

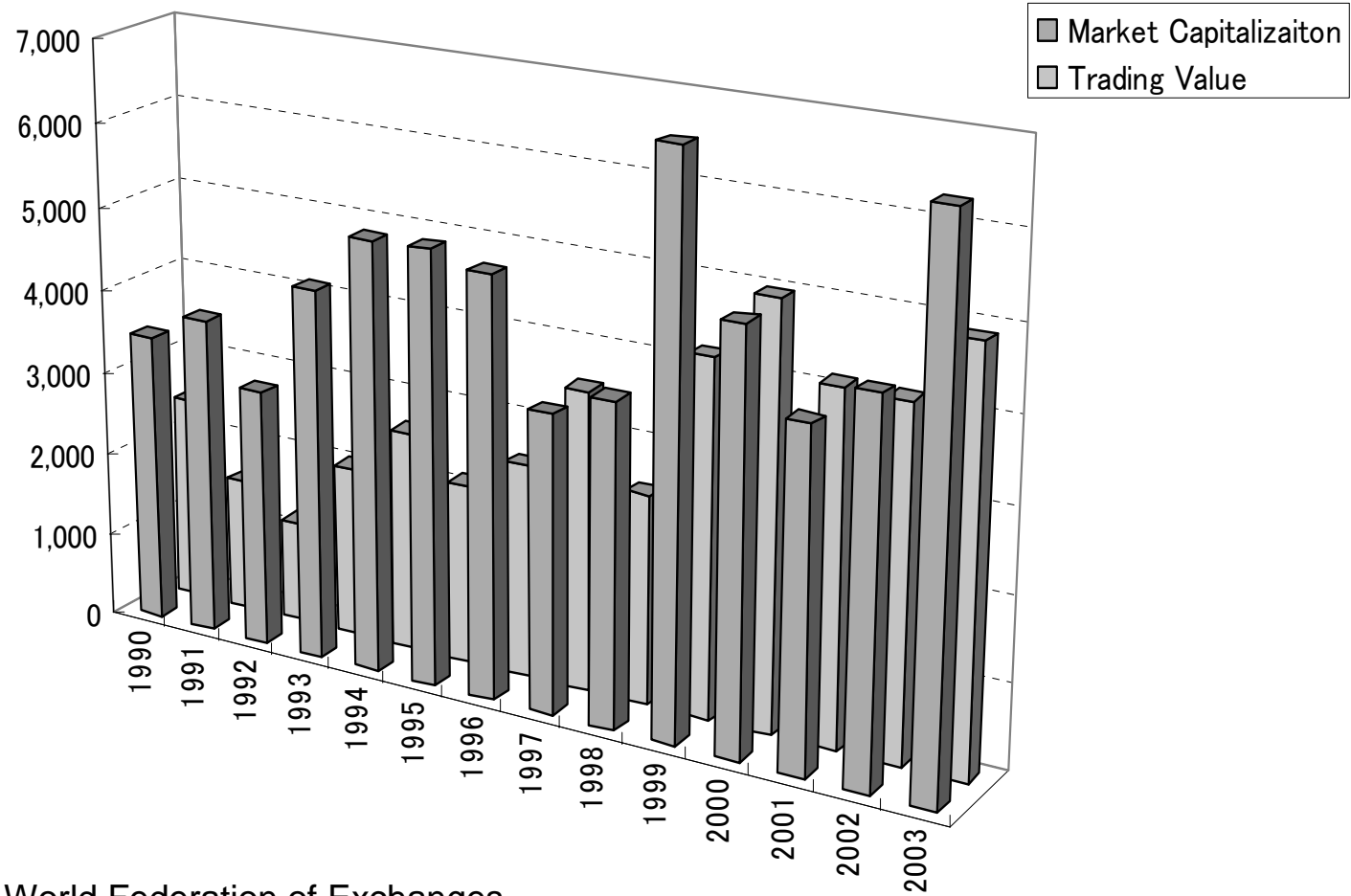
# Regional Cooperation Among Securities Markets

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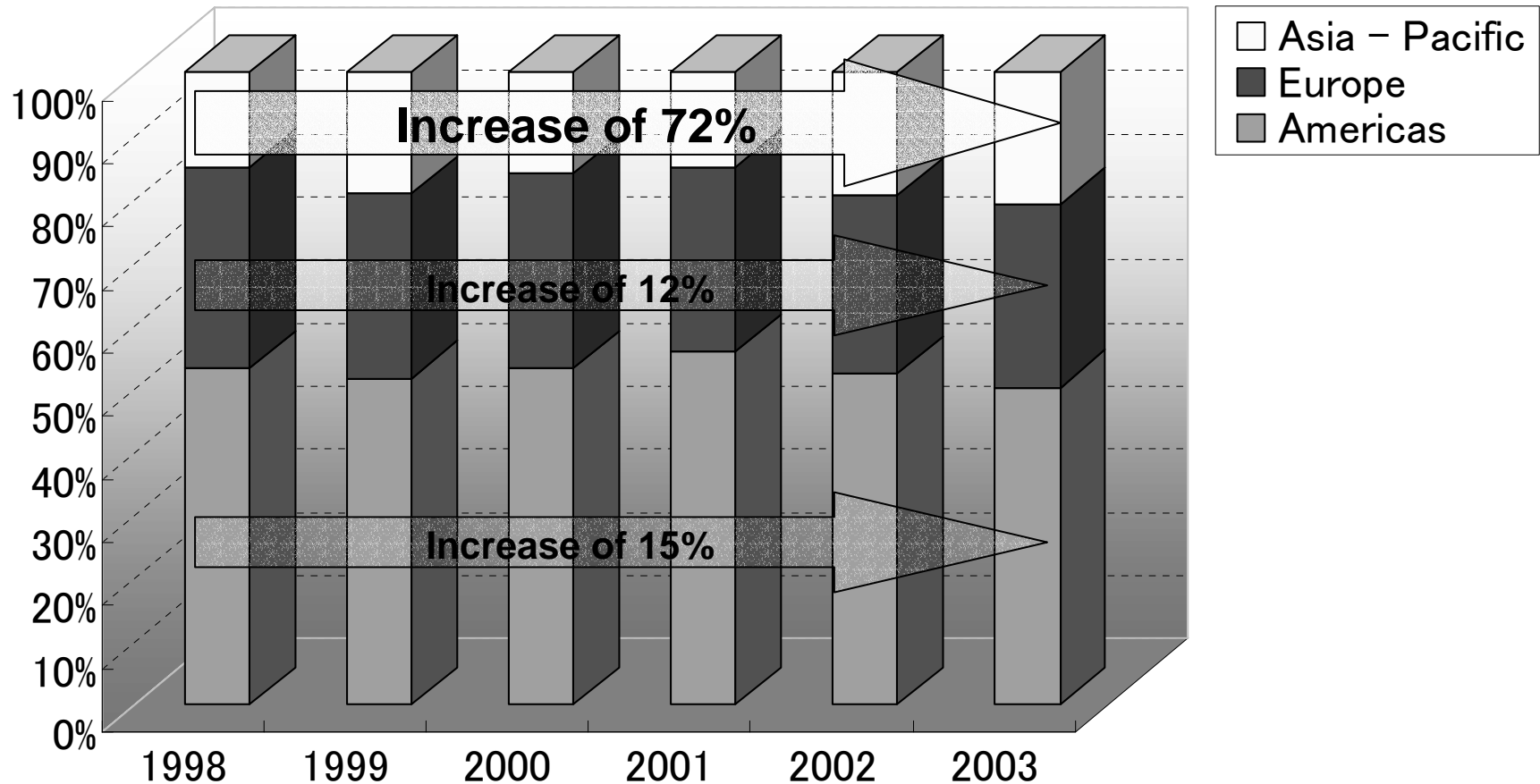
# 1. Growing Asian securities markets



Source: World Federation of Exchanges

## 2. Comparison of Asia to other regions

Market capitalization comparison between three regions



Source: World Federation of Exchanges

# 3. Regional cooperation in Asia

- Background

- **Asian currency crisis in 1997**

- Tightening economic relationship between countries (e.g. **Bilateral Swap Agreement** under the Chiang Mai Initiative)

- **Governmental initiatives (e.g. FTA, JSEPA)**

- Remove barriers between countries (e.g. manpower, products and services)

## 4.1. Cooperation between markets

- ASEAN Statement in Singapore (Apr. '04)

- “We agreed to set up a task force to explore ways to forge alliances and linkages within ASEAN securities markets.”

- “...the progress made in fostering domestic and regional bond markets under the Asian Bond Markets Initiative (ABMI) in collaboration with our Plus Three partners.”

## 4.2. Cooperation between markets

- East Asia and Oceania Stock Exchanges Federation (EAOSEF)
  - Established: 1982
  - Member exchanges: 15

- Recent topics in EAOSEF
  - Cross-border trading
    - Scheme studies
  - Corporate governance
  - Information business

## 4.3. Cooperation between markets

- World Federation of Exchanges (WFE)
  - Established: 1961
  - Member exchanges: 54

- Recent topics in WFE
  - Self-regulation and investor confidence in the market
  - New business models for exchanges

## 4.4. Cooperation between markets

### Central Counter Party (CCP)

○CCP 12 : Global level

○EACH : Europe

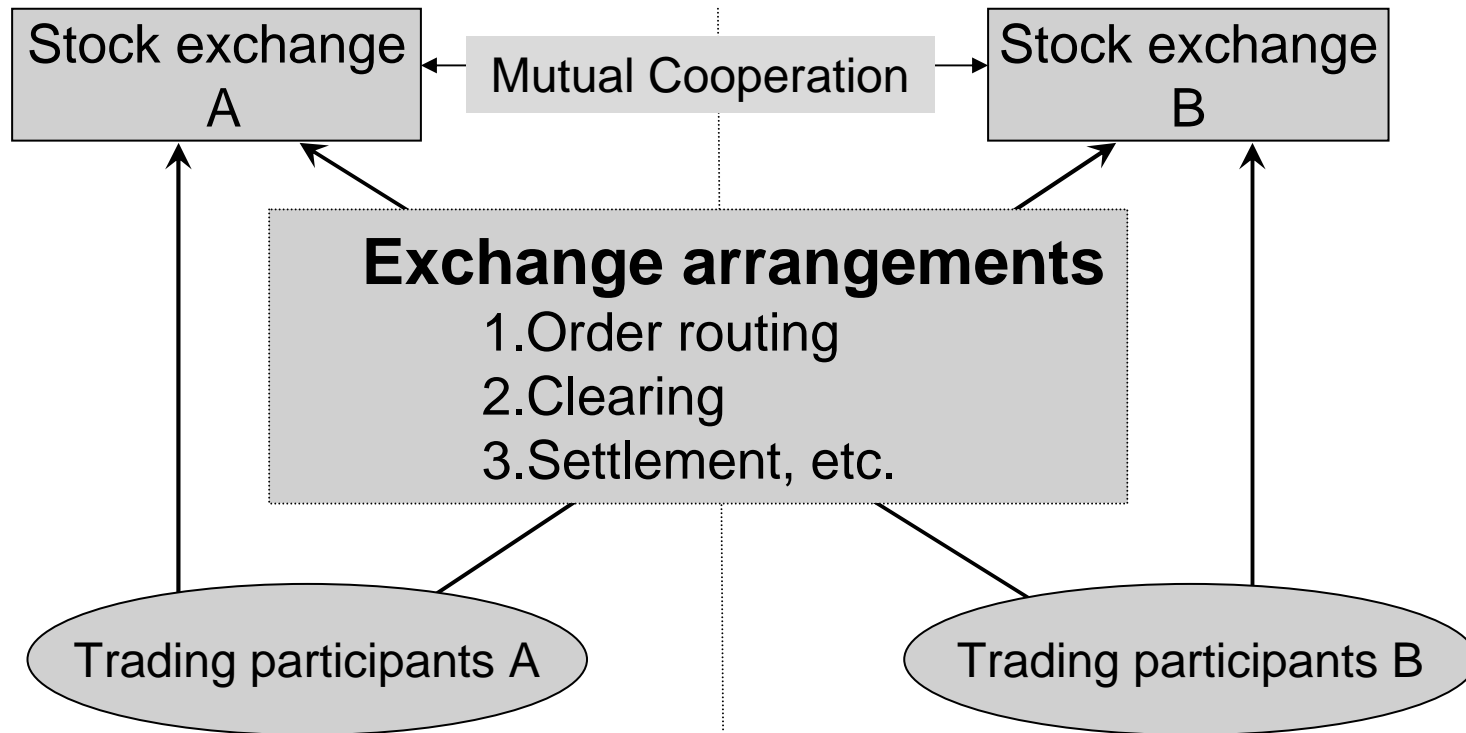
○Asia : Asia Oceania CCP Meeting

- 11 member exchanges and CCPs from 10 countries
- May 5, 2004 First meeting in Tokyo



# 4.5. Cooperation between markets

A market linkage model



- ASX & SGX have already implemented the above type of arrangement since Dec. 2001.
- Discussions for such arrangements between TSE and both SGX and ASX are underway.

## 5. Summary

- Regional cooperation among Asia-Pacific markets is progressing.
- TSE will devote itself to contributing to the realization of further development of the markets.