

# ASEAN Fixed Income Summit (AFIS)

28<sup>th</sup> September 2014 (Sunday)

Hilton, Kuala Lumpur

**Hosted by:** Bank Negara Malaysia

**Co-Hosted and Organised by:** Cagamas Berhad, ACI – Financial Markets Association of Malaysia and Malaysian Association Of Corporate Treasurers (MACT)

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## Closing Remarks

by Mr Chung Chee Leong, President/CEO - Cagamas Berhad

29 September 2014, Hilton Kuala Lumpur

Distinguished guests,

Members of the Media,

Ladies and gentlemen,

It has been a day full of useful exchange of ideas, examining real challenges in cross border fixed income issuance. The Summit today had addressed the issues and challenges in promoting liquidity and market transparency in the ASEAN region, engaging it from the perspectives of leading issuers, investors, banks, and policymakers.

We heard many insightful comments today on the development of the financial markets and the overall financial system, ranging from the issue of greater openness and financial liberalization to cross-border mutual recognition and financial stability. These issues were discussed at length in the context of the ASEAN financial system.

The Deputy Governor of Bank Negara Malaysia, Dato' Muhammad bin Ibrahim in his opening remarks has outlined the need for a clear and shared vision of the ASEAN fixed income market. He emphasized the need to enhance network of intermediaries in the region as it

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would support the development of strong and integrated market. The Summit also serves as an excellent platform to promote regional integration and to discuss development of Asian fixed income market among leading market players. He has also suggested for this Summit to be an annual affair, the hosting to be rotated among the ASEAN countries.

We heard the key note speech presented by Madam Zhu Yanlai from the perspective of China market on the Internationalization of Renminbi and how receptive the region has become to investing in local currency bonds issued from neighbouring nations. Madam Zhu commented on the relatively young Chinese bond market and the need for the Chinese financial market to complement the open policy to other real developments, more importantly the convertibility aspect of the Renminbi in global currency market.

From a perspective of a regulator, Dato' Nik Ramlah in her keynote address, has touched on the need for holistic framework to promote and accelerate the development of bond market. Accelerating time-to-market for bond and sukuk issuances would be one of the priorities to further grow the region's fixed income market. A centralized electronic platform is also imperative to increase market efficiency by expediting the price discovery process.

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Some speakers have highlighted the importance of mutual recognition for local rating agencies amongst ASEAN member countries, a view I am sure is shared by many. They also highlighted that ASEAN has the ability to be self-sufficient and should not rely on foreign funding given the region's high savings and large FX reserves. It may be timely for all of us to put a joint effort to make the regional integration a reality.

Amid all these, there has been calls for the market participants in the ASEAN bond market to do more in its effort to grow the market. ASEAN countries have strong fundamentals and given its high growth stage, the region could become the preferred destination for global investors to invest. The regulating authorities of the region have to balance growth and financial prudence and focus on reducing withholding taxes to make the market more attractive to more investors, thereby, improving liquidity.

Ladies and gentlemen,

As we approach the end of the Summit, I would like to take this opportunity to express my utmost appreciation to the moderators, panelists and speakers for their willingness to share their views, knowledge and experience at the summit today.

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I would also like to again thank all our sponsors for their support. A big thank you also to our Host, Bank Negara Malaysia, and the joint organizers, Financial Markets Association of Malaysia and Malaysian Association of Corporate Treasurers, as well as the International Financing Review who have contributed time and efforts into ensuring that the AFIS is a resounding success.

We are hopeful that the summit will contribute to the development of the cross border bond market in ASEAN as we strive to overcome many challenges in years to come. Let me conclude by saying that it is our sincerest hope that the ASEAN Fixed Income Summit has been successful in its intended objectives to promote liquidity and market transparency in the region.

Thank you.