</b> ThaiBMA provides trading data, bond features, reference yields and relevant market news and regulatory updates.</li> <li>- <b>Financial data:</b> ThaiBMA develops a wide range of financial and quantitative tools such as Bond indices, Zero coupon yield curve, credit spread curve, key rate duration, bond portfolio analysis, Value-at-Risk (VaR) to be used for bond investment and portfolio management.</li> </ul> <p><b>3. Association</b>  As an association of members, ThaiBMA represents collective voices of members and promotes dialogues among market participants to address issues affecting the bond market. ThaiBMA works actively with bond market stakeholders on a comprehensive range of market practices and conventions to set standards within the marketplace. Examples of standards issued by ThaiBMA are bond symbols and standard formula for price/yield calculation for various types of bonds which have become common standards in the market.</p> <p><b>4. Pricing Agency</b>  In the role of “Bond Pricing Agency”, ThaiBMA provides daily mark-to-market prices for investors. For actively traded bonds, the mark-to-market prices are based on trading and quotation information. For illiquid debts securities and structured bonds, ThaiBMA develops model yield to be used as fair prices and references for investors.</p> <p><b>5. Market Development and Education</b>  ThaiBMA is committed to enhancing market development and market education. It advocates for an efficient bond market and initiates a number of studies to the benefits of the whole industry. To expand investor understanding of the bond market, ThaiBMA provides extensive seminars and training programs for market participants and the general public. It also produces a comprehensive range of publications for the benefits of those involved in the bond market.</p>
11	Turkey	TCMA	<ul style="list-style-type: none"> <li>- Establish code of ethics for the profession (Rules of Profession)</li> <li>- Establish professional rules and regulations</li> </ul> <p>Promotional Campaigns Directive  Directive On the Principles Of Valuation of Assets in Investment Institution Portfolios  Directive On Reit Net Asset Value and Asset Value Tables  Directive on Research and Analyst Reports  Directive On Reserves to Be Set Aside by Mutual Funds  Customer Disputes Arbitration Committee Directive</p>
12	Vietnam 1	VASB	<ul style="list-style-type: none"> <li>- <b>Law on Securities</b> No. 54/2019/QH14</li> <li>- <b>Decree No. 45/2010/ND-CP</b> dated April 21, 2010 of the Government on the establishment, operation and supervision of associations</li> <li>- <b>Decision No. 16/2004/QĐ-BNV</b> dated March 02, 2004 of the Ministry of Home Affairs of Vietnam approving the Constitutional Charter of Vietnam Association of Securities Business (VASB)</li> </ul>
13	Vietnam 2	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"> <li>- A high-standard debt market professionals community in Vietnam</li> <li>- A market modernization champion and driver</li> <li>- A collective market information source</li> <li>- A policy dialogue interlocutor for policymakers and regulators</li> <li>- A training center for market players</li> </ul> <p>VBMA has introduced a code of conduct applicable to VBMA members and their employees when engaging in debt market transactions.  A set of market conventions applicable to debt securities transactions was also produced and is intended to be applied in the near future.  A model back-office manual for debt market transactions that is designed with a view to assist VBMA members in standardizing and improving their back-office operations relating to debt market transactions.</p>

### III – 2. Qualification System for Market Professionals

No.	Market	Name of Organization	Qualification System for Market Professionals																								
1	Asian Region	ICMA	N/A																								
2	Bangladesh	DBA	Licensing for regulatory body i.e. Bangladesh Securities and Exchange Commission (BSEC)																								
3	Cambodia	CSX	- Certain management and staff of securities firms, firms doing collective investment scheme business, firms doing derivatives business and other firms providing services in securities business as stipulated in the relevant regulations are required to take the Training and Examination, and Continuing Professional Education (CPE) in Securities Sector conducted by Securities and Exchange Regulator of Cambodia (SERC). SERC hosts it at least two times per year. General public and others that are interested in the program can also register at their own cost.																								
4	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" data-bbox="667 1020 1822 1270"> <thead> <tr> <th>Examination</th> <th>Examinees</th> <th>Successful Applicants</th> </tr> </thead> <tbody> <tr> <td>Class-1 Sales Representative</td> <td>32,328</td> <td>18,483</td> </tr> <tr> <td>Class-2 Sales Representative</td> <td>6,012</td> <td>3,789</td> </tr> <tr> <td>Internal Administrator</td> <td>14,953</td> <td>12,127</td> </tr> <tr> <td>Special Member's Class-1 Sales Representative</td> <td>4,409</td> <td>1,578</td> </tr> <tr> <td>Special Member's Class-2 Sales Representative</td> <td>6,610</td> <td>3,423</td> </tr> <tr> <td>Special Member's Internal Administrator</td> <td>1,475</td> <td>1,420</td> </tr> <tr> <td>Total</td> <td>65,787</td> <td>40,820</td> </tr> </tbody> </table>	Examination	Examinees	Successful Applicants	Class-1 Sales Representative	32,328	18,483	Class-2 Sales Representative	6,012	3,789	Internal Administrator	14,953	12,127	Special Member's Class-1 Sales Representative	4,409	1,578	Special Member's Class-2 Sales Representative	6,610	3,423	Special Member's Internal Administrator	1,475	1,420	Total	65,787	40,820
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5	Korea	KOFIA	Under the FSCMA, KOFIA is responsible for the management and supervision of financial investment professionals, including certified investment advisors, certified investment managers, certified financial risk managers and certified research analysts. This rule ensures that qualified person has professional expertise for skills and knowledge, and partially prevents incomplete sales and conflict between sales company and individual investor. KOFIA conducts 18 certification tests each year for potential candidates.																								
6	Laos	LSX	<ul style="list-style-type: none"> <li> <b>Categories of Lao Securities Professional Program – LSPP</b>            According to the agreement on Lao securities professional program, no. 09/LSCO. Categories of securities business professionals, the LSPP comprise of the following categories:           <ul style="list-style-type: none"> <li>- Securities Broker (SB)/Securities Dealer (SD);</li> <li>- Financial Advisor (FA);</li> <li>- Investment Advisor (IA);</li> <li>- Securities Analyst (SA);</li> <li>- Fund Manager (FM);</li> <li>- Other securities business professional as prescribed by the Lao Securities Commission.</li> </ul> </li> <li> <b>The Condition of securities company staffs and fund manager company staffs for being securities business professional</b> <ul style="list-style-type: none"> <li>- SB, SD, FA must complete bachelor degree on finance, banking, business management, law etc.;</li> <li>- IA must pass the examination on LSPP – SB and LSPP – SD;</li> <li>- SA must pass the examination on LSPP – SB and LSPP – SD and LSPP – IA;</li> <li>- FM must pass the examination on LSPP – SA.</li> </ul> </li> </ul>																								
7	Pakistan	PSBA	Qualified by the Institute of Financial Markets of Pakistan (IFMP)																								
8	Sri Lanka	SECSL	<p>The Capital Market Qualification Framework intended to ensure a minimum level of competency for investment advisors and thus serves as a quality standard for investment advisors in the stock broking industry in Sri Lanka.</p> <p>Certificate in Capital Markets (CCM) as the basic securities market certification, and this is mandatory to be licensed as a Registered Investment Advisor (RIA) in Sri Lanka.</p> <p>The qualification framework consists of seven modules;</p> <ul style="list-style-type: none"> <li>• Series 1: Securities Markets and Instruments</li> <li>• Series 2: Equity Securities</li> <li>• Series 3: Debt Securities</li> <li>• Series 4: Derivatives</li> <li>• Series 5: Unit Trusts</li> <li>• Series 6: Investment Planning, Advising and Marketing</li> <li>• Series 7: Securities Regulation and Ethics</li> </ul> <p>There are five different levels of certifications where each of the first four certificates will form the basic training required to obtain the license as an investment advisor for each asset class.</p> <p>There are five certifications under the Qualification Framework namely;</p> <ul style="list-style-type: none"> <li>• Certificate in Equity Securities</li> <li>• Certificate in Debt Securities</li> <li>• Certificate in Derivatives</li> <li>• Certificate in Unit Trusts</li> <li>• Certificate in Capital Markets</li> </ul> <p>Each of the above five certifications leads to a licensing process for investment advisors for each asset class resulting in the following classes of investment advisors:</p>																								



No.	Market	Name of Organization	Qualification System for Market Professionals
			<ul style="list-style-type: none"> <li>• Certified Equity Securities Advisor</li> <li>• Certified Debt Securities Advisor</li> <li>• Certified Derivatives Securities Advisor</li> <li>• Certified Unit Trust Advisor</li> <li>• Registered Investment Advisor (RIA)</li> </ul> <p>It is mandatory for the Registers Investment Advisors adhere to annual Continuous Professional Development (CPD) requirements.</p> <p style="text-align: right;">Source: <a href="https://www.cme.sec.gov.lk/qualification-framework/">https://www.cme.sec.gov.lk/qualification-framework/</a></p>
9	Thailand 1	ASCO	<p>i. <b>Executive Officer</b> (Director, manager, or any authorized persons) requires an approval from the Securities and Exchange Commission (SEC) before duty becomes effective.</p> <p>ii. <b>Investment Consultant</b> (IC) must obtain relevant license<sup>s/</sup> from SEC. The candidates must pass examination through authorized examination operators e.g., ATI*, AIMC.</p> <p>iii. *ASCO Training Institute (ATI) is one of the authorized trainings and examining provider endorsed by SEC</p> <p>iv. <b>IC License Renewal</b>- IC requires to obtain 15-hr refreshment courses in every 2 years.</p> <p>v. <b>Head of Compliance Officer</b>- is required to receive Training Certificate from endorsed Training Provider. This training is also eligible for annual certificate refreshment.</p> <p>vi. <b>Registered Non-advisory Trader</b>- is required to registered with the Stock Exchange of Thailand (SET) before entering any market trading transaction.</p> <p><b>Financial Advisor (FA)</b>- a mandatory license for investment banking professionals– a primary market underwriting and advisory services</p>
10	Thailand 2	ThaiBMA	Bond Traders in Thailand are required to register with ThaiBMA. In order to register, traders have to qualify the criteria and pass the registered trader examination administered by ThaiBMA. ThaiBMA is responsible for ensuring that the trading practices of registered traders comply with the established Ethics and Code of Conduct for the bond market.
11	Turkey	TCMA	<p>Licensing requirements were introduced by the Capital Markets Board (CMB), the main regulatory authority in the capital markets, in 2001. The licensing system aims to assess the professional qualifications and the knowledge of persons working at capital market related jobs. The first licensing examinations were held in September 2002.</p> <ul style="list-style-type: none"> <li>• Since 2011, exams are organized by Capital Market Licensing and Training Agency (SPL).</li> <li>• The CMB introduced several types of licenses for market professionals that are listed below.</li> </ul> <ol style="list-style-type: none"> <li>1. Capital Market Activities License (Level I-II and III)</li> <li>2. Derivatives License</li> <li>3. Corporate Governance Rating License</li> <li>4. Credit Rating License</li> <li>5. Real Estate Appraisal License</li> <li>6. Residential Real Estate Appraisal License</li> </ol>
12	Vietnam 1	VASB	<p>According to Circular No. 197/2015/TT-BTC, there are 2 types of certificates relating to securities business that market professionals must have: Securities Business Practising Certificate and Securities Professional Certificate.</p> <ul style="list-style-type: none"> <li>- <b>Securities Business Practising Certificate</b> guarantees that the holder is eligible to hold professional positions at securities firms, fund management companies, securities investment companies operating in Vietnam.</li> <li>- <b>Securities Professional Certificate</b> guarantees that the holder meets necessary qualifications in securities and stock market.</li> </ul> <p>There are 8 securities professional certificates, including:</p> <ol style="list-style-type: none"> <li>1. Basics on securities and securities market</li> <li>2. Laws on securities and securities market</li> <li>3. Securities Analysis and Investment</li> <li>4. Securities Brokerage and Investment Advisory</li> <li>5. Analysis of Corporate Financial Statements</li> <li>6. Securities Issue Advisory and Underwriting</li> <li>7. Fund and Asset Management</li> <li>8. Derivatives and Derivatives market</li> </ol> <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"> <li>- <b>Securities Brokerage Certificate</b></li> <li>- <b>Financial Analysis Certificate</b></li> <li>- <b>Fund Management Certificate</b></li> </ul> <ol style="list-style-type: none"> <li>1. To attend the exam for <i>Securities Brokerage Certificate</i>, the Securities Professional Certificate must comprise of qualifications on Basics on securities and stock market; Laws on securities and stock market; Securities Analysis and Investment; Securities Brokerage and Investment Advisory.</li> <li>2. To attend the exam for <i>Financial Analysis Certificate</i>, the Securities Professional Certificate must comprise of qualifications applied to brokers, together with qualifications on Financial Advisory and Issue Underwriting, and Analysis of Corporate Financial Statement.</li> <li>3. To attend the exam for <i>Fund Management Certificate</i>, the Securities Professional Certificate must comprise of qualifications needed for the Financial Analysis Certificate and qualification on Fund and Asset Management.</li> </ol> <p>In addition, according to the Government's Decree No. 155/2020/ND-CP on elaboration of some Articles of the Law on Securities, which define one of principles of securities practice (Point dd, Sub-clause 2, Article 216, Section 4) as follow: a person who holds 01 of the 03 Securities Business Practising Certificates and has professional certificate in derivatives and derivatives market may practice tasks that are corresponding to his/her Securities Business Practising Certificates and related to Derivatives at a securities company or securities investment fund management company.</p> <p>The exams are held and certificates are granted by the Securities Research and Training Center under the State Securities Commission (SSC).</p>
13	Vietnam 2	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 3<sup>rd</sup>, 2015, by the Minister 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.</p> <p>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>



No.	Market	Name of Organization	Qualification System for Market Professionals
			<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"> <li>- Securities Brokerage Certificate</li> <li>- Financial Analysis Certificate</li> <li>- Fund Management Certificate</li> </ul> <p>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.</p> <p>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.</p> <p>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> <p>Exams are held by the Securities Research and Training Center under the SSC.</p> <p>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	ICMA	<p>ICMA Education &amp; 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 latest developments and more. We offer a portfolio of over 20 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 &amp; collateral markets, alongside horizontal themes of sustainable finance and digitalisation. In addition, ICMA Education &amp; Training offers courses specifically for securities operations professionals as a separate subject area. Education &amp; 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 &amp; 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 foundation, 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>
2	Bangladesh	DBA	<p>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.</p>
3	Cambodia	CSX	<ul style="list-style-type: none"> <li>- Sale Representatives of Securities Companies are required to fulfill qualification set forth under the Prakas on Licensing Securities firms and Securities Representative and pass the qualification examination conducted by Securities and Exchange Regulator of Cambodia.</li> <li>- Sale Representative shall also register at the Cambodia Securities Exchange and receive system training and induction training on the Exchange's rules and other guidelines.</li> <li>- Cambodia Securities Exchange also conducts regular trainings for securities representative upon introduction of new regulation, products or services.</li> </ul>
4	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 site)," "Dementia Supporter Training Course," and "Mutual Learning (focusing on young employees)" since FY2022.</p> <p><b>Training Courses in FY 2023</b></p> <p><b>1. Training Courses Based on Self-regulation</b></p> <ul style="list-style-type: none"> <li>- Seminars for company representatives</li> <li>- Training seminars for executives</li> <li>- Joint training seminars for internal administration supervisors and assistant supervisors</li> <li>- Training seminars for internal administrators</li> <li>- Training seminars for sales managers</li> </ul> <p><b>2. Training Courses Focusing on Ethics and Compliance</b></p> <ul style="list-style-type: none"> <li>- Basic compliance seminars</li> <li>- Compliance practice seminars</li> <li>- Corporate ethics seminars</li> <li>- Risk management seminars</li> <li>- Compliance seminars for sales staff</li> <li>- Sustainable finance seminars</li> </ul> <p><b>3. Training Courses on Other Topics</b></p> <ul style="list-style-type: none"> <li>- Tax System and products seminars / Seminars for preventing harassment</li> </ul>

No.	Market	Name of Organization	Training System for Employees/Sales Representatives of Securities Companies
			- Seminars for improvement of skills, etc. to provide useful information and advice that meets the diverse lifestyles and needs of customers <b>4. Training Seminars for Renewing the Qualification of Sales Representatives</b>
5	Korea	KOFIA	The Korea Institute of Financial Investment (KIFIN), KOFIA's educational arm, offers an array of learning courses on financial investment instruments to meet the needs of the financial investment industry. The principal objective of KIFIN is to provide the industry with continued education and training in order to foster high-quality professionals. The courses are broadly classified into professional education on specialty building for practitioners, and mandatory education for certification of skills maintenance purposes. In 2022, KIFIN offered 190 training courses across 10 different financial market fields(e.g. stock, bond, derivatives, alternatives, IB, wealth management, etc.), including 74 e-learning courses. These courses were grouped under three categories – General, Professional, and Qualification – and then further divided into Basic (theory), Intensive (case studies), and Expert (practical application) levels. This allowed KIFIN to better meet the needs of the industry and bring out the full potential of market professionals. E-learning courses, in particular, attracted as many as 300,000 investors, including those who took mandatory courses for general investors on short selling, ETPs, etc.
6	Laos	LSX	<ul style="list-style-type: none"> <li>• <b>Organizing LSPP</b> <ul style="list-style-type: none"> <li>- Lao Securities Exchange (LSX) must organize the training for Securities Business Professional.</li> </ul> </li> <li>• <b>The condition for passing the LSPP</b> <ul style="list-style-type: none"> <li>- Course participants must take course at least 80% of the whole course;</li> <li>- Course participants must get 70% of the total examination points.</li> </ul> </li> <li>• <b>Certificate of LSPP participants</b> <ul style="list-style-type: none"> <li>- There are two types of LSPP certificates: a certificate for LSPP participants (who cannot pass the examination) and a certificate for passing the examination (who can meet the examination requirements)</li> <li>- After receiving a certificate for passing the LSPP examination, it requires to get a license for becoming a securities business professional with the Lao Securities Commission Office (LSCO).</li> </ul> </li> </ul>
7	Pakistan	PSBA	Chief Executives, Compliance Officers, and Sales Representatives are being trained in collaboration with IFMP
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>• Continuous Professional Development (CPD) programme</li> </ul>
9	Thailand 1	ASCO	ASCO provides training and seminars for executives and employees of member's firms in various areas; - <b>Executive Training/Top Management Training (3-4 times a year)</b> - Compliance Officer – 5 days training program (once a year) - Back Office, Operation Officer and HR officer – 2 days training program (once a year) - Investment Consultant (Sales Representatives) – Refresher program (requires 15 hours in 2 years)
10	Thailand 2	ThaiBMA	ThaiBMA is responsible for administering “Bond Trader License”. All bond traders are required to pass the examination organized by ThaiBMA and attend a refresher course every 2 year to renew their license. ThaiBMA also provides several continuing education training courses for professionals in the bond market.
11	Turkey	TCMA	In order to renew their licenses, licensed personnel are required to attend a compulsory online training program every three years.
12	Vietnam 1	VASB	Employees/Sales Representative of securities company needs to obtain the Securities Professional Certificates. In order to obtain such certificate, they are required to participate in a number of training courses (as listed below) and pass the final examinations conducted by the SSC or one of the training establishments at universities approved by the SSC. <ol style="list-style-type: none"> <li>1. Basics on securities and securities market</li> <li>2. Laws on securities and securities market</li> <li>3. Securities Analysis and Investment</li> <li>4. Securities Brokerage and Investment Advisory</li> <li>5. Analysis of Corporate Financial Statements</li> <li>6. Securities Issue Advisory and Underwriting</li> <li>7. Fund and Asset Management</li> <li>8. Derivatives and Derivatives market</li> </ol>
13	Vietnam 2	VBMA	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 organized by the SSC. A securities broker is required to pass the following course examinations held by the SSC: <ol style="list-style-type: none"> <li>1. Course 1: Basic Issues on Securities and Securities Market</li> <li>2. Course 2: Law on Securities and Securities Market</li> <li>3. Course 3: Securities and Investment Analysis</li> <li>4. Course 4: Securities Brokering and Investment Advisory</li> </ol> A securities analyst is required to participate in the following courses held by the SSC: <ol style="list-style-type: none"> <li>1. Course 1: Basic Issues on Securities and Securities Market</li> <li>2. Course 2: Law on Securities and Securities Market</li> <li>3. Course 3: Securities and Investment Analysis</li> <li>4. Course 4: Securities Brokering and Investment Advisory</li> <li>5. Course 5: Financial Advisory and Securities Underwriting</li> <li>6. Course 6: Analysis of Financial Reports</li> </ol>

### III – 4. Securities Firms Inspection or Audit

No.	Market	Name of Organization	Securities Firms Inspection or Audit
1	Asian Region	ICMA	N/A
2	Bangladesh	DBA	By the Regulatory Bodies i.e. Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd (DSE).
3	Cambodia	CSX	Under the Membership rules of the CSX, CSX inspects the observance of laws and regulations as well as the condition of the business, operations, standards, and assets of our member firms, their books and records and other items. In principle, inspection is conducted by visiting the head office, branch office, sales office, or other facility of member firm onsite.
4	Japan	JSDA	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.

No.	Market	Name of Organization	Securities Firms Inspection or Audit
			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.
5	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.
6	Laos	LSX	<p>LSX shall inspect members firm by 2 forms as: Off-site inspection and On-site inspection.</p> <p><b>1. Off-site inspection:</b> Regular inspect, which each member shall submit the following documents to LSX:</p> <ol style="list-style-type: none"> <li>(1) Financial statements such as Balance sheet, Income statement, Cash flow audited by an external auditor within the first quarter of the following year;</li> <li>(2) The number of employees who has not yet received the securities business professional license from LSCO in officially, and shall report in monthly within 7 business days of the following month;</li> <li>(3) The number of employees who have already had the securities business professional license but not yet renewed its validity as specified by LSCO, and shall report in monthly within 7 business days of the following month;</li> <li>(4) The number of employees who has not yet had the securities professional certificate from LSX, and shall report in monthly within 7 business days of the following month;</li> <li>(5) The regular change of Executive Directors, and shall report within 3 business days after changing;</li> <li>(6) The notice of IT system upgrade or/and office moving shall prior send to LSX within 7 business days;</li> <li>(7) Other as it is deemed necessary by LSX.</li> </ol> <p>Furthermore, LSX shall be able to conduct the sudden inspection which each member shall report to LSX within the date as the following case occurs:</p> <ol style="list-style-type: none"> <li>(1) In case there are any information, the violation of laws and rules related to an abnormal trading or suspicious to be an abnormal trading;</li> <li>(2) Official request from LSX;</li> <li>(3) The sudden change of Executive Directors;</li> <li>(4) The defect of IT system;</li> <li>(5) (5) Other emergency cases.</li> </ol> <p><b>2. On-site inspection</b></p> <ol style="list-style-type: none"> <li>(1) Regular inspection: annual inspection in the first quarter of the following year, and LSX shall inform the member the time periods and contents of inspection in written;</li> <li>(2) Sudden inspection: no any prior written notice when it is deemed necessary by LSX.</li> </ol>
7	Pakistan	PSBA	None by PSBA
8	Sri Lanka	SECSL	<p>The regulatory scope of the SEC involves the processes relating to licensing, renewals and monitoring activities of regulated entities through both on-site and off-site supervision.</p> <p>These regular monitoring and supervision activities are carried out to ensure proper conduct by the licensed entities and that they are in compliance with the provisions of the SEC Act, applicable Rules and Regulations whilst safeguarding their financial stability and operational viability.</p> <p>The SEC carry out independent on-site and off-site supervision of brokers to ensure effective monitoring of those entities. Off-site supervision entails review and analysis of periodic submissions by the stock brokers which include financial statements, Compliance Officers' Reports and periodic exposure reports on certain important variables. Any non-compliances detected during off-site reviews are notified to the entities and followed up until rectification.</p> <p>During on-site supervision SEC officials visit the registered business office of the stock broker and conduct comprehensive inspection of evidence relating to systems and entity's compliance with applicable Rules and Regulations.</p>
9	Thailand 1	ASCO	Other than <b>normal</b> Internal Audit exercises by securities companies, they are subjected to SEC inspection and investigation on onsite and offsite (depending on SEC's inspection issues). Apart from SEC investigation practice, securities companies who are the members of the Stock Exchange of Thailand (SET), they are inspected by SET depending upon the authority's inspection cycle.
10	Thailand 2	ThaiBMA	ThaiBMA acts as a front-line regulator to detect unfair trading practices by using Market Surveillance System for detecting suspicious patterns and potential fraudulent practices such as volume manipulation, excessive mark up / down, etc. ThaiBMA also conducts 2 types of inspections, namely Regular inspection, and Special inspection with 2 approaches; (1) on-site inspection by visiting member's office and facilities related to their bond trading i.e., trading account, electronic data, and etc. (2) off-site inspection by using document-based without visiting member's office.
11	Turkey	TCMA	Inspection of securities firms is under the responsibility of Capital Markets Board of Türkiye. TCMA has the authority and responsibility to establish professional rules, prevent unfair competition, impose disciplinary penalties, propose commission principles to CMB, evaluate complaints against members, and enforce regulations assigned by legislation or specified by the CMB.
12	Vietnam 1	VASB	<p>According to Law on Securities, the securities inspectorate works under management of President of State Securities Commission of Vietnam (SSC) and instructions of Inspectorate of the Ministry of Finance, inspection laws and Law on Securities (Article 129) and the SSC has several tasks and entitlements of in inspection and handling of violations against regulations of law on securities and securities market as follows:</p> <ul style="list-style-type: none"> <li>- Request the organizations and individuals that have information, documents and data relevant to the inspected issues to provide them, or request them to provide explanation or meet in-person to clarify the inspected issues</li> <li>- Request credit institutions and foreign bank branches (FBBs) to provide information relevant to transactions on the clients' accounts in case of suspected commission of the securities-related offences. Procedures for requesting and providing information shall comply with banking laws.</li> <li>- Request telecommunication companies to provide names, addresses, incoming and outgoing phone numbers to verify and take actions against the securities-related offences. Procedures for requesting and providing information shall comply with telecommunications laws.</li> </ul> <p>According to Circular 121/2020/TT-BTC, by March 31 of the following year, securities company must submit to the SSC the annual financial statement and prudential ratio report made on December 31 and audited by an approved auditing company. In case where the annual consolidated financial statement is needed, such statement that is audited within 100 days from the end of the financial year must be submitted.</p>
13	Vietnam 2	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	ICMA	<p>ICMA's disciplinary proceedings deal with disciplinary matters resulting from misconduct on the part of an ICMA member. Misconduct is defined as a breach or contravention of ICMA's statutes, by-laws or rules or any other conduct on the part of a member which causes substantial damage to the interests of ICMA.</p> <p>ICMA's executive committee initiates disciplinary proceedings against a member if there is evidence of misconduct and he oversees the proceedings through its various stages. All hearings take place in Zurich and proceedings are conducted in English unless otherwise agreed.</p> <p>Charges of misconduct are dealt with either under the summary procedure conducted by the executive committee, or by a disciplinary tribunal of three persons. The disciplinary tribunal can impose the following sanctions against a member in respect of which a charge of misconduct has been upheld:</p> <ul style="list-style-type: none"> <li>• expulsion from membership;</li> <li>• suspension of membership;</li> <li>• fines;</li> <li>• reprimands;</li> </ul> <p>or require the member to take remedial steps or give an undertaking with regard to future conduct.</p>
2	Bangladesh	DBA	Yes, Following Securities related Laws, Rules and Regulations.
3	Cambodia	CSX	CSX deploys numerous disciplinary actions against perpetrators depending on the severity of the misconduct. This is applied to listed companies, securities companies, member representatives and others who are affiliated with the acts. Base on Listing and Disclosure Rules, and Membership Rules of the Cambodia Securities Exchange, disciplinary actions include warning, suspension and withdrawal of their membership, delisting, report to authorities, and more.
4	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> <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>
5	Korea	KOFIA	<p>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. The types of sanctions that can be imposed on the members(a financial investment company) by the Self-Regulation Committee(hereinafter referred to as the Committee) are any of the following Items, and the sanction of Item 4 may be imposed with other sanctions when deemed necessary:</p> <ol style="list-style-type: none"> <li>1. Request for the member to be barred from the general meeting;</li> <li>2. Suspension of the qualification of the member;</li> <li>3. Suspension of the whole or part of the duties provided to the member by the Association;</li> <li>4. Imposing sanctions;</li> <li>5. Warning; or</li> <li>6. Caution.</li> </ol> <p>The types of sanctions that can be recommended on the executives of the member by the Committee are any of the following Items;</p> <ol style="list-style-type: none"> <li>1. Dismissal(including the recommendation for suspension of business practice until the decision of whether not to dismiss the executive concerned at the shareholder's meeting</li> <li>2. Suspension of business practices for less than six months</li> <li>3. Warning; or</li> <li>4. Caution</li> </ol> <p>The types of sanctions that can be recommended on the employees of the member by the Committee are any of the following Items;</p> <ol style="list-style-type: none"> <li>1. Disciplinary dismissal</li> <li>2. Suspension</li> <li>3. Salary reduction</li> </ol>



No.	Market	Name of Organization	Disciplinary Action and Measures against Misconduct
			4. Reprimand; or 5. Caution.
6	Laos	LSX	According to article 28 of Membership Regulation of LSX, LSX shall discipline and punish to a member that misconduct the responsibility as the following measures: 1. Disciplinary measures (1) Warning; (2) Impose the fine in accordance with related regulations of LSCO; (3) Others as defined by related laws and regulations of the Lao PDR. 2. Punishment measures (1) Suspension on membership in a whole or a part but should not exceed 6 months; (2) Withdrawal on membership; (3) Others as defined by related laws and regulations of the Lao PDR.
7	Pakistan	PSBA	None by PSBA
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>• All offences under the SEC Act shall be triable in the court</li> <li>• Compounding of offences</li> <li>• Imposing administrative Sanctions</li> <li>• Issue of Cautions / Warnings / Reprimands</li> <li>• Cancel / suspend license granted for a market intermediary</li> <li>• Cancel / suspend Registered Investment Advisor status of a Registered Investment Advisor</li> </ul>
9	Thailand 1	ASCO	Administrative Disciplinary Action is the measurement against misconduct transaction/activities which imposes to the business entity and individual profession. There is an example of measurement actions highlighted as follows. Sanction against the securities firm. 1. Writing warning notice 2. Penalization 3. Temporary suspension 4. License Revocation  Sanction against individual via 1. Giving Probation 2. Suspension of license 3. Revocation of license  <b>Measures against misconducts</b> Securities company must establish Standard Operating Procedure (SOPs) or Working Manual to control internal work process covering Business Units, Back Office and workflow from Front-to-Back. SOPs must comply with code of conduct prescribed by SEC and subject to be periodically updated by relevant BUs. Apart from SOPs, Securities companies activities are subject to be proactively monitored by Compliance and/or Internal Audit Department
10	Thailand 2	ThaiBMA	There are two categories of administrative disciplinary action under ThaiBMA rules. One is applied to member firms. The other is applied to individual registered traders affiliated with those member firms. There are five kinds of disciplinary actions to be taken against member firms when disciplinary action is triggered, namely (1) warning (2) probation (3) fine (4) suspension (5) revocation.
11	Turkey	TCMA	A member which acts contrary to professional honor, professional principles and rules, to legislations related to the capital market activities and to resolutions of the TCMA can be fined according the measures of the Disciplinary Regulation.  The following disciplinary penalties are applied, depending on the nature and importance of the act. <ul style="list-style-type: none"> <li>• Warning: a written notice to the concerned member stating that it has to act more diligently and carefully in performing its activities.</li> <li>• Censure: a written notice to a member stating that it is faulty in its profession and behavior.</li> <li>• Fine: the amount is paid by the liable party to the Investors Protection Fund within 30 days following the date of the notice.</li> <li>• Temporary exclusion from the Association membership: direct or indirect restriction of professional activities of a member for a temporary period of time to be designated according to the nature and importance of the incorrect act, not exceeding a period of 6 months.</li> </ul> Permanent discharge from the Association membership: in that case, the relevant institution cannot operate in the capital markets ever.  The actions requiring temporary exclusion are insider trading and market manipulation. The action requiring permanent exclusion is using customers' assets (cash or capital market instruments) in favour of the member or third parties by issuing counterfeit documents or forging documents.
12	Vietnam 1	VASB	<b>Regarding legal regulations</b> , according to <b>Decree No. 156/2020/NĐ-CP</b> on prescribing penalties for administrative violations against regulations on securities and securities market and the <b>Decree No.128/2021/NĐ-CP</b> on amending, supplementing some Articles of Decree No. 156/2020/NĐ-CP any Vietnamese (or foreign) organization or individual committing a violation as set forth in the Decree would be subject to an administrative sanction.  Administrative violations relating to securities are categorized into the following classes: a. Violations against regulations on private placement of securities; b. Violations against regulations on public offering in Vietnam; c. Violations against regulations on issuance of bonds in 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; d. Violations against regulations on issuance of additional shares; e. Violations against regulations on public companies; f. Violations against regulations on tender offers; g. Violations against regulations on listing and registration of securities; h. Violations against regulations on organization of securities market; i. Violations against regulations on securities trading and practice; j. Violations against regulations on securities trading; k. Violations against regulations on registration, depositing, clearing and payment for securities, supervisory banks and custodian banks; l. Violations against regulations on information disclosure and reporting m. 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

No.	Market	Name of Organization	Disciplinary Action and Measures against Misconduct
			<p>n. Violations against regulations on anti-money laundering and counter-terrorism financing in the fields of securities and securities market; and</p> <p>o. Violations against regulations on inspection conducted by competent authorities.</p> <p>Administrative main sanctions include (a) Warning, (b) Fines, and (c) Suspension of securities trading activities for a fixed period of 01 - 12 months, (d) Suspension of certificate of registration of representative office operation or securities practicing certificate for a fixed period of 01 - 24 months. Additional penalties include (a) suspension of tender offer; securities trading activities or securities services; securities underwriting; operation of representative office; securities depository services, clearing and settlement services; securities transactions for a fixed period of 01 - 12 months; (b) Suspension of certificate of registration of representative office operation or securities practicing certificate for a fixed period of 01 - 24 months; (c) Confiscation of exhibits and instrumentalities used for committing administrative violations in the field of securities. Also, depending on the nature and severity of each administrative violation against regulations on securities and securities market, the violating entity may be liable to a number of remedial measures, such as: (i) Enforced disclosure of the audited report on capital use at the following General Meeting of Shareholders (GMS) or disclosure of the detailed descriptions of the use of capital generated from the latest private placement of shares or public offering of securities, which are included in the audited annual financial statements; (ii) Enforced provision of accurate reports/information; enforced removal or correction of inaccurate information; (iii) enforced provision of explanations, information and data about audit activities; Enforced transfer of illegal gains or proceeds obtained from the administrative violation.</p> <p>The Penal Code in 2015 (public in January 1, 2015) is supplemented with the following offenses: intentionally disclosing misleading information or hiding information in securities activity (Article 209); Using internal information to buy and sell securities (Article 210); Manipulating the stock market (Article 211); Counterfeiting documents in the listing offer (Article 212). The individual or organization which violated these legislations will be fined from 500 million - 2 billion, or imprison from 6 months to 3 years.</p> <p>The SSC has power to transfer an administrative violation to criminal investigation pursuant to the 2012 Law on Treatment of Administrative Violations. Administrative sanctions and remedies are publicly announced on the website of SSC.</p> <p><b>Regarding VASB's internal regulations</b>, disciplinary measures against members are stated in VASB's Charter including and Code of Conducts: warning, expulsion, expel member... VASB has also issued a Code of Conducts for the securities industry and is in the process of encouraging member companies and practitioners to apply. VASB does not have a detailed set of internal regulations including procedures to handle violations of internal regulations. VASB is planning to research and learn from other associations to implement this content.</p>
13	Vietnam 2	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> <p>a) Violations against regulations on private placement of securities;</p> <p>b) Violations against regulations on public offering in Vietnam;</p> <p>c) 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 depository receipts overseas or provision of assistance in issuing depository receipts overseas on the basis of shares issued in Vietnam;</p> <p>d) Violations against regulations on issuance of additional shares;</p> <p>d) Violations against regulations on public companies;</p> <p>e) Violations against regulations on tender offers;</p> <p>g) Violations against regulations on listing and registration of securities;</p> <p>h) Violations against regulations on organization of securities market;</p> <p>i) Violations against regulations on securities trading and practice; violations against regulations on securities transactions;</p> <p>k) Violations against regulations on registration, depositing, clearing and payment for securities, supervisory banks and custodian banks;</p> <p>l) 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;</p> <p>m) Violations against regulations on anti-money laundering and counter-terrorism financing in the fields of securities and securities market;</p> <p>n) Violations against regulations on inspection by competent authorities;</p> <p>o) Other violations against regulations on securities and securities market prescribed herein.</p> <p>Main administrative penalties 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	ICMA	Conciliation and arbitration proceedings are available to members and other interested parties with regard to disputes arising out of transactions in international securities regulated by ICMA as well as disputes between a member and the Association in respect of certain matters arising out of ICMA's statutes, by-laws, rules and recommendations.
2	Bangladesh	DBA	Yes, through Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd (DSE) and Self Organization.

No.	Market	Name of Organization	Dispute Resolution between Securities Firms and Customers
3	Cambodia	CSX	Any disputes aroused shall be solved under the framework of Prakas on Dispute Resolution in Securities Sector promulgated by the Securities and Exchange Regulator of Cambodia.
4	Japan	JSDA	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.  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.)
5	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.
6	Laos	LSX	When a client opens a securities account, the securities company and the client will enter into authorize contract to give the rights to the broker to process the securities transactions on behalf of the client. In the event of a dispute, the two parties will resolve it through peaceful negotiations. In addition, each party can propose to the LSCO to resolve the dispute. If it cannot be resolved, a lawsuit can be filed according to the law.
7	Pakistan	PSBA	None by PSBA
8	Sri Lanka	SECSL	When an investor has a complaint against a Stockbroker Firm/Investment Advisor in respect of dealings in Securities such investor shall, in the first instance, send in writing to the Compliance Officer of the Stockbroker Firm within a period of 3 months from the date of the disputed transactions. The Compliance Officer shall deal with the complaint and shall ensure that it is resolved expeditiously and satisfactorily.  If the investor is not satisfied with the decision taken by the Stockbroker Firm the investor may refer the complaint to the Colombo Stock Exchange (CSE).  The complaint shall be dealt with by the officer appointed by the CEO of the CSE to deal with such complaints and the decision of the officer shall be conveyed to the investor and/or Stockbroker Firm in dispute, as appropriate.  If a party is not satisfied with the decision given by the CSE, such party may appeal, within a period of 21 days from the date of the decision, to the Dispute Resolution Committee for an adjudication of the decision.
9	Thailand 1	ASCO	Arbitration is a dispute settlement procedure whereby the disputed parties agree to be bound by the arbitrator’s decision. To reduce time and cost through Juridic settlement process, the SEC facilitates dispute settlement by means of arbitration between investors and intermediaries (e.g., securities firms, selling agents of foreign shares, mutual fund supervisors, private fund custodians and derivatives business operators). However, the monetary claimed by each claimant shall not exceed 1 million baht.
10	Thailand 2	ThaiBMA	In case of bond trading disputes between members or between members and its client, the parties may seek arbitration proceeding or mediation provided by ThaiBMA. Panel of Arbitrators shall be appointed for this matter.
11	Turkey	TCMA	Investors in the Turkish capital markets can always resort to courts for all complaints. However, if the customer prefers alternative dispute resolution methods, the procedure is determined according the nature of the complaint. - If the complaint relates to exchange transactions, the customer can resort to the exchange (Borsa İstanbul). The dispute resolution method is similar to arbitration. The customer can decide to go to the court at any stage. The decision taken by the exchange is binding for the parties. Appeals on the Borsa İstanbul decisions can be made to the Capital Markets Board (CMB). CMB decisions can be appealed to administrative courts. - If the complaint relates to off-exchange disputes, the customer can resort to the TCMA. TCMA offers two alternative dispute resolution methods; arbitration and mediation. Arbitration: If the related parties agree to do so, arbitrators are chosen from TCMA’s list of arbitrators. The decision is binding. Appeals against arbitrators’ decisions can be made to the Court of Appeals. Mediation: TCMA helps the parties in solving complaints. TCMA mediation decisions are not binding. The CMB is not directly involved in customer complaint resolution. However, in case an investor reports a complaint, CMB may initiate an inspection.
12	Vietnam 1	VASB	When disputes arise between securities companies and securities companies with customers, the parties often send requests to SSC for resolution with disputes related to violations of legal regulations on securities. In most cases, the parties send a settlement request to civil court if SSC does not resolve the matter. Currently, the dispute resolution system through conciliation and arbitration in Vietnam has not become a habit when resolving disputes among securities companies and the securities sector. Although VASB has internal regulations regarding its role in resolving disputes between members, in reality this role of VASB has not yet developed. Mediation or arbitration takes place according to the Commercial Arbitration Law and the Decree on Mediation.
13	Vietnam 2	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	ICMA	N/A
2	Bangladesh	DBA	Yes, we have nationwide financial literacy program
3	Cambodia	CSX	Investor Education programs/activities of Cambodia Securities Exchange (CSX) includes: <ul style="list-style-type: none"> <li>- Phas Hun App, a free mobile application established by the CSX for the public to access to educational materials ranging from training material, articles, videos, data, etc.</li> <li>- CSX’s monthly trainings on investment and trading related topics to the public</li> <li>- Collaborative training with the regulators, members, universities, media, general corporations, clubs and associations, and more.</li> <li>- Monthly article publication called Post Securities on the Phnom Penh Post, the nation-wide wellknown economic newspaper</li> <li>- Monthly market newsletters and daily market summary publications - Annual StockInfo booklet</li> </ul>



No.	Market	Name of Organization	Investor Education Activities
			<ul style="list-style-type: none"> <li>- Annual Stock Exhibition</li> <li>- Stock Radio is a radio live show program on telegram newly implemented in late Q4 2023</li> </ul>
4	Japan	JSDA	<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. JSDA provides education for schools and for citizens. Each division provides educational materials, dispatch of lecturers, seminars, and information in booklets and online.</p> <p>In response to the impact of the COVID-19, we are responding to customer needs and the use of pre-recorded materials, real-time online and face-to-face meetings for seminars.</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>We have signed an MOU with the Japanese Bankers Association (JBA) to conduct seminars targeting teachers and professionals and to operate a joint pool of instructor personnel.</p> <p>In 2024, based on the government's plan, a new "Organization for Promotion of Financial and Economic Education" is scheduled to be established as a neutral organization to strategically implement financial and economic education in the public and private sectors, and JSDA will cooperate with this organization.</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>
5	Korea	KOFIA	<p>KOFIA consistently strives to protect the rights and benefits of investors through education, working to improve the current financial system and develop policy recommendations. KOFIA led the establishment of the Korea Council for Investor Education (KCIE) in 2005 to facilitate investor education initiatives, and is currently serving as the secretariat. The KCIE offers tailored education programs through the Financial Village platform. Everyone from students to experienced investors can enhance their financial literacy and asset management skills through both on and offline solutions as well as search engines, mobile platforms and social media.</p>
6	Laos	LSX	<ul style="list-style-type: none"> <li>• <b>Education activities through seminar</b> To promote general knowledge of securities, particularly in the field of education, LSX successfully welcomed the study tour and organized four seminars on capital market knowledge for 353 professors and students from the National University of Laos, Souphanouvong University, Savannakhet University, and the Kiettisack International School.</li> <li>LSX has collaborated with LSCO, securities companies, and listed companies to organize an education booth and a seminar on the topic of strengthening capital market understanding for students at the National University of Laos. At the same time, LSX collaborated with members in the Capital Market Education Program to hold a seminar in Luang Prabang province to disseminate knowledge about raising funds through the Lao capital market, which was attended by 60 parties.</li> <li>• <b>Education activities through Facebook</b> Simultaneously, LSX has completed public common knowledge about the capital market via the LSX Facebook page, which consisted of 10 topics: <ol style="list-style-type: none"> <li>1. Stocks split</li> <li>2. The process of stock trading</li> <li>3. AGM</li> <li>4. Benefit of investing in government bonds</li> <li>5. Benefit of being listed company</li> <li>6. The difference between stock exchange and securities company</li> <li>7. Understanding corporate bonds before investing</li> <li>8. Introducing trading simulation program</li> <li>9. Understanding stocks before trading</li> <li>10. The difference between stocks and corporate bonds</li> </ol> </li> <li>• <b>Education activities through TikTok</b> LSX has created additional advertising methods, such as a TikTok Channel, which has already uploaded 26 videos and presently has 4,352 followers.</li> <li>• <b>Production of advertising media</b> LSX has collaborated with LSCO to produce a podcast on 4 topics: government bonds listed in LSX, Stocks trading through LSX, the meaning and importance of the index, the meaning and importance of the capital market to the economic system in Lao PDR.</li> </ul>
7	Pakistan	PSBA	PSBA conducts its session under its initiative of Industry Awareness Program
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>• Conducting island wide awareness programmes to educate investors</li> <li>• Increasing awareness through social media (Facebook and twitter)</li> <li>• Increasing awareness via print media</li> </ul>
9	Thailand 1	ASCO	Thailand Securities Institute (TSI), a subsidiary of the Stock Exchange of Thailand, has conducted wide range of investor education courses online and offline. TSI education activities provide financial knowledge and financial literacy to youths at school, university students, and general public. Curriculum includes train-the-trainer, teacher development and activity-based education through various medias e.g., Oteacher manuals, e-learning, books, and game.
10	Thailand 2	ThaiBMA	<p>ThaiBMA regularly organizes free seminars for both retail and institutional investors. Advanced training courses in the area of bond and financial market are also offered to professionals in the bond market at minimal cost. (For more details: <a href="http://www.thaibma.or.th/EN/Training/SeminarCourse.aspx">http://www.thaibma.or.th/EN/Training/SeminarCourse.aspx</a>)</p> <p>Besides, as part of ThaiBMA's role in promoting investor education, ThaiBMA has conducted several activities related to investor education including;</p> <ul style="list-style-type: none"> <li>- "Bond Academy", a hybrid training program for university students with the objective to enhance their practical knowledge on the bond market through workshops which provide simulation on primary market auctions and secondary market trading.</li> <li>- Mobile application "MeBond" developed by ThaiBMA to facilitate individual investors to keep records of their bond portfolio, monitor movement of interest and principle payment, as well as related news. Mebond also provides an easily access to bond information in both primary and secondary markets.</li> </ul>
11	Turkey	TCMA	<ul style="list-style-type: none"> <li>• University visits in order to create and increase the awareness of capital markets among students.</li> <li>• Risk management seminars in cooperation with regional commerce chambers.</li> </ul>



No.	Market	Name of Organization	Investor Education Activities
			<ul style="list-style-type: none"> <li>TSPB is one of the organizers of World Investor Week, a global event supported by IOSCO and celebrated every year during the first week of October to raise awareness about capital markets for investor education and investor protection and to provide information on various regulations and practices of securities regulators in these two important areas.</li> </ul>
12	Vietnam 1	VASB	<p>VASB does not have a Training Center yet. Currently, investor education is mainly through training courses on each topic and free online training channels on basic knowledge for investors.</p> <p>We organize training courses for our sales people periodically and investor education seminars on various topics, such as macroeconomics updates, stock market views, financial analysis, etc.</p>
13	Vietnam 2	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> <p>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.</p> <p>Multiple discussion rounds among market participants about fixed income market are organized under different forums.</p> <p>VBMA also organizes workshops to investors through cooperation with other prestigious international organizations (ie.ADB, World Bank, S&amp;P Global) and Vietnam Minister of Finance.</p>

## 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	ICMA	N/A																																										
2	Bangladesh	DBA	N/A																																										
3	Cambodia	CSX	The data is not available.																																										
4	Japan	JSDA	<p>The composition of household financial assets as of FY 2023 end was as follows.</p> <p><b>Composition of Financial Assets of Households</b></p> <table border="1"> <thead> <tr> <th></th> <th>FY2021</th> <th>FY2022</th> <th>FY2023</th> <th>FY2018 (E) (Amount in \ trillion (US\$ billion))</th> </tr> </thead> <tbody> <tr> <td>Financial Assets of Households (Amount in \ trillion (US\$ billion))</td> <td>1,963.0 (17,845.6)</td> <td>2,021.4 (17,577.3)</td> <td>2,055.9 (15,457.7)</td> <td>2,055.9 (15,457.7)</td> </tr> <tr> <td>Cash &amp; Deposits</td> <td>53.9%</td> <td>53.8%</td> <td>53.8%</td> <td>1105.8 (8,314.2)</td> </tr> <tr> <td>Debt Securities</td> <td>1.4%</td> <td>1.3%</td> <td>1.3%</td> <td>26.9 (201.9)</td> </tr> <tr> <td>Shares &amp; Other Equities</td> <td>10.6%</td> <td>10.9%</td> <td>11.7%</td> <td>241.3 (1,814.2)</td> </tr> <tr> <td>Investment Trust Beneficiary Certificates</td> <td>4.2%</td> <td>4.5%</td> <td>4.4%</td> <td>90.4 (679.7)</td> </tr> <tr> <td>Insurance, Pensions and Standardized Guarantees</td> <td>27.3%</td> <td>26.5%</td> <td>25.9%</td> <td>533.2 (4,008.7)</td> </tr> <tr> <td>Others</td> <td>2.7%</td> <td>3.0%</td> <td>2.8%</td> <td>58.4 (439.0)</td> </tr> </tbody> </table> <p>(Notes)</p> <ol style="list-style-type: none"> <li>Data released on September 20, 2023</li> <li>Currency exchange rates are based on the fiscal year-end figures released by Mitsubishi UFJ Research &amp; Consulting</li> </ol> <p>(Source) Bank of Japan</p>		FY2021	FY2022	FY2023	FY2018 (E) (Amount in \ trillion (US\$ billion))	Financial Assets of Households (Amount in \ trillion (US\$ billion))	1,963.0 (17,845.6)	2,021.4 (17,577.3)	2,055.9 (15,457.7)	2,055.9 (15,457.7)	Cash & Deposits	53.9%	53.8%	53.8%	1105.8 (8,314.2)	Debt Securities	1.4%	1.3%	1.3%	26.9 (201.9)	Shares & Other Equities	10.6%	10.9%	11.7%	241.3 (1,814.2)	Investment Trust Beneficiary Certificates	4.2%	4.5%	4.4%	90.4 (679.7)	Insurance, Pensions and Standardized Guarantees	27.3%	26.5%	25.9%	533.2 (4,008.7)	Others	2.7%	3.0%	2.8%	58.4 (439.0)		
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5	Korea	KOFIA	<p>As of end of 2022, cash and deposits still accounted for the largest share of household financial assets at 45.9%, while financial investment instruments such as equities, bonds, and investment funds were 22.3%, a 3.1%p decrease YOY.</p> <table border="1"> <caption>Composition of Household Financial Assets in Korea (2018-2022)</caption> <thead> <tr> <th>Year</th> <th>Cash/Deposits</th> <th>Securities</th> <th>Bonds</th> <th>Investment Funds</th> <th>Insurance/Pensions</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>44.3%</td> <td>2.9%</td> <td>4.2%</td> <td>15.2%</td> <td>32.9%</td> <td>0.5%</td> </tr> <tr> <td>2019</td> <td>44.8%</td> <td>2.8%</td> <td>3.6%</td> <td>15.3%</td> <td>32.8%</td> <td>0.6%</td> </tr> <tr> <td>2020</td> <td>43.4%</td> <td>2.4%</td> <td>3.4%</td> <td>19.4%</td> <td>30.8%</td> <td>0.7%</td> </tr> <tr> <td>2021</td> <td>43.4%</td> <td>2.3%</td> <td>2.3%</td> <td>20.8%</td> <td>30.4%</td> <td>0.8%</td> </tr> <tr> <td>2022</td> <td>45.9%</td> <td>1.9%</td> <td>2.6%</td> <td>17.8%</td> <td>31.0%</td> <td>0.8%</td> </tr> </tbody> </table> <p>Source : Economic Statistics System(ECOS), BOK</p>	Year	Cash/Deposits	Securities	Bonds	Investment Funds	Insurance/Pensions	Others	2018	44.3%	2.9%	4.2%	15.2%	32.9%	0.5%	2019	44.8%	2.8%	3.6%	15.3%	32.8%	0.6%	2020	43.4%	2.4%	3.4%	19.4%	30.8%	0.7%	2021	43.4%	2.3%	2.3%	20.8%	30.4%	0.8%	2022	45.9%	1.9%	2.6%	17.8%	31.0%	0.8%
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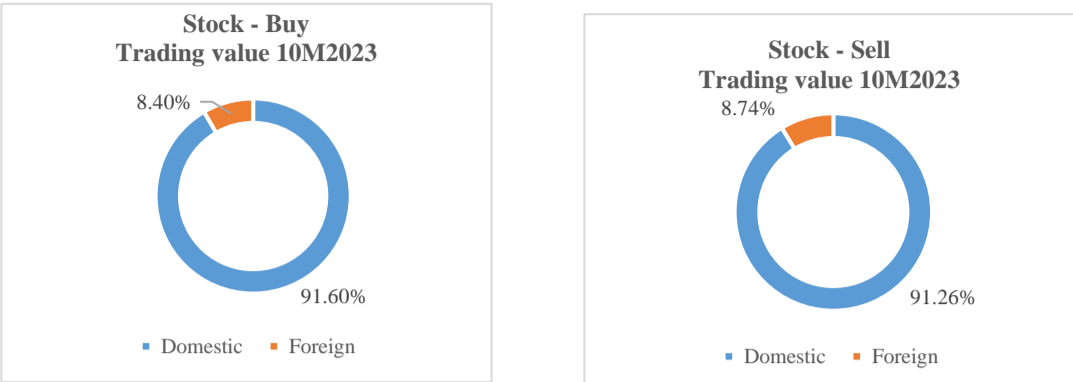
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IV – 2. Share of Foreign Investors in the Stock Trading on the Exchange

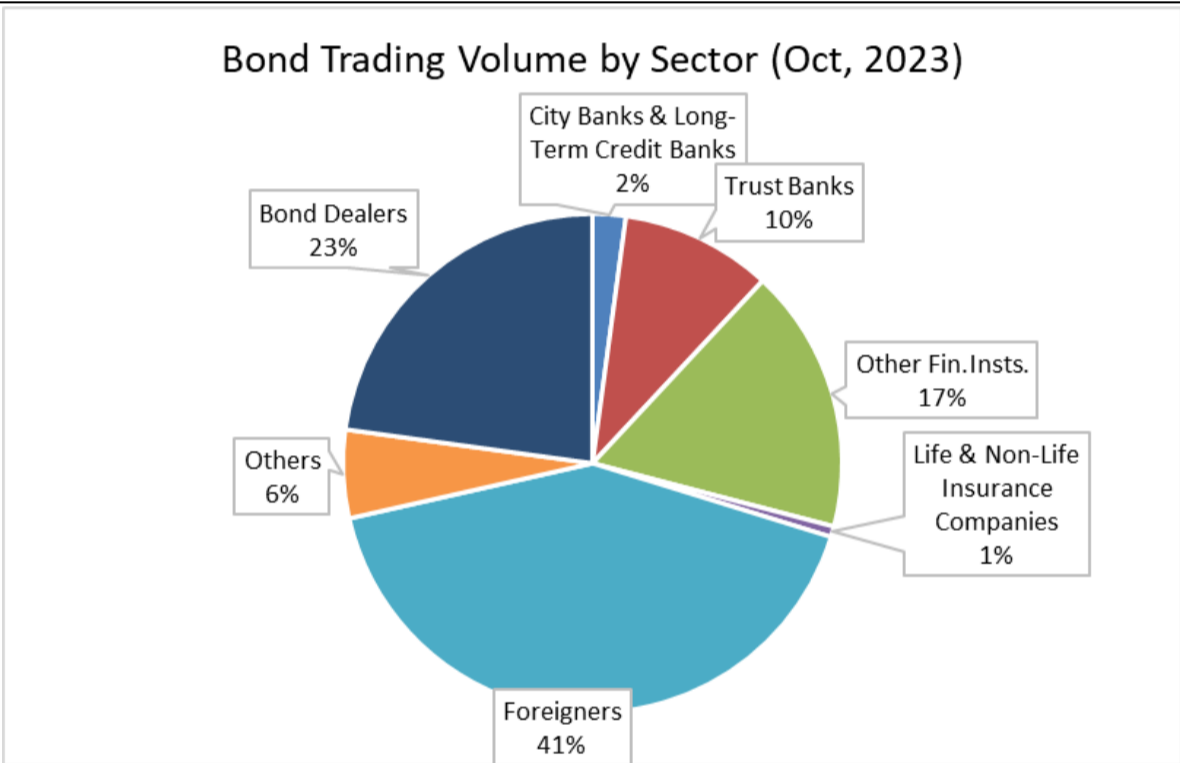
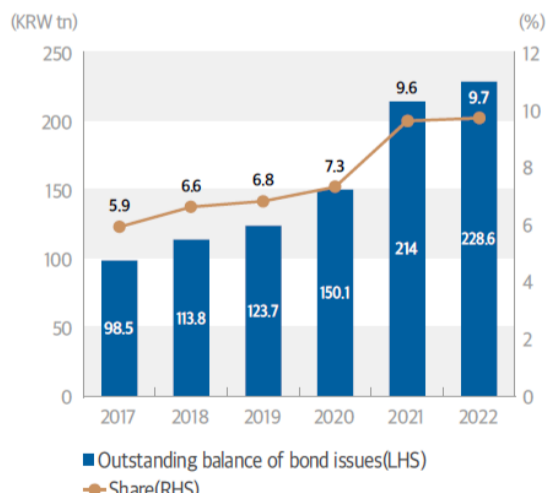
No.	Market	Name of Organization	Share of Foreign Investors in the Stock Trading on the Exchange																																																																												
1	Asian Region	ICMA	N/A																																																																												
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3	Cambodia	CSX	<p><b>2022 Foreign Market Share</b></p> <p>Main Board</p> <table border="1"> <thead> <tr> <th>Investor type</th> <th>Net purchase turnover (USD)</th> <th>Sell</th> <th>Buy</th> <th>Ratio(%)</th> </tr> </thead> <tbody> <tr> <td>Securities</td> <td>-37,782</td> <td>47,199</td> <td>9,417</td> <td>0.06</td> </tr> <tr> <td>General Corporation</td> <td>44,007,648</td> <td>2,948,127</td> <td>46,955,775</td> <td>50.45</td> </tr> <tr> <td>Other Institution</td> <td>-43,820,331</td> <td>43,820,331</td> <td>-</td> <td>44.3</td> </tr> <tr> <td>Individual</td> <td>2,485,715</td> <td>1,328,612</td> <td>3,814,326</td> <td>5.2</td> </tr> </tbody> </table> <p>Growth Board</p> <table border="1"> <thead> <tr> <th>Investor type</th> <th>Net purchase turnover (USD)</th> <th>Sell</th> <th>Buy</th> <th>Ratio(%)</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>387,962</td> <td>394,240</td> <td>782,202</td> <td>100</td> </tr> </tbody> </table> <p><i>* Other Institution includes Insurance, Investment Trust, Commercial Bank, Pension Fund, Government Municipal and International Organization and other institutions.</i></p>	Investor type	Net purchase turnover (USD)	Sell	Buy	Ratio(%)	Securities	-37,782	47,199	9,417	0.06	General Corporation	44,007,648	2,948,127	46,955,775	50.45	Other Institution	-43,820,331	43,820,331	-	44.3	Individual	2,485,715	1,328,612	3,814,326	5.2	Investor type	Net purchase turnover (USD)	Sell	Buy	Ratio(%)	Individual	387,962	394,240	782,202	100																																									
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4	Japan	JSDA	<p>Market Shares &amp; 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>2020</th> <th>2021</th> <th>2022</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Securities company self-dealing</td> <td>12.9%</td> <td>13.1%</td> <td>12.6%</td> <td>4,970</td> <td>2,454</td> <td>-1,816</td> </tr> <tr> <td>Individual</td> <td>20.0%</td> <td>21.8%</td> <td>20.7%</td> <td>-877</td> <td>281</td> <td>1,177</td> </tr> <tr> <td>Foreigner</td> <td>61.0%</td> <td>58.8%</td> <td>60.7%</td> <td>-3,364</td> <td>343</td> <td>-2,250</td> </tr> <tr> <td>Investment trust</td> <td>1.8%</td> <td>2.0%</td> <td>2.0%</td> <td>-2,377</td> <td>-1,208</td> <td>-122</td> </tr> <tr> <td>Business company</td> <td>1.0%</td> <td>1.1%</td> <td>1.2%</td> <td>1,274</td> <td>-1,208</td> <td>5,189</td> </tr> <tr> <td>Insurance company</td> <td>0.1%</td> <td>0.2%</td> <td>0.1%</td> <td>-179</td> <td>-462</td> <td>-710</td> </tr> <tr> <td>Major city bank/ regional bank</td> <td>0.1%</td> <td>0.1%</td> <td>0.1%</td> <td>-422</td> <td>-785</td> <td>-946</td> </tr> <tr> <td>Trust bank</td> <td>2.9%</td> <td>2.7%</td> <td>2.4%</td> <td>1,640</td> <td>-2,283</td> <td>-388</td> </tr> <tr> <td>Other financial institution</td> <td>0.2%</td> <td>0.1%</td> <td>0.1%</td> <td>-348</td> <td>-125</td> <td>-72</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)			2020	2021	2022	2020	2021	2022	Securities company self-dealing	12.9%	13.1%	12.6%	4,970	2,454	-1,816	Individual	20.0%	21.8%	20.7%	-877	281	1,177	Foreigner	61.0%	58.8%	60.7%	-3,364	343	-2,250	Investment trust	1.8%	2.0%	2.0%	-2,377	-1,208	-122	Business company	1.0%	1.1%	1.2%	1,274	-1,208	5,189	Insurance company	0.1%	0.2%	0.1%	-179	-462	-710	Major city bank/ regional bank	0.1%	0.1%	0.1%	-422	-785	-946	Trust bank	2.9%	2.7%	2.4%	1,640	-2,283	-388	Other financial institution	0.2%	0.1%	0.1%	-348	-125	-72
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5	Korea	KOFIA	<p>In the Korean stock market, foreign holdings of listed stocks were worth KRW 573.8tn in 2022, comprising 27.4% of total market capitalization.</p> <p>Source : Foreign ownership, Korea Exchange</p>																																																																												
6	Laos	LSX	<p>▪ <b>Trade by Investor Type</b></p> <p>In 2022, the domestic investor was the majority of total trading proportion in this year accounting for 52.6% of total trading value, while the foreign investor covered 47.4% of total trading value in the market. The trading value of the domestic investor accounted for the largest at 50.3% followed by foreign individuals, foreign institutions and domestic institutions at 42.3%, 5.1% and 2.2%, respectively.</p> <p><b>Figure 1: Trading Value by Investor Type</b></p>																																																																												

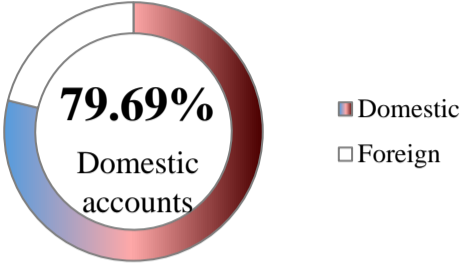
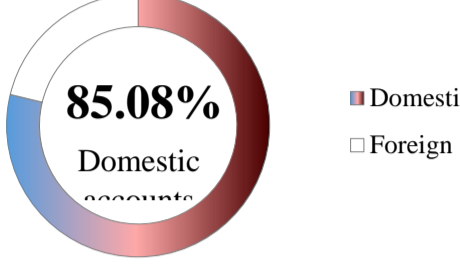
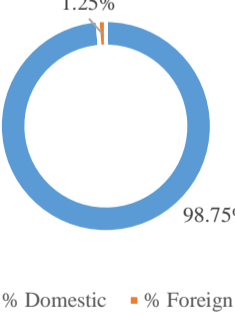
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			<p style="text-align: center;">Unit: Bil LAK (sell+Buy)</p> <p style="text-align: center;"><b>Foreign Trade by Country</b></p> <p>Thailand remained as a country with the largest trading value in LSX which accounted for 26% of the total trading value, increased from 7.2% in 2021; Also, China (P.R.C), Cayman, and Taiwan ranked 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> respectively.</p> <p style="text-align: center;"><b>Figure 2: Trading Proportion by Country</b></p> <p>Source: Lao Securities Exchange</p>																																																								
7	Pakistan	PSBA	N/A																																																								
8	Sri Lanka	SECSL	<p><b>Share of Foreign Investors in the Stock Trading on the Exchange:</b> Foreign contribution to Total Market Turnover (%)</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2021</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Foreign Companies %</td> <td>6.6</td> <td>4.3</td> <td>19.1</td> </tr> <tr> <td>Foreign individuals %</td> <td>1.0</td> <td>0.8</td> <td>0.8</td> </tr> <tr> <td>Total foreign investor contribution %</td> <td>7.6</td> <td>5.2</td> <td>19.9</td> </tr> </tbody> </table> <p>Foreign trading statistics (LKR Mn)</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2021</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td><b>Primary market</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchases</td> <td>103.03</td> <td>27.48</td> <td>50.07</td> </tr> <tr> <td>Sales</td> <td>-</td> <td>-</td> <td>0.00</td> </tr> <tr> <td>Net foreign flow</td> <td>103.03</td> <td>27.48</td> <td>50.07</td> </tr> <tr> <td><b>Secondary market</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchases</td> <td>226.35</td> <td>175.98</td> <td>288.71</td> </tr> <tr> <td>Sales</td> <td>148.27</td> <td>447.54</td> <td>566.00</td> </tr> <tr> <td>Net foreign flow</td> <td>78.08</td> <td>-271.57</td> <td>-277.28</td> </tr> <tr> <td>Total net foreign flow (primary and secondary)</td> <td>181.11</td> <td>-244.09</td> <td>-227.22</td> </tr> </tbody> </table> <p style="text-align: right;">Source: Colombo Stock Exchange</p>		2022	2021	2020	Foreign Companies %	6.6	4.3	19.1	Foreign individuals %	1.0	0.8	0.8	Total foreign investor contribution %	7.6	5.2	19.9		2022	2021	2020	<b>Primary market</b>				Purchases	103.03	27.48	50.07	Sales	-	-	0.00	Net foreign flow	103.03	27.48	50.07	<b>Secondary market</b>				Purchases	226.35	175.98	288.71	Sales	148.27	447.54	566.00	Net foreign flow	78.08	-271.57	-277.28	Total net foreign flow (primary and secondary)	181.11	-244.09	-227.22
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No.	Market	Name of Organization	Share of Foreign Investors in the Stock Trading on the Exchange
12	Vietnam 1	VASB	 <p>Reference source: Ho Chi Minh City Stock Exchange website</p>
13	Vietnam 2	VBMA	<p>Year to date November 3, 2023:  Trading value of foreign investors in all 3 bourses (HOSE, HNX and UPCoM): USD 24 billion, accounting for 7.8% of total stock market liquidity. Total sell = USD 12.2 billion; Total buy = USD 11.8 billion; Net selling: USD 370 million.</p>

#### 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	ICMA	N/A
2	Bangladesh	DBA	No foreign investment in Bond/ OTC Market.
3	Cambodia	CSX	The data is not available because our corporate bond market has just been established in 2018 and all of bond holders are long-term institutional investors that prefer to hold until the maturity. Thus, there has been no bond trading so far.
4	Japan	JSDA	 <p>*Note: "Others" includes Bank of Japan, government-related organizations (e.g. Government Pension Investment Fund), etc.</p>
5	Korea	KOFIA	<p>The foreign holdings on Korean bond market were worth KRW 228.6tn in 2022, comprising 9.7% of total market volume.</p>  <p>Source : Foreign Investors' Stock and Bond Investment Dec 2022, Korea Supervisory Service</p>
6	Laos	LSX	<ul style="list-style-type: none"> <li> <b>Bonds</b>  In 2022, LSX had listed new 144 series of government bonds starting from 1 year up to 20 years tenure and the total volume was 14.12 million units, while the outstanding amount was 1,398 billion kip. At the end of 2022, the domestic investor was the main subscriber of government bonds accounted for 18.92 million units or 99%, while foreign investors hold only 190,410 units or 1% of total listed bonds until 2022. Domestic institutions were the most purchaser and holders of government bonds, which covered 96.5%. While domestic and foreign individuals accounted for 2.5% and 1%, respectively. In secondary market, bond trading has occurred for the first time with a total volume of 50,700 units accounted for USD 4.8 million. </li> <li> <b>Investor Base</b>  In 2022, LSX had a total of 17,992 accounts (including securities accounts and bond accounts). Total securities </li> </ul>

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			<p>account was 16,953 accounts, an increase of 516 accounts or 3.14% compared to the previous year, the domestic investors accounts was 13,510 accounts which covered 79, 69% and foreign investor accounts was 3,443 accounts or 20,31% of the total of the securities accounts.</p> <p>The total number of bond accounts was 1,039 accounts, an increase of 195 accounts compared to the previous year. The total number of domestic investor accounts was 884 accounts which covered 85.08% and foreign investor accounts was 155 accounts or 14.91% of total bond accounts in LSX.</p> <p><b>Figure 1: Number of Securities Accounts in LSX</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>Securities Account Number</b></p>  <p>79.69% Domestic accounts</p> </div> <div style="text-align: center;"> <p><b>Bond Account Number</b></p>  <p>85.08% Domestic accounts</p> </div> </div>																																																																																																
7	Pakistan	PSBA	N/A																																																																																																
8	Sri Lanka	SECSL	<p style="text-align: center;"><b>Ownership of Treasury Bonds (as at end year) (a)(b)</b></p> <p style="text-align: right;">Rs. million</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Owner</th> <th style="text-align: center;">2018</th> <th style="text-align: center;">2019</th> <th style="text-align: center;">2020</th> <th style="text-align: center;">2021</th> <th style="text-align: center;">2022 (c)</th> </tr> </thead> <tbody> <tr> <td><b>1. 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13	Vietnam 2	VBMA	<p>Figures from Hanoi Stock Exchange (HNX): Share of Foreign Investor in Bond Trading Market (by value): around 3% (January to October 2023 )</p>																																																																																																

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




No.	Market	Name of Organization	Settlement and Clearing Systems for Securities Transactions
1	Asian Region	ICMA	N/A
2	Bangladesh	DBA	Currently Dhaka Stock Exchange is providing the services. However, formation of CCP is underway.
3	Cambodia	CSX	Currently the available listed products in Cambodia Securities Exchange are Common Stock (13 stocks), Corporate Bonds (13 bonds, 7 matured, 6 outstanding), and Government Bond (14 bonds, 1 matured, 13 outstanding). Only stocks and corporate bonds are currently traded in CSX. Government bonds are registered in CSX under a profile listing and is not available for trading yet. The current trading, clearing, settlement and depository scheme of stock and bonds are the same in Cambodia Securities Exchange.
4	Japan	JSDA	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.  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.
5	Korea	KOFIA	All trading orders submitted to the KRX shall be traded in accordance with the matching principles specified in business regulations of the KRX. Immediately after the transaction, KRX shall inform (in electronic format) its member firms of the trading results which shall then be notified to respective customers.  Customers shall conduct settlement of their transaction with member firms by deposit of money or relevant securities for buying or selling securities on T+2 (exact time for settlement deadlines are set by each member firms). Entire process of a trade will be complete when every member firms complete their required settlement transaction with KRX (as a CCP) by 16:00 of T+2.  KRX shall, as a clearing institution, perform transaction confirmation, debt acquisition, deduction, confirmation of settlement securities, settlement item, and settlement amount, settlement execution guarantee, follow-up measures on settlement failure, or settlement instruction as a result of transactions on the securities market and derivatives market.
6	Laos	LSX	Lao Securities Exchange (LSX) is also the depository center and provides the settlement and clearing for securities transactions for stocks and bonds. The depository is in charge of wide range of securities related matters such as clearing, settlement, depository and Registrar service (transfer agent services). LSX is the sole central depository center in Lao PDR.
7	Pakistan	PSBA	N/A
8	Sri Lanka	SECSL	The Colombo Stock Exchange facilitates the trading of Equity & Debenture on the Automated Trading Platform (ATS) of the CSE.
9	Thailand 1	ASCO	The Thailand Clearing House Co. Ltd. (TCH) serves as the central counterparty to all securities and derivatives traded on SET, MAI, BEX and TFEX. TCH is governed by <b>Securities and Exchange Acts (SEA)</b> for equity, bonds, and the Derivatives Act of 2003 (DA), and is under the supervision of SEC.  <b>Stocks</b> Clearing and settlement of stock trading transactions are centralized at Thailand Securities Depository Co., Ltd. (TSD) and Thailand Clearing House Co., Ltd. (TCH), which are the subsidiaries of the Stock Exchange of Thailand. Delivery Versus Payment (DVP) settlement method is applied to stipulates that the buyer's cash payment for securities must be made prior to or at the same time as the delivery of the security.  <b>Derivatives</b> Exchange traded derivatives are listed and traded on Thailand Futures Exchange (TFEX), a subsidiary of SET. Clearing and settlement of derivatives transactions are done through Thailand Clearing House (TCH).  <b>Bonds</b> <b>OTC in nature and DVP settlement cycle of T+2</b>
10	Thailand 2	ThaiBMA	<b>Stock</b> Clearing and settlement of stock trading transactions are centralized at Thailand Securities Depository Co., Ltd. (TSD) and Thailand Clearing House Co., Ltd. (TCH), subsidiaries of the Stock Exchange of Thailand. All of transactions using the "Delivery Versus Payment: DVP" settlement procedure and the settlement date convention is T+2 <b>Bond</b> Clearing and settlement of government bond are done on DVP procedure and real time gross settlement basis (RTGS) through 'BAHTNET' operated by the Bank of Thailand. Most corporate bonds are cleared and settled at Thailand Securities Depositories (TSD), a subsidiary of the SET. The settlement date convention is T+2 but can be varied upon counterparty agreement. <b>Derivatives</b> Exchange traded derivatives are listed and traded on Thailand Futures Exchange (TFEX), a subsidiary of SET. Clearing and settlement of derivatives transactions are done through Thailand clearing house (TCH). The settlements can be done through cash settlement and physical delivery.
11	Turkey	TCMA	In Turkey, while Istanbul Settlement and Custody Bank (Takasbank) is responsible for settlement and clearing services, Central Registry Agency serves as the central depository for the dematerialized capital markets instruments.  Takasbank is a specialized bank dedicated to securities services in Turkey. In addition to settlement and clearing services, Takasbank operates the Takasbank Money Market, an OTC market where Borsa İstanbul's members can lend and borrow funds.  The Central Registry Agency Inc. (CRA) is the only central depository for all dematerialized capital market instruments. It was established in 2001 as a private company. The main functions of the CRA are to dematerialize and register capital market instruments and the rights attached in electronic form, with respect to issuers, intermediary institutions and rights holders. The dematerialization process was completed in 2006 for equities and in 2007 for mutual funds and corporate bonds. The dematerialization of government bonds started in 2012. CRA dematerialized investors' (individual and corporations) government debt holdings. On the other hand, banks and brokerage firms have an option to register their own government debt holdings at the Central Bank or the Central Registry Agency.  <b>Equities</b> The settlement of equities and cash is done on T+2 by Takasbank, through delivery-versus-payment (DVP) system. The

No.	Market	Name of Organization	Settlement and Clearing Systems for Securities Transactions
			<p>securities settlement operations are carried out via Takasbank Settlement Pool Account with the Central Registry Agency (CRA). CRA and Takasbank systems are fully interlinked in real time, so securities transfers are reflected in the CRA instantaneously. Settlement is realized along with the details transferred from the CRA.</p> <p>The custody accounts are held with the CRA. Intermediaries have a settlement pool account besides their own portfolio account and client sub-accounts. The cash accounts are held at Takasbank.</p> <p>At the end of each trading day, Borsa Istanbul transmits details of all transactions to Takasbank. Takasbank multilaterally nets the settlement positions, determines the obligations of each broker in each security, and calculates their net cash position.</p> <p>The net settlement position on client basis is transmitted to CRA on the trade day (T). Details of netting are available to brokers electronically on T, showing also settlement amounts due. At the end of the day, the securities of the delivering clients are blocked automatically by the CRA for settlement purposes.</p> <p>On T+1, net settlement records that are checked by the CRA are made available to brokers electronically. On T+2, the securities of the delivering clients are transferred from the blocked settlement account to the settlement pool account of the broker within the CRA system. Securities are transferred to client sub-accounts by the CRA.</p> <p><b><u>Bonds &amp; Bills</u></b></p> <p>Clearing and settlement is handled by Takasbank. The settlement date for transactions is T+0, unless otherwise agreed between the parties. On the other hand, for the foreign currency denominated securities, settlement date is T+3.</p> <p>The settlement of government debt securities traded in the organized and OTC markets are done through the Electronic Securities Transfer System operated by the Central Bank of the Republic of Turkey (CBRT). Takasbank has a securities account with the CBRT in order to facilitate the settlement of government debt securities.</p> <p>After a trade, the Borsa Istanbul issues confirmations to both parties and to Takasbank. Takasbank multilaterally nets all trades for each Borsa Istanbul's member for each security traded and for cash. Netting results are reported to the members electronically on trade day. Only trades done before 14:00 hrs can be settled on the same day.</p> <p><b><u>Derivatives</u></b></p> <p>The clearing and settlement of transactions are executed on a cash settlement basis.</p> <p>Takasbank acts as the central counterparty and guarantees the settlement of transactions. But the guarantee is limited to the collateral taken from the members and the size of the guarantee fund.</p> <p>Trades are executed on a client account basis, which means that margins are also monitored on account basis. However, although the margins are followed on account basis, clearing members are responsible for the margin calls.</p> <p>Every day, after the announcement of daily settlement prices of contracts by Borsa İstanbul, Takasbank starts marking-to-market on account basis. If the collateral falls below the maintenance margin, a margin call is announced by Takasbank. If the collateral is above the maintenance margin in an account, but the cash margin is negative after the losses are deducted from the cash collateral, the relevant member shall be required to compensate for the negative balance by a margin call. While daily losses are deducted from the cash collateral on the same day (T+0), profits are added to the cash collateral on the following day (T+1).</p>
12	Vietnam 1	VASB	Vietnam Securities Depository And Clearing Corporation (VSDC) provides the settlement and clearing system for securities transactions through the "Delivery Versus Payment DVP" principle. These transactions include registration and depository of securities, settlement and clearing of securities, transferring securities ownership to the holders, dividend payments.
13	Vietnam 2	VBMA	<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</p> <p>Transaction or dealing date (T-n)</p> <ul style="list-style-type: none"> <li>•Front office negotiates and makes deals with counterparty.</li> <li>•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.</li> <li>•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.</li> </ul> <p>Trade date (T)</p> <ul style="list-style-type: none"> <li>•Back office key in dealing details, as put through, into the Electronic bond trading system (E-BTS).</li> </ul> <p>Settlement date (T+ 1)</p> <ul style="list-style-type: none"> <li>•The E-BTS will automatically notify the SBV and VSD to make the payment and transfer securities.</li> </ul> <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 - 4.1 Settlement Cycles

No.	Market	Name of Organization	Settlement Cycles
1	Asian Region	ICMA	N/A
2	Bangladesh	DBA	T+2
3	Cambodia	CSX	<p><i>Settlement Cycle: T+2</i></p> <p><i>Procedure:</i> Orders are placed either by investors using mobile trading app or securities representative's computer and sent to CSX trading system through broker's ledger system for matching and execution. CSX is also the clearing house for trade executions at the investors level and securities firm level. Settlement is done in 2 days after trades are executed using a DVP model. Cash side is settled by Cash Settlement Bank and Securities side is done by CSX as the depository. However, investors can trade with their unsettled accounts.</p>
4	Japan	JSDA	Stocks T+2; Bonds T+2
5	Korea	KOFIA	Stocks T+2; Bonds T+1



No.	Market	Name of Organization	Settlement Cycles
6	Laos	LSX	<ul style="list-style-type: none"> <li>▪ <b>Settlement Process.</b></li> <li>☐ <b>PROCESS</b></li> <li>💡 There are two types of settlement such as cash and securities</li> </ul> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid gray; padding: 5px; width: 45%;"> <ul style="list-style-type: none"> <li>▪ <b>Cash Settlement:</b> through Bank system.</li> <li>✓ <b>Settlement Bank (BOL):</b> Cash settlement among Securities Companies and custodian bank (14:00)</li> <li>✓ <b>Correspondent Bank (BCEL and LDB):</b> Cash settlement among Securities Companies and investors (10:00)</li> </ul>  </div> <div style="border: 1px solid gray; padding: 5px; width: 45%;"> <ul style="list-style-type: none"> <li>▪ <b>Securities Settlement:</b> through Book-entry.</li> <li>✓ <b>LSX:</b> Securities settlement among securities companies and custodian bank (14:00)</li> <li>✓ <b>Securities companies:</b> Securities settlement among Securities Companies and investors (10:00)</li> </ul>  </div> </div> <p>Flow of Trading at LSX Stock Markets</p> <ul style="list-style-type: none"> <li>💡 <b>Settlement life cycle</b></li> </ul> <p>The settlement cycle in the trading of shares is 2 business days after the trading day. This means that the investors who buy the shares today shall receive the shares in the next 2 business days, while the investors who sell the shares today shall receive money and can withdraw such money in the next 2 business days.</p> 
7	Pakistan	PSBA	Stocks T+2
8	Sri Lanka	SECSL	All Equity transactions carried out at the CSE are required to be settled on the 3rd market day from the trade date (T+ 3, T being the trade date). All Debenture transactions are settled on either T+1 or T+2 date.
9	Thailand 1	ASCO	Stock: T+2 Derivatives: T+1 Bond: T+2
10	Thailand 2	ThaiBMA	Stock is T+2 Bond is T+2
11	Turkey	TCMA	Takasbank central clearing and settlement operations are in compliance with CPMI-IOSCO (Committee on Payments and Market Infrastructures - International Organization of Securities Commissions) principles. Delivery Versus Payment model 3 multilateral settlement is applied. Settlement cycle is T+2 for equities, varies from T+0 to T+90 for fixed income and T+3 for physical settlement of derivatives contracts.
12	Vietnam 1	VASB	The settlement period for stock transactions is T+2; for bond transactions is T+1
13	Vietnam 2	VBMA	Stock: T+3, Bond: From T+2 to T+4

**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	ICMA	N/A
2	Bangladesh	DBA	N/A
3	Cambodia	CSX	Off-Exchange Transaction is not available in Cambodian Capital Market yet.

No.	Market	Name of Organization	Current Status of Off-Exchange Transactions
4	Japan	JSDA	<p style="text-align: center;"><b>Amount of Trading Outside Financial Instruments Exchanges</b></p>
5	Korea	KOFIA	<p><b>1) OTC Stock market</b></p> <p>The K-OTC is a platform for promoting the transparent and robust transactions of unlisted stocks. It has grown immensely since first originating in 2005 as a platform named FreeBoard. The OTC markets operated by KOFIA consist of the K-OTC, K-OTCBB, and K-OTC Pro. 1) The K-OTC market, which is an institutionalized and systemized OTC platform established under the FSCMA. Investors can trade stocks of unlisted companies which have been registered at the request of the companies or designated by KOFIA with the help of securities firms. 2) The K-OTCBB, a bulletin board opened in 2015 for all types of unlisted stocks, including those traded on neither the Korea Exchange nor the K-OTC market, so long as certain minimum requirements are met. 3) K-OTC PRO is a members-only trading platform introduced and operated by KOFIA to support the financing of unlisted companies for institutional and professional investors.</p> <p>At the end of 2022, the K-OTC market had a total of 150 companies (105 designated, 45 registered) with a market capitalization of KRW 17.9tn. The daily average won volume is KRW 3,500mn. Meanwhile, the K-OTCBB market had a total of 237 unlisted stocks, with a daily average won volume of KRW 23.13mn.</p> <p><b>2) OTC Bond market</b></p> <p>KOFIA also manages and administers the OTC bond market in Korea. Since most bonds in Korea are traded on the OTC market, KOFIA plays an important role in this secondary market. To enhance the transparency of OTC bond trading, KOFIA provides market participants with essential information such as the details of bond trading, mark to market yields, representative bond yields, and final quotation yields for different bond types on its website. KOFIA operates an online bond trading system, called K-Bond since 2010.</p> <p><b>3) ATS</b></p> <p>On November 2021, KOFIA, along with 26 Korean investment banks and related institutions, established the first Alternative Trading System(ATS) called Nextrade Co. It received preliminary approval from FSC on July 2023, it will get its official approval and launch its service in second half of 2024. So far, KRX is the sole securities exchange in Korea, but through establishment of ATS, it is expected to lead to improvements in services such as trading fees, trade execution speed, and trading hours.</p>
6	Laos	LSX	N/A
7	Pakistan	PSBA	N/A
8	Sri Lanka	SECSL	Off-Exchange transactions are not very popular in Sri Lanka and at present two Repo transactions have been done through OTC platform.
9	Thailand 1	ASCO	N.A.
10	Thailand 2	ThaiBMA	Bond trading in Thailand is over-the-counter (OTC) only, 100% of transactions are off-Exchange. Inter-dealer trading is actively done through voice box provided by inter-dealer brokers. All trading of bond traders in the secondary market (no matter where it takes place) is required to be reported to ThaiBMA within 30 minutes. ThaiBMA then disseminates these executed transactions to the market to provide intraday market movement information.
11	Turkey	TCMA	The buying and selling of listed stocks and/or securities on the exchange is the main rule. However, upon the proposal of the relevant exchange and the necessary arrangements by the CMB, authorization may be granted for off-exchange trading. Unless an exception has been made to such trading, exchange members cannot trade securities of their customers' off-exchange.
12	Vietnam 1	VASB	Figures are not available.
13	Vietnam 2	VBMA	N/A

IV – 6. Share of On-line Trading

No.	Market	Name of Organization	Share of On-line Trading																																																																																		
1	Asian Region	ICMA	N/A																																																																																		
2	Bangladesh	DBA	100% online trading.																																																																																		
3	Cambodia	CSX	<p>CSX had developed a web-based Mobile Trading System (MTS) in 2018 and permitted all 13 securities firm members to offer it to their clients free of charge for the first 5 years. Thus, 100% of securities firm member and investors can access to online trading. Orders for auctions could be placed through either mobile trading system or broker’s terminal; however, orders for bulk trades or negotiated trades shall be placed through broker’s terminal only.</p> <table border="1"> <thead> <tr> <th>Month</th> <th># of Order via MTS</th> <th>Order QTY</th> <th># of Total Orders</th> <th>% of MTS Order/Total Order</th> </tr> </thead> <tbody> <tr> <td>25th Jun - Dec 18</td> <td>7,175</td> <td>1,898,440</td> <td>12,141</td> <td>59.10%</td> </tr> <tr> <td>2019</td> <td>42,039</td> <td>14,865,897</td> <td>52,182</td> <td>80.56%</td> </tr> <tr> <td>2020</td> <td>125,268</td> <td>75,631,230</td> <td>131,378</td> <td>95.35%</td> </tr> <tr> <td>2021</td> <td>505,009</td> <td>230,280,521</td> <td>508,422</td> <td>99.33%</td> </tr> <tr> <td>2022</td> <td>677,288</td> <td>330,848,777</td> <td>682,259</td> <td>99.27%</td> </tr> <tr> <td><b>Total</b></td> <td><b>1,356,779</b></td> <td><b>653,524,865</b></td> <td><b>1,386,382</b></td> <td><b>97.86%</b></td> </tr> </tbody> </table>	Month	# of Order via MTS	Order QTY	# of Total Orders	% of MTS Order/Total Order	25th Jun - Dec 18	7,175	1,898,440	12,141	59.10%	2019	42,039	14,865,897	52,182	80.56%	2020	125,268	75,631,230	131,378	95.35%	2021	505,009	230,280,521	508,422	99.33%	2022	677,288	330,848,777	682,259	99.27%	<b>Total</b>	<b>1,356,779</b>	<b>653,524,865</b>	<b>1,386,382</b>	<b>97.86%</b>																																															
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5	Korea	KOFIA	<p>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.            Source : Korea Exchange</p>																																																																																		
6	Laos	LSX	<p>▪ <b>Trading in LSX</b>            ➤ <b>Trading Volume - Value, Turnover Ratio, and Trading Channel</b>            In 2022, the trading in LSX had a total value of LAK 40.29 billion, a decrease of 44.85% compared to the previous year. Trading through HTS had the highest value covered 60.9% of total trading value at LAK 24.54 billion, while normal trading that occurred in regular trading hours (8:30-15:00) amounted for 14.83 billion kip, covered 38.3% and the block trading value that occurred in off-hour trading (15:00-15:30) was 0.63 billion kip, covered 0.79% of the total trading value. The average daily trading value was LAK 161 million and the turnover ratio decreased from 2.34% in 2021 to 0.43% in 2022.</p> <p><b>Figure 1: Trading value and Turnover ratio</b></p>																																																																																		

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No.	Market	Name of Organization	Share of On-line Trading							
			TOTAL	100%	100%	100%	100%	100%		
			Source: TCMA							
			<b>Leveraged</b>	<b>FX</b>	<b>Trading</b>					
			<b>Volume by Department</b>							
			Domestic Sales	15.3%	18.3%	18.5%	15.8%	15.7%		
			Branch, Bank Br., Rep. Office	10.3%	8.9%	8.4%	11.6%	6.4%		
			Branches	10.0%	8.7%	8.2%	11.3%	6.1%		
			Bank Branches	0.3%	0.2%	0.2%	0.3%	0.4%		
			Representative Offices	0.0%	0.0%	-	0%	0.0%		
			<b>Internet</b>	<b>27.7%</b>	<b>28.7%</b>	<b>29.6%</b>	<b>29.9%</b>	<b>36.1%</b>		
			Direct Market Access (DMA)	0.0%	0.0%	-	0%	0.0%		
			Call Center	0.0%	0.0%	-	0%	0.0%		
			Portfolio Management	0.0%	0.0%	-	0%	0%		
			Proprietary Trading	46.7%	44.0%	43.5%	42.6%	41.6%		
			International Sales	0.0%	0.0%	-	0.1%	0.1%		
			<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		
12	Vietnam 1	VASB	100% of listed stocks are traded online.							
13	Vietnam 2	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 V. Safety Net for Investor Protection

No.	Market	Name of Organization	Existence of Investor Protection Fund
1	Asian Region	ICMA	N/A
2	Bangladesh	DBA	Yes, we have IPE under regulators i.e. BSEC, DSE, CSE
3	Cambodia	CSX	Investor Protection Fund does not currently exist.
4	Japan	JSDA	<p>Japan Investor Protection Fund (JIPF) was established in 1998 as a private &amp; independent organization, authorized by the Japanese Prime Minister and the Minister of Finance.</p> <p>JIPF collects contributions among its members and compensates investors. JIPF manages and invests the fund. It can audit its members, but has no supervision powers.</p> <p>JIPF is supervised by the Japanese Prime Minister and the Minister of Finance. JIPF's members are supervised by the Finance Bureaus. There is mandatory membership in JIPF for all securities companies, with 268 member institutions as of April 2023. JIPF is the only organization to compensate securities investors in Japan, and does not provide DGS service.</p>
5	Korea	KOFIA	N/A
6	Laos	LSX	<p>According to the Prime Minister's Order No. 02/PM, especially for the protection of retail investors, the LSX has concentrated on formulating and updating legislation in the field of securities related to the improvement of indicators for the protection of retail investors, such as the decision on the board of directors, related party transactions, reporting and disclosure, instructions on organizing shareholder meetings, taking over the business, cross-shareholding, and others. Parallely, the LSCO coordinated with relevant sectors to amend the Law on Enterprise, especially the public company section and some provisions of the limited company related to the protection of retail investors. Furthermore, the LSCO established a channel for the public to claim or complain in case of suspicion or discovery of a person or juristic person violating securities legislation. A claim or a complaint can be made through the four channels listed below: - Claim or complain in person at the LSCO's office building; - Claim or complain by post; - Claim or complain by phone (Hotline 1602); - Claim or complain by email and on the LSC website (<a href="http://www.lsc.gov.la">www.lsc.gov.la</a>). In practice, there has been no claim or complaint from the public, until now, in cases of suspected or discovered violations of a person or juristic person regarding alleged criminal offenses in securities activities.</p> <p><b>Existence of Investor Protection Fund:</b> In order to protect the rights and benefits of investors who invest in the LSX, especially retail investors, the LSX together with its member of companies set up a Joint Compensation Fund in 2011 in case the Investors are unable to repay their investments on time for any reason.</p>
7	Pakistan	PSBA	Yes, with Pakistan Stock Exchange
8	Sri Lanka	SECSL	<p>FUND TO PROVIDE COMPENSATION TO INVESTORS</p> <p>Section 158 of the SEC Act</p> <p>(1) There shall be established a fund called the "Compensation Fund," by the Commission for the purpose of granting limited compensation to any investor who suffers pecuniary loss as a result of any licensed stock broker or stock dealer being found by the Commission as being incapable of meeting its contractual obligations.</p>
9	Thailand 1	ASCO	SET and TFEX established the Securities Investor Protection Fund (SIPF) and the Derivatives Investor Protection Fund (DIPF) in cooperation with the members who join and contribute voluntarily to the funds. The objective of these funds aims to create investor confidence in trading stock and/or derivatives products through the members. The investor shall be entitled to receive compensation for the price of assets from this fund in certain circumstances as defined in the regulations. Note that the maximum protection is no more than Baht 1 million in any case.
10	Thailand 2	ThaiBMA	<p><i>This part is applied only to equity and derivatives market traded on SET.</i></p> <p>The Stock Exchange of Thailand has established the Securities Investor Protection Fund or SIPF in cooperation with some of its member firms who volunteered to join the fund. Its purpose is to create confidence among investors who trade securities on the Exchange through the Fund's member brokers. Investors who are clients of SIPF members can receive their assets back or compensation for the price of assets from this fund in certain circumstances as defined in the regulations.</p> <p>SIPF provides protection to investors who fail to receive returns on their assets or compensation for the price of assets from SIPF members if:</p> <ol style="list-style-type: none"> <li>1. Any member broker of SIPF is adjudicated bankrupt</li> <li>2. Any member broker of SIPF fails to comply with an arbitral award requiring them to return the assets or compensate for the price of assets to investors.</li> </ol>

No.	Market	Name of Organization	Existence of Investor Protection Fund
			This protection does not include losses incurred from price decreases due to securities trading. The investors shall be entitled to compensation for their assets or compensation for the price of assets from the Fund not exceeding the actual damage incurred to them and each investor will get no more than 1 THB Mln. per one SIPF's member broker.  Investors are automatically protected when they open a trading account as long as their broker remains a SIPF member. Moreover, investors do not need to apply for this protection or pay anything.
11	Turkey	TCMA	The Investor Compensation Centre covers all capital market instruments including equities, bonds and bills, forex transactions and cash. The maximum coverage amount of all settlement obligations is TL 721,557 (~\$25.000) for the year 2023.
12	Vietnam 1	VASB	NIL
13	Vietnam 2	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	ICMA	Listed below are some of the initiatives led internationally to further green and sustainable finance: <ul style="list-style-type: none"> <li><a href="#">The Corporate Forum on Sustainable Finance</a></li> <li><a href="#">The Global Green Finance Council (GGFC)</a></li> <li><a href="#">The Loan Principles (GLP &amp; SLLP)</a></li> <li><a href="#">The Green Bond Pledge</a></li> <li><a href="#">Network of Central Banks and Supervisors for Greening the Financial System (NGFS)</a></li> <li><a href="#">Financial Stability Board - Task Force on Climate-related Financial Disclosures (Task Force)</a></li> <li><a href="#">G20 Sustainable Finance Study Group</a></li> <li><a href="#">The Sustainable Banking Network (SBN)</a></li> <li><a href="#">The Sustainable Stock Exchanges (SSE)</a></li> <li><a href="#">The Global Investors for Sustainable Development Alliance (GISD)</a></li> <li><a href="#">The International Platform on Sustainable Finance (IPSF)</a></li> <li><a href="#">The Coalition of Finance Ministers for Climate Action</a></li> </ul> Listed below are some of the regional and national initiatives to further green and sustainable finance: <ul style="list-style-type: none"> <li><a href="#">ASEAN Market</a></li> <li><a href="#">Brazilian Market</a></li> <li><a href="#">Chinese Market</a></li> <li><a href="#">European Market</a></li> <li><a href="#">Japanese Market</a></li> <li><a href="#">Kenyan Market</a></li> </ul>
2	Bangladesh	DBA	Yes, Regulators i.e. BSEC & DSE are promoting ESG & SDG immediately.
3	Cambodia	CSX	Green bond market has just been successfully launched earlier this year; however, ESG/SDGs financing especially in money market has been existed in Cambodia for quite sometimes. Ministry of Economy and Finance, Securities Exchange Regulator of Cambodia, National Bank of Cambodia and Cambodia Securities Exchange are key players to promote ESG/SDGs investment in Cambodia.
4	Japan	JSDA	<u>Government Initiatives</u> 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" <a href="https://www.fsa.go.jp/singi/sustainable_finance/siryuu/20230630/04.pdf">https://www.fsa.go.jp/singi/sustainable_finance/siryuu/20230630/04.pdf</a>  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” <a href="https://www.meti.go.jp/english/press/2023/0330_003.html">https://www.meti.go.jp/english/press/2023/0330_003.html</a>  <u>JSDA Initiatives</u> In March 2018, the JSDA published the SDG Declaration to express its clear commitment to the promotion of the SDGs both domestically and internationally. <a href="https://www.jsda.or.jp/en/activities/SDGs/files/sdgsdeclaration180322_e.pdf">https://www.jsda.or.jp/en/activities/SDGs/files/sdgsdeclaration180322_e.pdf</a> In December 2021, based on the JSDA's advocacy, the ASF Study Group on Transition Finance was established within the ASF. 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. <a href="https://www.jsda.or.jp/en/activities/SDGs/files/Declaration_on_Promoting_Sustainable_Finance.pdf">https://www.jsda.or.jp/en/activities/SDGs/files/Declaration_on_Promoting_Sustainable_Finance.pdf</a>
5	Korea	KOFIA	1. Korea Stewardship Code The Korea Stewardship Code was publicly released in 2016. As National Pension Service(NPS) first agreed on Stewardship Code in 2018, many asset management and insurance companies began to adopt the Code consequently. As of now, 217 companies have agreed to adhere to the Stewardship Code, including 58 asset managers, 64 private equity firms, 4 pension funds, and more.  2. ESG Infrastructure Expansion Plan starting in 2021 The Korean government established the ESG Infrastructure Expansion Plan in August 2021 and announced the following to enable the private sector to systematically respond to the spreading global discussions on ESG.  3. Mandatory ESG disclosure starting in 2026 To expand financing and to build the infrastructure to nurture ESG-related and green companies, Korean industry is

No.	Market	Name of Organization	Government and/or Industry Initiatives to Promote ESG/SDGs Investment
			preparing for mandatory ESG-related disclosure. This framework, set to be implemented in 2026 or later.
6	Laos	LSX	N/A
7	Pakistan	PSBA	N/A
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>Introduced Green Bonds and Blue Bonds, broadly categorized as Sustainable bonds</li> <li>Developing framework to introduce infrastructure bonds</li> <li>Approved the listing rules applicable to sustainable bonds</li> <li>Discussions are underway to see the possibility of establishing a carbon credit exchange</li> </ul>
9	Thailand 1	ASCO	<p>I. <b>Securities and Exchange Commission (SEC)</b> has been developing a sustainable finance ecosystem to aligns with Thailand's SDGs, thereby ensuring its strategic direction is aligned with and contributes to Thailand attaining its SDGs. SEC has introduced "Sustainable Finance Ecosystem of Thailand Capital Market" to related parties in capital market via various initiatives.</p> <ul style="list-style-type: none"> <li>SDGs Guidebook – The co-launch of SDGs guidebook by SEC and UNDP in October 27, 2023 to formulate reporting standard and measurement for listed companies through 56-1 One Report; which is an initiative in an effort not only to reduce the number of reports required, but it is also to enhance sustainability disclosure.</li> <li>Green Bond Platform – with collaboration with Thai Bond Market Association (Thai BMA), Green, Social, and Sustainability Information Platform has been launched to serve as a knowledge center on ESG debt issuance.</li> <li>CG Code - to promote best practice principles for the Board of Directors of listed companies and securities brokerage firms.</li> <li>I-Code – encourages institutional investors in Thailand's capital markets to adopt a more diligent and active approach to the governance of their investments, including the incorporation of ESG, sustainability criteria and an active approach to ownership.</li> </ul> <p>II. <b>The Stock Exchange of Thailand (SET)</b></p> <ul style="list-style-type: none"> <li>promoting Quality Sustainability Disclosure among listed firms of all sizes to ensure their reporting is aligned with local and international standards. Sustainability Reporting Guidelines for listed companies will be launched and implemented in 2023.</li> <li>introduce Thailand Sustainability Investment (THSI), the SETTHSI Index (which is comprised of listed companies selected from the THSI list) and supporting qualifying listed companies with large market capitalization to be included in the Dow Jones Sustainability Indices (DJSI) and MSCI ESG Universal Index.</li> <li>supporting the SEC in creating the market for green, social, and sustainability bonds, as well as other ESG products and alternative investments e.g., ESG funds, Exchange Traded Funds (ETFs)</li> <li>developing ESG professionals, including investment analysts, fund managers, investment consultants and investor relations professionals, in the capital market through numerous online and offline learning tools</li> <li>Based on Sustainable Corporate Survey by Corporate Knight, SET was ranked 9th out of 49 stock exchange worldwide, which was the highest ranking in Asia Pacific region.</li> </ul>
10	Thailand 2	ThaiBMA	<p>The Securities and Exchange Commission (SEC) issued Guideline on Green Bond Issuance in Dec 2018, followed by Social and Sustainability Bond Guidelines in May 2019, and the Sustainability-Linked Bond Guideline in May 2021.</p> <p>In August 2022, the Bank of Thailand (BOT) issued Directional Paper on "Transitioning towards environmental sustainability under the new Thai financial landscape" to provide guidelines in driving the financial sector to prepare for environment-related changes.</p> <p>In June 2023, BOT and SEC, as co-leads of the Thailand Taxonomy Board released "Thailand Taxonomy Phase I" focuses on the economic activities relating to the energy and transportation sectors to standardize economic activities in order to use it as a benchmark or assess economic activities that are climate-aligned. The Taxonomy can also be used as a credible reference for green bond issuance.</p> <p>The SEC has waived approval and filing fees for ESG bonds since May 2019 until 31 May 2025. Additionally, ThaiBMA sponsored by Capital Market Development Fund (CMDF) provides grant scheme with total value of THB100 million to support costs of ESG bond's external review and credit ratings for ESG bond issuers during 1 July 2023 to 30 June 2024.</p>
11	Turkey	TCMA	<p>Government and/or industry initiatives to promote ESG/SDG investments include:</p> <ul style="list-style-type: none"> <li>- ESG themed mutual and pension funds</li> <li>- Borsa Istanbul Sustainability Platform (started in 2016)</li> <li>- Guidelines on Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates and Sustainable Lease Certificates (2022)</li> </ul>
12	Vietnam 1	VASB	<p>ESG has been mentioned in the Securities Law 2019, Decree 155/2020/ND-CP and Circular 96/2020/TT-BTC on information disclosure guidelines on the stock market, including provisions on ESG information disclosure, which apply not only to public companies and bond issuers but also to fund managers and securities companies...</p> <p>Vietnam also has the Vietnam Sustainability Index (VNSI), which creates a reference for investing in 20 listed companies selected in the VN100 basket. However, the ESG score has not been published and expanded to other public companies.</p> <p>International organizations, including IFC, have also strongly supported Vietnam in providing ESG standards for different industries to serve IFC's investment activities and have been approved by a number of organizations and agencies. regulatory agency in the reference market</p>
13	Vietnam 2	VBMA	Decision No 1191/QĐ-TTg issued on August 14 <sup>th</sup> , 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	ICMA	<p>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.</p> <p>The Principles are backed by a global market initiative bringing together all market participants and stakeholders from the private and official sectors.</p>
2	Bangladesh	DBA	We have are green Sukuk Bond issued on BDT 30,000 million
3	Cambodia	CSX	As the market has just been established with only one issuance there isn't ESG/SDGs rating system or index yet nor is investment funds arrangement for ESG/SDGs. There are a few more expected issuances of ESG/SDGs bonds before the

No.	Market	Name of Organization	Status of ESG/SDGs-related Market																																																																																																			
4	Japan	JSDA	<p>end of 2024.</p> <p><b>Amount and number of ESG/SDG bonds Publicly offered in Japan</b></p> <p>(Issuance Amount : 100 million Yen) (Number of Issuance)</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>Sustainability (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>Sustainability (Number of Issuance)</th> <th>Transition (Number of Issuance)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>350</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>100</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2017</td> <td>1,231</td> <td>600</td> <td>0</td> <td>0</td> <td>0</td> <td>6</td> <td>9</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2018</td> <td>2,367</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>10</td> <td>26</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2019</td> <td>5,650</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>14</td> <td>47</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2020</td> <td>7,754</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>22</td> <td>47</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2021</td> <td>10,958</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>7</td> <td>42</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2022</td> <td>10,856</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>16</td> <td>50</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2023.9</td> <td>14,824</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>11</td> <td>41</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Year	Green (Issuance Amount)	Social (Issuance Amount)	Sustainability-Linked (Issuance Amount)	Sustainability (Issuance Amount)	Transition (Issuance Amount)	Green (Number of Issuance)	Social (Number of Issuance)	Sustainability-Linked (Number of Issuance)	Sustainability (Number of Issuance)	Transition (Number of Issuance)	2016	350	0	0	0	0	100	0	0	0	0	2017	1,231	600	0	0	0	6	9	0	0	0	2018	2,367	0	0	0	0	10	26	0	0	0	2019	5,650	0	0	0	0	14	47	0	0	0	2020	7,754	0	0	0	0	22	47	0	0	0	2021	10,958	0	0	0	0	7	42	0	0	0	2022	10,856	0	0	0	0	16	50	0	0	0	2023.9	14,824	0	0	0	0	11	41	0	0	0
Year	Green (Issuance Amount)	Social (Issuance Amount)	Sustainability-Linked (Issuance Amount)	Sustainability (Issuance Amount)	Transition (Issuance Amount)	Green (Number of Issuance)	Social (Number of Issuance)	Sustainability-Linked (Number of Issuance)	Sustainability (Number of Issuance)	Transition (Number of Issuance)																																																																																												
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5	Korea	KOFIA	<p>1. ESG bond issuance (Including Green bond, Social bond, and Sustainability bond)      In 2022, Korean ESG bond issuance declined to KRW 42.3tn, a 19.2% decrease compared to that of 2021. This decline was primarily due to concerns among borrowers regarding interest rate uncertainty caused by Russia-Ukraine war and a hawkish monetary policy. Additionally, not only did the ESG bond market contract, but the entire bond market contracted in fourth quarter of 2022 due to a liquidity crisis in the PF-ABCP market.      When looking at the market by issuer type, state-owned enterprise accounted for 47%, followed by financial companies(banks, credit finance companies, and etc) at 35%, companies at 7%, and others. The funds raised through ESG bonds are primarily allocated to social projects that supports loans and job opportunities for SMEs, as well as environmental improvement projects.</p> <p>2. Responsible investment status of pension funds      Pension funds in Korea upholds their fiduciary duty to act in the best interest of contributors and beneficiaries as a responsible investor. In 2022, accumulated responsible investment totaled KRW 385.4 tn. To break it down, the National Pension Service (NPS) invested KRW 384.1tn, followed by Government Employees Pension Service (GEPS) at KRW 836bn and Teachers' Pension (TP) at KRW 479 bn.</p> <p>3. ESG ratings by KCGS      Korea Institute of Corporate Governance and Sustainability (KCGS) has conducted an evaluation of corporate governance since 2003 based on a high level of transparency and expertise. In 2011, it adopted an annual ESG evaluation adding social responsibility and environmentally responsible management to measure the level of sustainable management by the listed companies in Korea.      The ESG evaluation model has been developed by KCGS independently, not only aligned with international standards such as the OECD principles on corporate governance and ISO26000, but also faithfully reflective of legal and management circumstances in Korea.</p> <p>• Collection of Raw Data      Corporate disclosure (e.g. business reports, sustainability reports, and website), materials such as from regulatory bodies and municipalities, and media coverage      About 1,000 listed companies are evaluated. More than 900 raw data are collected per company.</p> <p>• Standard Evaluation      Is a system in place to minimize ESG risks?</p> <p>• In-Depth Analysis      Is there any ESG-related issue likely to degrade corporate value?</p> <p>• Verification      Adopt various data verification methods for accurate evaluation</p> <p>• Feedback      Two-way feedback via a web-based evaluation system</p>																																																																																																			



No.	Market	Name of Organization	Status of ESG/SDGs-related Market
6	Laos	LSX	<p style="text-align: center;"><b>Green Finance in Lao PDR</b></p> <p><b>I. Background</b></p> <ul style="list-style-type: none"> <li>- To recognize the importance and necessity of the growth of the Lao economy that has a negative impact on the environment and society, ASEAN members have made a commitment to the Paris Agreement on climate change and have created the policies and action plans of each country in order to promote and drive sustainable finance, which some countries consider a national task.</li> <li>- To achieve a more green economy and sustainable development goals, the financial sector plays a crucial role in channeling financial flows towards the economy's transition to sustainability. Of those, the Money Market could help promote green businesses and projects through green lending (e.g., green loans). The Capital Market encourages corporations and business entities to offer various types of sustainable fundraising products, such as green, social, and sustainability bonds.</li> <li>- Furthermore, the financial sector has studied and created the ASEAN Green Map, ASEAN Green Bond Standards, ASEAN Sustainability Bond Standards, ASEAN Social Bond Standards. In 2021, the Joint Meeting of the ASEAN Finance Ministers and Central Bank Governors (AFMGM) established the ASEAN Taxonomy Board (ATB) for the financial sector, including representatives from the ASEAN Capital Markets Forum (ACMF), the ASEAN Insurance Regulators Meeting (AIRM), the ASEAN Senior Level Committee on Financial Integration (SLC), and the ASEAN Working Committee on Capital Market Development (WC-CMD).</li> <li>- The purpose of establishing the ATB is to design the Taxonomy for the financial sector as a common standard and reference for ASEAN countries. In order to identify economic activities, projects and assets are colored green, amber, and red can be used in assessing and considering green loans through commercial banks or issuing green bonds in the securities market. Because currently the government, business, and financial sectors of each country have different understandings of green activities that are friendly to the environment.</li> <li>- The purpose of creating the ASEAN Taxonomy is to define and identify projects and activities in the economic sector to the same standard, promote the disclosure of environmental information, create incentives for environmentally friendly business operations and investments, and encourage the establishment of financial products in relation to sustainability and capacity building.</li> <li>- However, the creation of the ASEAN Taxonomy also has many challenges due to the different conditions of each country, the perception and understanding of green work, including the contribution of some countries that do not yet have their own taxonomy.</li> </ul> <p><b>II. The participation of BOL</b></p> <ul style="list-style-type: none"> <li>- According to the Strategic Plan for Lao Financial Sector Development for 10 years (2016-2025) and Vision to 2030 and the Strategic Plan on Lao Capital Market Development for 10 years (2021-2030) and Vision to 2035.</li> <li>- The Bank of the Lao PDR, represented by the Lao Securities Commission Office, participated in ATB on behalf of the Lao PDR to study and comment on the ASEAN Taxonomy with ASEAN countries. Recently, the development of ASEAN Taxonomy Version 1 and 2 has been completed and published on the websites of ACMF, SFIA and capital market regulators. In that, the taxonomy for the energy sector was created first. Currently, ASEAN is creating Version 3 for 2 sectors, namely: <ul style="list-style-type: none"> <li>(1) Transportation and Storage sector; and</li> <li>(2) Construction and Real Estate Sector, which are in the beginning stages of development.</li> </ul> </li> <li>- In addition, BOL is also a member of working group that study and comment on the ASEAN Green Map for the Money Market, in order to explore strategies, policies and financial products for commercial banks.</li> <li>- The Capital Market has participated in ACMF (ASEAN Capital Market Forum), WC-CMD (Working Committee on Capital Market Development), Joint ACMF-WCCMD and JSFWG (Joint Sustainable Finance Working Group) to study and comment on green projects which related to the capital market.</li> </ul> <p><b>III. Green Finance in Lao PDR</b></p> <ul style="list-style-type: none"> <li>- BOL signed an MOU with IFC on 26 September 2022 to create the foundation and enabling environment for financial institutions in order to transition to green lending and private sector to mobilize green financing, which will contribute to increasing green investment, promoting green growth, developing a sustainable finance roadmap, harmonizing the green taxonomy, developing methodologies for assessment of climate risks, relevant regulation and guidance on green finance, capacity building and sharing good practices among regulators and government in the region. The project was divided into 2 phases: <ol style="list-style-type: none"> <li>1. Phase 1: Undertake a market readiness assessment and gap analysis of the potential for green finance and sustainable bonds in the Lao economy.</li> <li>2. Phase 2: The project is expected to run from July 2023 to July 2026, based on the completion of phase 1.</li> </ol> </li> <li>❖ Currently, the drafting of the Green Finance in Lao PDR Assessment has been completed and is in the process of reviewing and adding comments to improve it.</li> <li>- For the Capital Market, the Prime Minister established the green, social, and sustainability bond development committee in early 2023, which consists of 11 representatives from: <ol style="list-style-type: none"> <li>1. Bank of the Lao PDR;</li> <li>2. Ministry of Finance;</li> <li>3. Ministry of Natural Resources and Environment;</li> <li>4. Lao Securities Commission Office;</li> <li>5. Ministry of Information, Culture and Tourism;</li> <li>6. Ministry of Agriculture and Forestry;</li> <li>7. Ministry of Industry and Commerce;</li> <li>8. Ministry of Energy and Mines.</li> </ol> <p>To determine the direction, plans, policies, and legislation, aimed at encouraging business entities and listed companies to issue green bonds in Lao Securities Market.</p> </li> <li>- However, encouraging business entities to issue green bonds through the Lao Securities Market also has many opportunities and challenges, such as: <ul style="list-style-type: none"> <li>❖ <b>Opportunities</b> <ol style="list-style-type: none"> <li>1. There are regulations that are the basis for issuing green bonds, such as the agreement on the issuance of corporate bonds and the agreement on reporting and disclosure of information.</li> <li>2. Many international organizations offer support for green finance projects in the Capital Market sector.</li> <li>3. Domestic enterprises have experience on issuing corporate bonds abroad, especially hydropower businesses, which can encourage the issuance of green bonds in the Lao PDR.</li> <li>4. There is an investor base that is interested in investing in bonds, as seen from the purchase of government bonds by the Ministry of Finance.</li> <li>5. The supervision is based on the regulation of issuing corporate bonds and the disclosure of information, but there must be an external reviewer to verify the projects and activities as green. In</li> </ol> </li> </ul> </li> </ul>

No.	Market	Name of Organization	Status of ESG/SDGs-related Market
			<p>addition, the participants in the Capital Market, such as LSCO, Securities Market and Securities Intermediaries Institutions, have considerable experience in the process of issuance and supervision of listed companies.</p> <p>❖ <b>Challenges</b></p> <ol style="list-style-type: none"> <li>1. There are still no products and enterprises issuing green bonds and listing in the Lao Securities Market. Only government bonds issued by the Ministry of Finance. According to international lessons, the Bond Market must reach a certain level before moving towards issuing green bonds.</li> <li>2. Currently, the legislation of the Capital Market only supports the issuance of corporate bonds, but does not support green bonds. Therefore, reviewing the legislation to determine whether it is appropriate is a very challenging task because the Lao Capital Market does not have experience with such products.</li> <li>3. There is no regulation regarding the external reviewer who will verify that the project is green and friendly to the environment.</li> <li>4. Establishing an incentive policy to promote green bonds instead of issuing corporate bonds and borrowing money from financial institutions is also a challenging task because the issuance of such bonds must be verified by an external reviewer, resulting in higher costs for green bond issuance.</li> </ol> <p>- LSCO is currently in the process of exploring relevant regulations, guidelines and looking for potential companies to issue green bonds through the Lao Capital Market, including studying the creation of a Lao Taxonomy for the financial sector.</p> <p><b>IV. Future Implementation Plan</b></p> <p>❖ <b>Money Market</b></p> <ul style="list-style-type: none"> <li>- Continuing participation in the ASEAN working group to develop the ASEAN Green Map and ASEAN Taxonomy.</li> <li>- Organizing the seminar and working with commercial banks to raise awareness about the green ecosystem in Lao PDR.</li> <li>- Designing the criteria and conditions of green financial products for commercial banks, as well as the climate-related financial risks.</li> </ul> <p>❖ <b>Capital Market</b></p> <ul style="list-style-type: none"> <li>- Organizing the seminar with stakeholders to raise awareness on green finance, in order to recognize and understand green projects in the same direction.</li> <li>- Designing a Lao taxonomy for green finance.</li> <li>- Formulating and amending relevant laws and regulations on green bonds in order to determine the foundations and infrastructure tools for business entities' access to green bonds.</li> <li>- Studying and designing green bond incentives for all business entities.</li> <li>- Encouraging potential corporations or listed companies to issue green bonds for at least 1 company.</li> </ul>
7	Pakistan	PSBA	N/A
8	Sri Lanka	SECSL	Since this is the most recent development of the Colombo Stock Exchange, at present no issuance of Sustainable Bonds and currently awaiting the first issuance.
9	Thailand 1	ASCO	<p>An article published by Thai BMA in July 2023, Thailand registered the second largest ESG Bond issuance in ASEAN (Singapore is the largest issuer) with total issue size of USD12.2 billion during 2018-2020. This was USD17.4 billion well below Singapore ESG bond issuance in same period. Thai ESG Bond can be classified into Sustainability Bond 60.3%, Green Bond 21.8%, Sustainable-Linked Bond 13.1% and Social Bond 4.7%. Note that the largest issuance portion was Thai Government Sustainability Bond was USD 11.0 billion offering to the public during 2020-2022)</p> <p><i>Definition of Thai ESG Bond</i></p> <p><b>Sustainability bonds</b> are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both Green and Social Projects.</p> <p><b>Social bonds</b> are bonds where the proceeds will be exclusively applied to finance or raise funds for new and existing projects with positive social outcomes.</p> <p><b>Green bonds</b> are broadly defined as debt securities where the proceeds are used exclusively for new or existing projects with climate and environmental benefits based on specified issuance principles or guidelines.</p> <p><b>Sustainability-linked Bond</b> are any types of bond instrument for which the financial and/or structural characteristics, such as a bond coupon, can vary depending on whether the issuer achieves the predefined sustainability/environmental, social and governance objectives.</p>
10	Thailand 2	ThaiBMA	<p>First ESG bond in Thailand was issued in late 2018 and continued to increase steadily. The Ministry of Finance (MOF) has been the largest issuer of ESG- sustainability bond to finance COVID-19 relief package and electric railway project. However, the number of ESG bond issuers from corporate sectors has been increasing.</p> <p>ESG bond outstanding at the end of September 2023 was THB 653 billion, accounting for 3.8% of total Thai bond market outstanding, comprising 63% of Sustainability bonds, 24% of Green bonds, 8% of Sustainability-Linked bonds, and 5% of Social bonds.</p> <p>In January 2022, ThaiBMA launch Thailand first ESG Bond Indices with 4 groups: 1) ESG Bond Index, 2) Gov't Bond ESG Index, 3) SOE Bond ESG Index, and 4) Corporate Bond ESG Index.</p>
11	Turkey	TCMA	<p>Since February 2022, total number of 3,278 bonds were issued in Turkey. Only 2 of them were green bonds, which were issued in September 2022 and October 2022 respectively.</p> <p>As of the end of November 2023, total volume of ESG funds is 5,1 billion TRY in Turkey, which accounts less than 1% of the total AUM of investment funds (TRY 1,5 trillion)</p>
12	Vietnam 1	VASB	<p>The green finance market in Vietnam is still narrow. Currently, there is only the first batch of green bonds issued domestically by Vietnam Electricity Finance Joint Stock Company according to International Capital Markets Association (ICMA) 's Green Bond Principles. Also, a Vietnamese Bank announced a green bond criteria framework according to ICMA standards.</p> <p>International organizations such as the Asian Development Bank (ADB), the World Bank (WB) and the Global Green Growth Institute (GGGI) are also having programs to support Vietnamese businesses in the construction process. Build a framework for green project development and prepare for green bond issuances.</p>
13	Vietnam 2	VBMA	<p>There have been only a handful of green bond issuances in Vietnam so far.</p> <p>In June 2022, EVN Finance issued the first onshore, local currency, verified green bond in Vietnam with total value of VND 1,725 billion (equivalent to USD 75 million), following ICMA green bond principles. The deal was partially guaranteed by GuarantCo, with Vietcombank Securities acted as the mandate lead arranger.</p> <p>More recently, Bank for Investment and Development of Vietnam (BIDV) issued VND 2,500 billion (equivalent to USD</p>

No.	Market	Name of Organization	Status of ESG/SDGs-related Market
			100 million) of green bond in compliance with the Green Bond Principles of the International Capital Market Association (ICMA) in domestic market. Moody's acted as the external reviewer. The proceeds will be used to finance green, energy saving, emission reduction, and environmental protection projects.

## 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	ICMA	<ul style="list-style-type: none"> <li>Move to T+1 settlement cycle</li> <li>Market integrity and greenwashing risks in sustainable finance</li> </ul> FinTech and digitalisation
2	Bangladesh	DBA	Financial Literacy, Corporate Governance, Disclosure Systems etc.
3	Cambodia	CSX	<ul style="list-style-type: none"> <li>Limited number of listed products</li> <li>Low liquidity</li> <li>Limited knowledge of securities market</li> </ul>
4	Japan	JSDA	<p><b>Major Recent Incidents and/or Challenges in Securities and Capital Markets as a Whole:</b></p> <p><b>Specific Challenges in Equity Market:</b></p> <p><b>Specific Challenges in Bond Market:</b></p> <p><b>Specific Measures introduced / implemented for the Securities Market:</b></p> <p><b>Measures to Invite Foreign Investment (De-regulation, Promotion Activities, etc.):</b></p> <p>The main area which JSDA focuses on FY2024 are as follows;</p> <ul style="list-style-type: none"> <li>➤ Stronger Support for Asset Building</li> <li>➤ Achievement of the SDGs</li> <li>➤ Fostering Start-ups</li> <li>➤ Accommodating Digital Transformation (DX)</li> <li>➤ Provision of Financial Services Fit for an Aging Society</li> <li>➤ Setting up Compliance Consultation Desk</li> </ul> <p><a href="https://www.jsda.or.jp/en/about/major-tasks/">https://www.jsda.or.jp/en/about/major-tasks/</a></p>
5	Korea	KOFIA	<ul style="list-style-type: none"> <li>Global Uncertainty such as Russia-Ukraine War and conflict between Israel and Hamas</li> <li>Uncertainty derived from U.S. Federal Reserve's monetary policy</li> <li>U.S. Dollar Appreciation</li> </ul>
6	Laos	LSX	<ol style="list-style-type: none"> <li>An existing small number of enterprises have weaknesses in finance, accounting, and management, and most have loss in business operation. In addition, some state-owned enterprises have not been improved and have not become the comprehensive leading business as the goal of the Lao government. Such issues may impact fundraising by issuing securities domestically and internationally and still face difficulty;</li> <li>Lao capital market system is in small size, at the beginning stage of development, and has high service cost compared to other countries' capital markets, which impacts competitiveness, regional-international integration, and connection;</li> <li>There is a need for quantitative and qualitative human resources to meet the supervision and development of securities activities;</li> <li>If the capability in improving/changing and internal support is unmatched and inconsistent among the condition of technology growth related to the capital market with rapid development, this will lead to decreasing external competitiveness, also facing the risks from external attack via the electronic system;</li> <li>Sound infrastructure need is urgently necessary, but there is a lack of financial resources and quality personnel;</li> <li>The domestic economic base, fiscal and monetary circumstances, including exchange rate and interest rates, are not robust and sound; the State budget still faces a continuous deficit and tends to be increasing high foreign debt obligation, which continues to bring challenges to investment and fundraising through the capital market.</li> </ol> <p>Source: <a href="#">Strategic Plan on Lao Capital Market Development 2021-2030 and vision towards 2035</a></p>
7	Pakistan	PSBA	N/A
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>The current economic crisis is one of the biggest challenges faced by the Sri Lankan securities market at present since a stable and growing economy is crucial for a healthy securities market.</li> <li>Demutualization of the Colombo Stock Exchange: The SEC is in the process of finalising the Bill that facilitates the demutualization of the CSE.</li> <li>Implementation of the Central Counter Party</li> </ul>
9	Thailand 1	ASCO	<ol style="list-style-type: none"> <li>Concerns on prolonged Israel-Hamas War</li> <li>Lack of catalyst or positive factors to restore investor confidence.</li> <li>Recent Fraudulent case –[<a href="#">MORE</a>] and scandal case[ <a href="#">STARK</a>] -trigger tightening regulation policies to protect capital market and investors and to restore market integrity and transparency.</li> </ol>
10	Thailand 2	ThaiBMA	<ol style="list-style-type: none"> <li>Fed fund rate keep higher (5.50% in Sep 2023 from 0% in Mar 2022 meeting) and FOMC tend to keep this rate for longer time to slowdown US economic activity and inflation.</li> <li>Geopolitical Risks i.e., Russia-Ukraine Conflict, US-China Trade War, Israel-Hamas War.</li> <li>US Inverted Yield Curve and Dollar appreciation.</li> <li>China's property crisis: default in property developers i.e., Evergrande, Country Garden, etc.</li> <li>Silicon Valley Bank collapse.</li> <li>Thailand's new government with populist policies i.e., Digital wallet THB 10,000, reduce consumer expenses, increases minimum wage.</li> </ol>
11	Turkey	TCMA	<p>The Turkish government introduced the auto-enrolment scheme within the context of private pension system in 2017. The system covers both private and public sector employees and is intended to boost domestic savings and provide additional income to participants upon retirement.</p> <p>The system went live on Jan 1st, 2017 for companies with 1,000+ employees. As of October 2023, there are more than 7.2 million enrollees in the auto-enrolment scheme with AUM totaling TRY 45.8 billion in addition to the 8.5 million enrollees in the private pension system with AUM of TRY 560.3 billion.</p>
12	Vietnam 1	VASB	Vietnam has an impressive GDP growth rate in 2022 (8.02%). In 2023, although Vietnam's exports are affected by the world political situation, GDP growth in 2023 is expected to still reach 5.2%.



No.	Market	Name of Organization	Major Recent Incidents and/or Challenges in Securities and Capital Markets as a Whole
			<p>The pace of urbanization in Vietnam is taking place strongly in all provinces and cities, leading to a rapid increase in domestic demand. The urbanization rate increased rapidly from 2019 (19.6%) to now (more than 40%). Vietnam is also a country that has attracted the attention of foreign investors investing directly in recent times.</p> <p>Although the Vietnamese stock market does not have many diverse products, it has attracted a relatively large number of businesses and investors to participate. The number of listed enterprises is nearly 1,600 enterprises, with a capitalization of about 250 billion USD. New products are being researched for application in the market. Upgrading the market from frontier market to emerging market is also being promoted.</p> <p><b>Incidents:</b> Corporate bonds:</p> <p>In December 2018, Vietnamese Government issued Decree No. 163/2018/ND-CP regulating the issuance of corporate bonds, replacing Decree No. 90/2011/ND-CP dated December 14, 2011 to create new legal corridor for businesses to mobilize capital. This Decree takes effect from February 2019 and has been expected to be a factor promoting the development of the corporate bond market in Vietnam. The total value of publicly issued corporate bonds is up to 1.02 million billion VND (equivalent to 42.5 billion USD). However, currently Vietnamese enterprises are having problems with their ability to pay bond principal and interest. The number of enterprises late in paying bond principal and interest and announcing debt restructuring plans is increasing.</p> <p>Vietnamese Government has issued two amendments and supplements to the Decree on private bond issuance to improve conditions for issuance and management of corporate bonds. However, it creates conditions that make difficulty for enterprise to issue bonds. The time and cost to issue corporate bonds increased significantly, combined with investors losing confidence in corporate bonds, causing this market to decline sharply (nearly 60% compared to 2021).</p> <p>SSC has organized the introduction of individual corporate bonds into centralized trading on the individual bond trading system at HNX according to Decree 65/2022/ND-CP, as one of the solutions to restore medium and long term capital mobilization channels which is important in the development of the economy. However, many solutions are still needed to promote the corporate bond market in Vietnam today.</p>
13	Vietnam 2	VBMA	<p>In 28 March 2019, the government issues decision 242/QĐ-TTg approving the plan to restructure Vietnam stock market and insurance market towards 2020 and set out direction for 2025.</p> <p>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.</p> <p>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	ICMA	N/A
2	Bangladesh	DBA	To maintain demand & supply of shares.
3	Cambodia	CSX	<ul style="list-style-type: none"> <li>- Fewer listed equity products</li> <li>- Fairly weak investor base</li> <li>- Relatively low liquidity</li> <li>- Low valuation on stock price</li> <li>- Late financial statement disclosure</li> </ul>
4	Japan	JSDA	Please check our current major tasks via URL above
5	Korea	KOFIA	Foreign investors have been withdrawing their funds from the stock market recently due to the prolonged high interest rates in the U.S., which have widened the interest rate gap between U.S. and Korea.
6	Laos	LSX	<ul style="list-style-type: none"> <li>- The securities products traded in the market are not diversified and not high quality (low return or no return for some listed companies) due to the fact that both public and private enterprises are still immature in many aspects while their business operations continue to get loss for many years, lack of the standardized accounting system, and the management is not yet professional.</li> <li>- The channel for opening a new account is still not available online.</li> <li>- The channel for trading is still not available through the phone.</li> </ul>
7	Pakistan	PSBA	N/A
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>• Low Liquidity in the market</li> <li>• Attracting new listings</li> <li>• Increasing financial literacy among investors</li> </ul>
9	Thailand 1	ASCO	<ol style="list-style-type: none"> <li>1. How to restore market integrity and investor confidence</li> <li>2. Re-emerging of price war arising from aggressive introduction of Zero-commission broker</li> </ol>
10	Thailand 2	ThaiBMA	NA
11	Turkey	TCMA	<p>One of the most important developments in equity markets in recent years was the rapid increase in the number of investors. The number of equity investors, which was approximately 1 million until the end of 2019 reached 4 million at the end of 2022 and exceeded 8.5 million in October 2023. One of the most important reasons for this situation is that equity markets have become the most attractive investment instrument due to low interest rates in the face of high inflation.</p> <p>However, the turnover of shares for domestic retail investors is only about a month. Moreover, only 12% of the household assets are invested directly in equity as of the end of 1H2023.</p>
12	Vietnam 1	VASB	SSC is accelerating the pace of market restructuring according to the roadmap: HOSE organizes stock transactions and HNX organizes bond and derivative transactions.



No.	Market	Name of Organization	Specific Challenges in Equity Markets
			<p>SSC is developing new products such as VN100 index futures contracts in the near future. Next are futures contracts on some other underlying assets such as stocks and options contracts as international practices.</p> <p>Vietnam Stock Exchange will put into operation a new stock trading technology system with the help of KRX.</p> <p>Vietnam is also trying to resolve the final points to speed up the process of upgrading stock market to an emerging market.</p> <p>SSC will require public corporations to disclose information on greenhouse gas emissions in their annual reports. This is in line with the increasing trend of stricter environmental disclosure requirements, as governments, investors, and the public will demand that companies raise their environmental, social, and governance (ESG) standards.</p>
13	Vietnam 2	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	ICMA	<ul style="list-style-type: none"> <li>• Bond market liquidity and resilience</li> <li>• Promoting a workable transparency regime / consolidated tape for bonds</li> <li>• Best practices for electronic trading</li> <li>• Accelerated settlement and settlement efficiency</li> <li>• Promoting common data standards across the issuance lifecycle</li> </ul>
2	Bangladesh	DBA	Making it popular among all by ensuring good returns.
3	Cambodia	CSX	<ul style="list-style-type: none"> <li>- Fewer listed bond products especially long-term ones</li> <li>- Fairly weak investor base</li> <li>- Almost no trading in the secondary market</li> </ul>
4	Japan	JSDA	Please check our current major tasks via URL above
5	Korea	KOFIA	Corporate bond market has weakened in response to rising interest rates. In recent times, credit spreads have expanded, while corporate loans from banks have been on the rise.
6	Laos	LSX	Although the government will continue to issue government bonds through LSX, but the trading in the secondary market is still not active. Most of the bondholders still prefer to hold bonds to receive interest only. They are not used to buying or selling bonds to manage risk through the secondary market.
7	Pakistan	PSBA	N/A
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>• Limited participation of institutional investors</li> <li>• Promoting the Bond Market among investors</li> <li>• Low liquidity prevalent in the secondary market</li> </ul>
9	Thailand 1	ASCO	Development of transition financing – ESG Bonds
10	Thailand 2	ThaiBMA	<p>Individual investors hold nearly 40% of total corporate bond outstanding. This becomes a challenge in secondary market liquidity as individuals tend to buy and hold. In addition, these individual investors are main investors of so-called High yield bonds. Institutional investors buy only bonds with ratings A- and above.</p> <p>The Covid-19 situation and economic downturn has accelerated the problems of cash-strapped companies. This leads to a number of bond defaults, thereby deteriorating investor confidence and market sentiment.</p>
11	Turkey	TCMA	<p>Most of corporate bond issues are done by banks.</p> <p>Liquidity in the corporate bond market is quite low.</p>
12	Vietnam 1	VASB	<p>Vietnam's bond market has not developed, especially in the current period when there are problems with developing the corporate bond market. However, the capital needs of enterprises are huge and there is a great need to diversify capital mobilization channels.</p> <p>Green bonds have not yet developed in Vietnam, but there are pioneering enterprises issuing green bonds according to ICMA standards. The government is also researching and developing programs to encourage the development of green and sustainable bonds in Vietnam</p>
13	Vietnam 2	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> <ul style="list-style-type: none"> <li>- 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 will be mandatory for public offering of corporate bonds that meet some specific conditions, namely: <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> </li> </ul> <p>Therefore, credit ratings will be more widely used from next year.</p> <ul style="list-style-type: none"> <li>- Lack of a diversified investor base: Most corporate bond investors are banks who follow “Buy and hold” practice hence, the secondary market for corporate bonds is not liquid.</li> <li>- 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.</li> <li>- 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.</li> </ul>

#### 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	ICMA	N/A
2	Bangladesh	DBA	Road Show, Awareness Program, etc./ Road Shows, Awareness program in different countries.
3	Cambodia	CSX	- Establishment of new market such as Fund market (Priority products: Real Estate Investment Trust, Exchange Traded Fund Depository Receipt, and mutual funds) and Depository Receipt.
4	Japan	JSDA	Please check our current major tasks via URL above
5	Korea	KOFIA	Starting from 6 <sup>th</sup> November, FSC decided to ban stock short selling in all domestic markets (KOSPI, KOSDAQ and KONEX listed items) until June 2024. With the continuation of high interest rate environment and stagnant growth in the global economy, coupled with geopolitical risks such as the armed conflict between Israel and Hamas, there are growing uncertainties for the Korean economy. In particular, during the second half of this year, stock market volatility in domestic stock markets has risen to much higher levels compared to other major markets overseas, which caused anxiety in the market. Furthermore, the authorities have recently discovered a number of illegal naked short selling practices conducted by foreign and institutional investors, raising concerns about the fair pricing function of domestic stock markets. Therefore, considering the need to preemptively respond to the rising market uncertainties and address concerns about the potential weakening of the market's fair pricing function, and with the practice of illegal naked short selling taking place in a more routine way, the FSC decided to ban short selling on all domestic stock items until the end of June next year.
6	Laos	LSX	<ul style="list-style-type: none"> <li>▪ <b>Tax Incentives for Listed Companies and Investor</b> There are tax policies to attract fundraisers and investors in the capital market, such as reducing profit tax to listed companies from 5% to 19% (from the original rate of 24%) for four consecutive years (in 2010) and further reducing it from 7% to 13% (from the original rate of 20%) for four consecutive years (in 2020). In addition, in 2011, the investor was exempt from capital gains tax for shares trading and dividend tax from 10% to 0%.</li> <li>▪ <b>Introducing Bond Market</b> In order to develop diversified securities products in response to the needs of fundraising and increase the investment options of the public. In 2018, the government can issue its bonds through the LSX. Furthermore, this mechanism endorsed the sale of government bonds, allowing them to enter the capital market system gradually.</li> </ul>
7	Pakistan	PSBA	N/A
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>• Digitalization of the Colombo Stock Exchange</li> <li>• Facilitating the listing of Small and Medium Enterprises -Empower Board has been introduced to facilitate SME listings which is important to the growth of SMEs and contributes to the overall growth of the economy.</li> <li>• Introducing Green Bonds and Blue Bonds</li> <li>• Enhancing the Corporate Governance Rules applicable to listed entities</li> <li>• Expediting the Demutualization of the Exchange</li> </ul>
9	Thailand 1	ASCO	<ul style="list-style-type: none"> <li>• <b>PDPA</b>- Personal Data Protection Act 2019 has become effective on June 1, 2022</li> <li>• <b>Digital Asset</b> -The Securities and Exchange Commission (the SEC) is in the process of amending the Securities and Exchange Act (SEA) to incorporate investment tokens (currently under the Emergency Decree on Digital Assets Business Operation) as securities under the SEA instead. This paves the way to promote "Investment Token" rather than "Cryptocurrency" to capital market.</li> <li>• <b>E-KYC/National ID</b>- Thailand have had significant progress on identity proofing and authentication during the last few years. This helps many businesses to open client accounts on non-face to face approach, especially in financial and capital market.</li> <li>• <b>FATCA</b>- The Foreign Account Tax Compliance Act (FATCA) has been enforcing in Thailand since 2017 to counter tax evasion in the US. In accordance with the legislative enforcement, Securities markets need to provide information on US accounts to the United States tax authority, the Internal Revenue Service (IRS) by providing W8-BEN form for Thai citizen to declare non-US tax status.</li> <li>• <b>CRS – Common Reporting Standard</b>-According to local legislation, the Securities Markets must follow CRS guidance by Thai Revenue Department to provide financial accounts information for tax purposes to combat tax invasion as well as tax compliance</li> </ul>
10	Thailand 2	ThaiBMA	<ol style="list-style-type: none"> <li>1. SEC improved investors suitability test and risk level of debt securities since 1 Jan 2021.</li> <li>2. BOT announce new reference rate (transaction-based) for Financial Transaction: Thai Overnight Repurchase Rate (THOR) since 16 Feb 2022.</li> <li>3. SEC revised definition of debt securities investors: Institutional Investor (II), High Net Worth (HNW), and Ultra High Net Worth (UHNW) since 1 Oct 2022.</li> <li>4. SEC revised regulation on information disclosure of bond issuance: covenants, and fact sheet since 1 Oct 2022.</li> <li>5. SEC revised selling process regulation of Insurance Capital Bond (IC Bond) and Basel III Bond since 16 Apr 2023.</li> </ol>
11	Turkey	TCMA	-
12	Vietnam 1	VASB	N/A
13	Vietnam 2	VBMA	<ul style="list-style-type: none"> <li>- More frequent dialogues between regulators and market participants</li> <li>- Bond future, cover warrant market (no short sell) has been launched in 2019 1H</li> <li>- 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.</li> </ul>

#### 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	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"> <li>• 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;</li> <li>• 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</li> <li>• engaging with international and national regulators and policy makers to provide market expertise and technical knowledge to assist in ensuring that financial regulations promote the resilience and efficiency of international</li> </ul>

No.	Market	Name of Organization	Measures to Invite Foreign Investment
			capital markets.
2	Bangladesh	DBA	Promotion activities: Road Show, Investment Summit in 9 countries.
3	Cambodia	CSX	<ul style="list-style-type: none"> <li>- Online account opening and decentralized KYC</li> <li>- Easier money transfer, deposit &amp; withdraw</li> <li>- Introduce new trading facilities such as foreign currency settlement, margin trading, securities lending and borrowing, stop-loss orders, market maker</li> </ul>
4	Japan	JSDA	Please check our current major tasks via URL above
5	Korea	KOFIA	The FSC announced on January 2023 a set of measures intended to improve foreign investors' access to Korean capital markets by seeking bold improvements of the regulations that have been impediments to global investors' investments in Korean markets. The measures include (a) abolishing the foreign investor registration requirement, (b) facilitating the use of omnibus account for foreign investors, (c) enabling more convenient OTC transactions by foreign investors and (d) expanding English disclosures in phases. Authorities expect that these measures will enhance the investment environment for foreigners on a par with international standards, which will provide important grounds to boost foreign investment in Korean markets.
6	Laos	LSX	- The investor was exempt from capital gains tax for bonds/shares trading and no interest/dividend tax 0%.
7	Pakistan	PSBA	N/A
8	Sri Lanka	SECSL	<ul style="list-style-type: none"> <li>• Foreign Investor Road Shows / Investor Forums are organized in collaboration with the Colombo Stock Exchange</li> </ul>
9	Thailand 1	ASCO	The Stock Exchange of Thailand and market participants have continuously conducted Thai market roadshow. Recently, SET joining hand with KKPS, DBSV and TISCO to host the major event 'Thailand Focus' to promote Thai listed companies to 'institutional investors' during August 23-25, 2023. Meanwhile, SET Retail Marketing team arranges regular online/offline activities throughout the year. The main even will be "SET in the City 2023" in November 25-26, 2023 to promote investment seminar, client education and Economic and the Market Outlook.
10	Thailand 2	ThaiBMA	<p>In Thailand, The Office of the Board of Investment (BOI) support foreign investments:</p> <ol style="list-style-type: none"> <li>1. Exemption of corporate income tax (CIT) up to 13 years.</li> <li>2. Exemption of import duties on machinery.</li> <li>3. Exemption of import duties on raw materials used in R&amp;D.</li> <li>4. Exemption of import duties on raw materials used in production for export.</li> </ol> <p>And additional incentive for investments or expenditures in 1) Technology and Innovation, 2) Human Resource Development, and 3) Development of Business Operators' Potentials with additional CIT exemption up to 5 years. For more information: <a href="https://www.boi.go.th/upload/content/BOI_A_Guide_EN.pdf">https://www.boi.go.th/upload/content/BOI_A_Guide_EN.pdf</a></p>
11	Turkey	TCMA	N/A
12	Vietnam 1	VASB	<p>SSC is working to resolve the final issues to be able to upgrade the stock market from frontier to emerging market. Mainly issues related to foreign investors such as: room for foreign investors, pre funding for foreign investors, improving convertible of foreign currencies... Improving these issues will be able to remove points that are not in accordance with international practices or are not competitive in attracting foreign investors.</p> <p>Vietnam is also in the process of encouraging the formation of standards according to international practices to create a familiar and safe investment environment for foreign investors. Including: corporate governance principles according to best practices, green bond standards, sustainable bonds, financial reporting according to IFRS, Sustainable Development Report.</p>
13	Vietnam 2	VBMA	<ul style="list-style-type: none"> <li>- Develop derivative markets for hedging: VND/FX option, bond future,</li> <li>- Exempt withholding tax on interest income for Government bond foreign investors.</li> <li>- Roadshow, PR, marketing trip to have open a dialogue with Foreign Investors.</li> </ul>