

## PRESS RELEASE

### **ASIFMA Releases Results of Capital Markets Survey on Market Development, Operational and Regulatory Perspectives**

#### ***Results Reveal Optimistic Perception of APAC Region and Majority Intend to Further Expand Presence***

**15 December 2021 (Hong Kong)** - The Asia Securities Industry & Financial Markets Association (ASIFMA), the region's leading financial industry group, today released [the ASIFMA 2022 Asia-Pacific Capital Markets Survey](#) of 40 industry participants from both the buy and sell sides in selected APAC markets. The purpose of the survey was to address how member firms view the surveyed jurisdictions in the region from market development, operational and regulatory environment perspectives. ASIFMA engaged EY to provide technical assistance in administering the survey which covers Australia, Mainland China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam.

"Overall, the results indicate an optimistic perception of the APAC region with the majority of respondents intending to continue to expand their business presence in the region," said Mark Austen, CEO of ASIFMA. "However, there are some operational, and regulatory environment and market development headwinds cited by respondents as emerging challenges over the next 3 years."

#### **Survey Focus**

The survey identified member firms' views on several topics:

- What is the spread of participants' market operations in APAC [onshore and offshore], and what type of product/service lines do they offer;
- Whether participants have expansion/exit plans across selected APAC markets in the coming 3 years;
- How participants would rate these markets considering three factors: operating environment, regulatory environment, and market development; and whether markets have improved/deteriorated/remained the same considering these factors in the past 3 years or projected to in the next 3 years;
- What are the top attraction/impediment factors concerning the three factors for these markets; and
- Whether ASEAN had been a positive influence in ease of operation in these markets in the past 5 years and how material it had been in that respect; whether members see possibility of future market integration in ASEAN in the next 5 years.

According to the survey results, the current state market perception is predominantly optimistic, with 62% of survey participants intending to expand in APAC markets. Areas of expansion seem to match the predominant existing business profiles of survey respondents, i.e. capital market trading in particular equities and fixed income trading."

"It's encouraging to see that despite some operational and regulatory challenges, respondents continue to see the region as an area for ongoing investment and expansion," said Andrew Gilder, EY Asia-Pacific Banking and Capital Markets Leader. "There's good momentum in Mainland China and India, two markets

where respondents see a lot of opportunities given the outlook for wealth expansion and a large pool of skilled talent.”

“There is also a perception that the ease of operating in APAC capital markets has largely been stable historically -- looking back 3 years -- and prospectively -- looking forward 3 years,” added Mr Austen.

There are four exceptions to this:

- Hong Kong SAR: noted as having a somewhat more challenging operating environment in the past 3 years and next 3 years and a somewhat more challenging regulatory environment in the next 3 years.
- Australia: perceived by half of the participants operating there as having a more challenging regulatory environment in the past 3 years.
- Mainland China: viewed as having a more challenging operating environment in the next 3 years and the regulatory environment becoming more challenging in the past 3 years and also in the next 3 years, although market development is perceived to have improved/improve over those same two periods.
- India: market development is projected to improve in the next 3 years.

#### **Country-specific findings**

- Hong Kong is noted as having become somewhat more difficult to operate in over the past 3 years, but still scores relatively high on operating environment
- Most respondents indicated plans to expand into Mainland China, however also projected that it would have a harder operating and regulatory environment in the next 3 years.

#### **Factors that survey participants find influential to rate them highly**

- Singapore, Hong Kong, and Australia scored the highest across three factors, with most respondents citing workforce skills as the key attraction under operating environment and predictable and transparent regulatory policy as the key attraction under regulatory environment.
- Mainland China and India were identified as the most prominent target markets for expansion with the majority of respondents citing workforce skills, growing customer base and wealth, and investor protection as the top attractions to operate there in spite of the fact they both ranked lower in terms of overall environment.

#### **Perception of influence in ASEAN & views for future integration**

Most participants expressed positive views on ASEAN as a force for increasing the ease of operation in member jurisdictions, citing the creation of more freedom in movements of goods, capital, and people.

“A majority of survey participants saw greater market integration in ASEAN in the next 5 years,” concluded Mr Austen.

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Full survey results can be found [here](#).

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**About ASIFMA**

[ASIFMA](#) is an independent, regional trade association with over 160 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative, and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region. More information about ASIFMA can be found at: [www.asifma.org](http://www.asifma.org).