



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR

CIRCULAR LETTER NO. CL-2015-021

To : **ALL BANKS**

Subject : **Implementation of the ASEAN Banking Integration Framework**

The ASEAN Finance Ministers and Central Bank Governors from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam formally approved the ASEAN Banking Integration Framework (ABIF) during their joint meeting held on 21 March 2015. The Framework was endorsed by the ASEAN Central Bank Governors in December 2014.

ABIF is integral to the achievement of a financially and economically integrated ASEAN Region. It is seen to strengthen other initiatives under the ASEAN Financial Integration Framework so that there would be increased cross border trade and investment flows.

Under this Framework, any two ASEAN member countries may enter into a bilateral agreement within which so-called Qualified ASEAN Banks (QABs) can operate. Under the ABIF, such QABs have market access and operational flexibilities similar to those granted to the domestic banks of the host country. Strengthening of home-host regulatory and supervisory cooperation arrangements will likewise accompany the implementation of the Framework to support the effective surveillance and supervision of QABs.

Target milestones for ABIF include the conclusion of one pioneer ABIF agreement between two or more ASEAN member countries by 2015; the conclusion of at least one ABIF arrangement by each ASEAN 5 country (Indonesia, Malaysia, Philippines, Singapore and Thailand) by 2018; and the conclusion or near conclusion of at least one arrangement per member state by 2020.

For your guidance.


NESTOR A. ESPENILLA, JR.
Deputy Governor

8 April 2015