



**Asia-Pacific
Economic Cooperation**

**STATEMENT OF UNDERSTANDING
ON THE ESTABLISHMENT OF THE
ASIA REGION FUNDS PASSPORT**

Preamble

Economies in the Asia region (the region) recognise the value of creating better connections between their financial markets.

Working together to reduce the barriers to cross-border financial transactions, created by differences between economies' laws and regulations, economies in the region can further the development of deeper and more efficient financial markets which, in turn, can contribute to sustainable and sound economic growth.

To this end, economies in the region have been working to develop a multilateral arrangement that aims to be, in the longer term, based on mutual recognition to the fullest extent possible to facilitate cross-border offers of collective investment schemes in the region.

The Asia Region Funds Passport Working Group, which consists of Australia, Japan, Korea, New Zealand, the Philippines, Singapore and Thailand, continues its efforts to progress the Passport alongside other interested regional economies.

Statement of Understanding

We, the Ministries of Finance or agencies from Australia, Japan, Korea, New Zealand, the Philippines and Thailand (collectively referred to as "we" in this Statement of Understanding):

- a. Sharing an intention to establish and participate in the proposed Asia Region Funds Passport (the Passport) which, once implemented, will facilitate the crossborder offering of eligible collective investment schemes in economies participating in the Passport;
- b. Sharing the goals of:
 - i. deepening the region's capital markets to attract finance for economic growth in the region;
 - ii. strengthening the capacity, expertise and international competitiveness of financial markets in the region and the funds management industry, with a view to supporting sound economic development;
 - iii. facilitating the channelling of the region's savings within the region, and growing the pool of funds available for investment in the region;
 - iv. providing investors in each of the economies with a more diverse range of investment opportunities, enabling them to better manage their portfolio and meet their investment objectives; and
 - v. maintaining the legal and regulatory frameworks which promote investor protection, fair, efficient and transparent markets for financial services, supporting financial stability and providing high standards in the management and distribution of collective investment schemes;

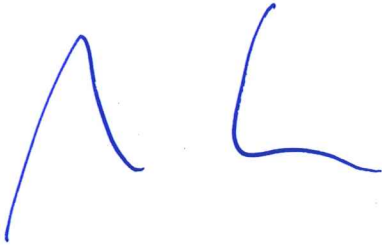
Have made the following arrangements:

1. We have worked together in good faith and friendship to develop, consult on, and refine the guiding principles and basic arrangements for the Passport.
2. We intend to participate in the Passport.
3. We acknowledge that the Asia Region Funds Passport Memorandum of Cooperation (MOC) on the implementation of the Passport will be signed by our respective governments, the relevant domestic agencies, or the securities regulators with the authority to be responsible for and to sign the MOC.
4. We intend that our respective governments, relevant domestic agencies or regulators will finalise all necessary matters to enable the Passport to commence operation and to operate in an efficient manner.
5. We intend to implement the cooperation set out in this statement consistently with our domestic laws and regulations to be defined in the MOC and with our obligations under international law.
6. We recognise that not all participants to the Statement of Understanding may choose to participate in the Passport from the outset, and that others may be unable to do so due to their current regulatory, economic or market conditions. Reflecting our shared objectives to ensure that the Passport becomes, over time, an even more inclusive initiative, we intend to ensure that, after its commencement, the Passport will remain open for participation by subsequent eligible economies from such time as is appropriate to their particular circumstances. Such eligible economies may include economies not among the participants below.
7. This Statement of Understanding replaces in its entirety the Statement of Intent on the establishment of the Asia Region Funds Passport signed by Finance Ministers in Nusa Dua, Indonesia on 20 September 2013.
8. This Statement of Understanding embodies the recognition of the participants and does not create any legally binding rights or obligations, confer any rights, or modify or supersede any laws and regulations in force, or applicable in, our respective jurisdictions.
9. A signatory to this Statement of Understanding has the appropriate authority to be responsible for the arrangements under this Statement of Understanding.

Signed at Cebu, the Philippines on 11 September 2015.

Australia:

Senator the Hon. Mathias Cormann
Minister for Finance



Japan:

Mr. Isshu Sugawara
State Minister of Finance
on behalf of Mr. Taro Aso, Minister of
State for Financial Services



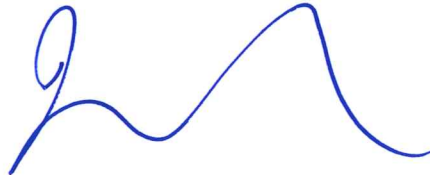
Korea:

Mr. Bang Moonkyu
Vice Minister of Strategy and Finance



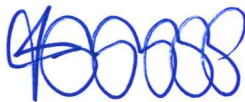
New Zealand:

Mr. James Beard
Manager for International Financial
Markets, & Tax Strategy
Treasury



The Philippines:

Mr. Cesar V. Purisima
Secretary of Finance



Thailand:

Mr. Apisak Tantivorawong
Minister of Finance

