

## Frequently Asked Questions on the ASEAN and Plus Standards Scheme

### 1. What is the ASEAN and Plus Standards Scheme?

The ASEAN and Plus Standards Scheme (Scheme) is one of the capital market initiatives undertaken by the ASEAN Capital Markets Forum (ACMF)<sup>1</sup> under its regional capital market integration plan (Implementation Plan) endorsed by the ASEAN Finance Ministers in April 2009 in Pattaya, Thailand. The Implementation Plan was developed to promote the development of an integrated market to achieve the goals of the ASEAN Economic Community (AEC) Blueprint<sup>2</sup> 2015 to form an integrated ASEAN market by 2015. The Scheme aims to facilitate cross-border offerings of securities within the ASEAN region by harmonising disclosure requirements.

The Scheme introduces two levels of standards, comprising a set of common ASEAN Standards, and a set of limited additional standards known as the Plus Standards. The ASEAN Standards are a set of common standards governing disclosures for plain<sup>3</sup> equity and debt offerings and are based on standards on cross-border offerings set by the International Organization of Securities Commissions (IOSCO). The Plus Standards are the respective additional standards that may be prescribed by the individual ASEAN jurisdictions where harmonisation is not yet possible due to their individual market practices, laws or regulations.

Further details of the Scheme are available on:

<http://www.aseansec.org/acmf/introduction.htm>

### 2. What is the purpose of having the ASEAN and Plus Standards Scheme?

The Scheme will benefit ASEAN and non-ASEAN issuers who make multi-jurisdiction offerings of plain equity and debt securities within ASEAN by increasing efficiency and reducing costs. Under the Scheme, when an issuer wishes to make a multi-jurisdiction offer of securities, the issuer needs to provide only a common set of disclosure documents based on the ASEAN Standards, together with the appropriate wrap-around for the Plus Standards, to investors in each jurisdiction.

For example, a Singapore issuer making an offering in Singapore who is interested to also offer its securities to investors in Malaysia and Thailand can now take advantage of the Scheme to prepare a core prospectus based on the ASEAN Standards and a wrap-around which complies with the Plus Standards of each jurisdiction.

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<sup>1</sup> The ASEAN Capital Markets Forum (ACMF) was established under the auspices of the ASEAN Finance Ministers in 2004 to serve as a forum for the heads of securities regulators in the ASEAN region to discuss policy issues relating to capital market development.

<sup>2</sup> The AEC Blueprint 2015 is an agreement signed by the ASEAN Ministers at the 12<sup>th</sup> ASEAN Summit in January 2007 to transform ASEAN into a region with free movement of goods, services, investment, skilled labour, and freer flow of capital by 2015.

<sup>3</sup> The Scheme will apply to offers of shares and plain-vanilla debt securities only. It will not apply to:

- (i) Options, warrants or any other rights or interests in shares or debt securities; or
- (ii) Debt securities that are not plain-vanilla.

**3. Have all member countries of ASEAN implemented the ASEAN and Plus Standards Scheme?**

The timeframe for the implementation of the Scheme depends on the readiness of each ASEAN member on an opt-in basis. As at 12 June 2009, Singapore, Thailand and Malaysia have announced the implementation of the Scheme under their respective jurisdictions.

**4. I would like to undertake a cross-border offering of securities in two jurisdictions that have implemented the ASEAN and Plus Standards Scheme. Is it sufficient that my prospectus comply with the disclosure requirements of the ASEAN Standards?**

In addition to complying with the ASEAN Standards, which are the same set of rules applied to jurisdictions who adopted the Scheme (at present Malaysia, Singapore and Thailand), the issuer must also comply with the Plus Standards of the respective jurisdictions, and the prospectus registration procedures of these jurisdictions.

The issuance of securities may also be subject to other requirements from each jurisdiction. In this regard, the issuer would need to refer to the regulations and guidelines from the respective jurisdictions concerned.

**5. The requirements of the Plus Standards in Country A are different from those in Country B. With which should my prospectus for a cross-border offering of securities comply?**

Your prospectus must comply with all the disclosure requirements stipulated by each member country. If the standards differ on a particular item, the general rule is that the stricter requirement should apply. If different requirements apply on the same issue, the prospectus should comply with both requirements.

**6. Will ACMF members eventually reduce the number of their respective Plus Standards?**

Members of the ACMF have agreed to work towards reducing the number of Plus Standards over time so as to maximise the benefits of the ASEAN and Plus Standards Scheme to issuers. As such, it is envisaged that the ASEAN and Plus Standards Scheme will evolve and progress towards greater overall convergence of the disclosure standards in participating ASEAN jurisdictions.