Statement of Intent
on the establishment of the
Asia Region Funds Passport
Statement of Intent

The signatories to this Statement of Intent (the 'Statement'):

i) Recognising the value of creating better connections between financial markets in the Asia region (the 'region');

ii) Sharing a number of common objectives, including to:

   a) provide investors with a more diverse range of investment opportunities, enabling them to better manage their portfolio and meet their investment objectives;

   b) deepen the region’s capital markets to attract finance for growth in the region;

   c) facilitate the recycling of the region’s savings locally, growing the pool of funds available for investment in the region;

   d) strengthen the capacity, expertise and international competitiveness of financial markets in the region and the fund management industry, with a view to supporting sound economic development; and

   e) maintain legal and regulatory frameworks which promote investor protection, fair, efficient and transparent markets for financial services, support financial stability and provide high standards in the management and distribution of collective investment schemes;

iii) Acknowledging the identified benefits of increased cross-border offering of collective investment schemes; and

iv) Desiring to consult on arrangements to establish a multilateral arrangement to allow cross-border offering of collective investment schemes across the region;

Have reached the following understandings:
General understandings

1. The signatories have been working together in good faith to develop the guiding principles and basic arrangements for the Asia Region Funds Passport, with a view to potentially become members of the Passport upon its establishment (including by first becoming members of a Pilot Group).

2. The Passport would facilitate the ability of eligible collective investment schemes in Passport member economies to be offered in other Passport member economies in accordance with the Passport arrangements.

3. The signatories endorse the Framework Document in Appendix B which sets out the initial guiding principles and basic arrangements for the Passport. Terms used or referred to in the Statement shall, unless otherwise defined, have the same meanings as defined in the Framework Document.

4. The signatories recognise the potential benefits of being a Passport member economy and the benefits that would flow to the region. As such, the signatories propose to consult publicly within their economies on the detailed rules which would be necessary to implement the principles and basic arrangements set out in the Framework Document.

5. The signatories will jointly issue a consultation document, translated as necessary into one or more of the official languages of each signatory.

6. In undertaking the consultations referred to above, the signatories will be guided by the timeline in Appendix A.

7. The signatories will endeavour to reduce the potential impact of their broader policy settings (including taxation arrangements and capital account controls) to the cross-border offering of collective investment schemes under the Passport where such changes are appropriate taking account of a signatory’s broader policy objectives.

8. Following the consultations and any consequent refinement to the Passport rules, signatories who are able and decide to become members of the Pilot Group will proceed to establish and implement the Passport based on the timeline in Appendix A.

9. It is envisaged that the arrangements for the Passport developed through this process will be those that apply in its initial phase. The signatories acknowledge and expect the Passport arrangements to develop over time as they are refined and built upon to reflect changing norms and market conditions.

10. It is the objective of the signatories that the Passport will, over time, become a more inclusive regional scheme. To this end, the signatories will work with other economies in the region, particularly those who have been involved to date, to take account of their views in the
development of the detailed rules and to facilitate their readiness to participate in the Passport in future.

11. The Statement sets out the signatories’ intent to consult on arrangements to establish the Passport. It is not intended to create legally binding obligations or supersede any domestic law or international obligations.

Signed at Nusa Dua, Bali, Indonesia on 20 September 2013.

By:

For Australia

[Signature]
Hon J.B. Hockey MP
Treasurer

For Korea

[Signature]
Mr Oh-Seok Hyun
Deputy Prime Minister and Minister of Strategy and Finance

For New Zealand

[Signature]
Honourable Dr Jonathan Coleman
Associate Minister of Finance

For Singapore

[Signature]
Mr Tharman Shanmugaratnam
Deputy Prime Minister and Minister for Finance
### Appendix A – Timeline for implementation

<table>
<thead>
<tr>
<th>Date</th>
<th>Milestone</th>
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<tbody>
<tr>
<td>September 2013</td>
<td>APEC Finance Ministers note the progress that has been made to develop the Passport, including the formation and ongoing development of a framework document that sets out the guiding principles and basic arrangements for the Passport.</td>
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<tr>
<td>September 2013</td>
<td>Interested Finance Ministers express their intention to consult on detailed rules based on the Framework Document by signing the Statement of intent.</td>
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<td>September - December 2013</td>
<td>Technical and procedural rules and other elements of the Passport prepared for consultation.</td>
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<tr>
<td>January - June 2014</td>
<td>Public consultations conducted.</td>
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<tr>
<td>June - December 2014</td>
<td>Technical and procedural rules refined to take account of public consultations and prepared for finalisation through an arrangement document.</td>
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<tr>
<td>February 2015</td>
<td>Economies who wish to become members of the Passport when it is launched (the Pilot Group) sign the arrangement document.</td>
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<td>February 2015 - December 2015</td>
<td>Pilot Group economies implement legislation and measures where necessary to give effect to the arrangement document.</td>
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<tr>
<td>January 2016</td>
<td>Eligible collective investment schemes in passport member economies can access the Passport.</td>
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Appendix B – Asia Region Funds Passport Framework Document