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Mr. Low Sze Gin  
Deputy Director / Head  
Primary Markets Conduct Division  
Market Conduct Department  
Monetary Authority of Singapore  
10 Shenton Way MAS Building  
Singapore 079117

24 March 2014

RE: ASEAN CIS Framework: Recommendations

Dear Mr. Low,

ICI Global appreciates the opportunity to provide comments on the ASEAN CIS Framework (“ASEAN CIS”) among Malaysia, Singapore, and Thailand. ICI Global is a trade organisation focused on regulatory, market and other issues for global investment funds and their managers. Our 41 members include regulated investment funds that are publicly offered to investors in jurisdictions worldwide. They manage assets of over \$US1.3trn and 90% of them have operations in the Asia Pacific region.

The ICI Global members are very supportive of the joint efforts of SC, MAS, and SEC to establish the ASEAN CIS under the auspices of the ASEAN Capital Markets Forum. We believe that the ASEAN CIS would provide a wider choice of investment products for investors and benefit the fund industry by providing new cross-border fund distribution opportunities. We have carried out an initial discussion among our members and the following is a summary of our main concerns and comments:

- A coordinated approach could be explored for the implementation of the ASEAN CIS including, to the extent possible, consistency in the requirements that are adopted in each signatory country. The “Standards of Qualifying CIS” provide for some degree of minimum harmonization for funds. The procedures for applications to be submitted by funds under the ASEAN CIS, along with various other procedural and administrative matters remain to be determined. The Guidance that has been proposed to accompany the Standards of Qualifying CIS represents an important opportunity to provide coordination

and consistency in the implementation of the framework.

- A pragmatic approach could be adopted to the distribution of funds under the ASEAN CIS. This includes analysing the impact of imposing strict requirements governing the use of local distributors in the offering process, particularly the extent to which this might act to undermine the overarching objectives of the ASEAN CIS;
- A broad examination of the incentives and barriers to cross-border distribution among signatory countries to the ASEAN CIS could be undertaken. This should include the extent to which changes to tax arrangements, particularly concessions, should be promoted;
- Consideration could be given to whether funds are able to satisfy the requirements in respect of investment restrictions under the ASEAN CIS by making clear disclosures to their investors concerning the scope of their permitted investments. Funds should not be required to make changes to their constituting documents (e.g. a trust deed or instrument of incorporation) to be deemed “qualifying”.

We would welcome opportunities to exchange views and participate in industry consultations in the future. We look forward to the further positive development of the ASEAN CIS.

If you have any questions about our comments or would like additional information please contact Qiumei Yang, Executive Vice President – Head of Asia Pacific (qiumei.yang@iciglobal.org or +852 2910 9225).

Yours sincerely,



Dan Waters  
Managing Director

CC: Securities Commission Malaysia  
Securities and Exchange Commission, Thailand