ASIFMA 2025 Asia-Pacific Capital Markets Survey

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The information and opinion commentary in this ASIFMA 2025 Asia-Pacific Capital Markets Survey Report was prepared by the Asia Securities Industry and Financial Markets Association (ASIFMA) to reflect the views of firms who participated in this Survey. The data, on which this Report and its conclusions were based, was gathered from participating firms between January and April 2025.

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About ASIFMA

ASIFMA (Asia Securities Industry & Financial Markets Association) is an independent, regional trade association comprising a diverse range of over 165 leading financial institutions from both the buy and sell side, including banks, asset managers, professional services 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 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 US and AFME in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

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Overview and objectives

This is the fourth edition of an annual survey conducted by ASIFMA, the pre-eminent regional financial services industry association within Asia-Pacific (APAC), aimed at gauging sentiment among its member firms towards APAC markets. With participation from both buy- and sell-side members, the survey serves as an important barometer of industry attitudes toward APAC capital markets and a means of identifying the factors that affect sentiment.

The 13 markets covered by the survey include Australia, Mainland China, the Hong Kong SAR, India, Indonesia, Japan, South Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam.

Members provided their current assessments in relation to market development, the regulatory environment and the operating environment, while also sharing their views looking back over the past three years and looking ahead three years.

The survey data was gathered from January to April 2025, thus coinciding with the new US administration taking office but before the April 2025 tariff announcements. Afterwards, ASIFMA obtained further information from several participants to determine what impact, if any, the tariffs and uncertainty in the global trade environment had on the survey findings. None of the participants contacted said their views had changed because of these developments.

In addition to survey questions covered in previous years, this year's survey covered the impact of geopolitics, perceptions of the APAC regulatory environment for ESG and sustainable finance, digital assets and artificial intelligence (AI) and readiness for a possible move to T+1 settlement in APAC.

This is the fourth consecutive year that ASIFMA's Asia-Pacific Capital Markets Survey has been conducted since 2021. In this year's report, we review the trends in the survey results over these past four years and the new themes mentioned.

The survey responses provided reflect the views of industry participants and their regional headquarters.

Ernst & Young Advisory Services Limited (EY) assisted ASIFMA to design the survey, collate and analyse participants' views and draft this Report but expresses no opinions in this Report. ASIFMA reviewed the Report and its final content.

Executive summary

Firms optimistic about APAC

Participants' optimism toward the business prospects of APAC capital markets rebounded this year compared with last. This is despite obvious and significant geopolitical tensions affecting some APAC markets and recent tariff developments. More firms said they will increase their presence in APAC markets this year, and no participant intends to exit any market.

Geopolitical impact

Geopolitics has been a significant or somewhat significant factor for most participants when making decisions on their APAC business activities in the past, and more participants say it will be significant or somewhat significant in the future. That said, participants seem to be taking a long-term view, with most having strategies in place to deal with geopolitics, including geographic diversification and country-specific strategies. Only a small minority say that geopolitics has influenced their market entry or exit decisions, and only on rare occasions. In relation to geopolitics, sanctions, data sovereignty regulations, and tariffs and trade are participants' biggest concerns.

Perceptions of APAC markets

Singapore, Australia, Hong Kong SAR and Japan continue to be the top four markets for ease of doing business considering market development as well as the regulatory and operating environments, a finding consistent with the last three surveys. They are also generally seen to be among the best markets for the regulatory environment in which to do ESG and sustainable finance, digital assets and AI. In several emerging and frontier markets, the regulatory environment is seen to lag market development and the operating environment. These markets are also generally seen to have poor regulatory environments for ESG and sustainable finance, digital assets and AI.

Preferred markets for expansion

Despite the impact of geopolitical and trade tensions, Mainland China is once again seen as a highly preferable market for further expansion, second only to Singapore. Participants welcome China's investor protection regime. However, perceptions of a challenging regulatory environment continue to persist.

Executive summary

India remains one of the top markets preferred for further expansion, with participants attracted by its growth rate, language skills and freedom from lack of international sanctions. However, some participants view the pace of market reforms in India as having slowed.

ESG and sustainable finance, digital assets and AI

While ESG and sustainable finance remain within the top five business activities in which participants are expanding their activities, their priority has fallen significantly. Anecdotal comments from participants suggest that this may be due to extra costs incurred in developing and distributing such products, which may also impact returns and deter client interest.

This is the first year we have collected data in relation to digital assets and AI. Interestingly, half of participants said they have no plans to offer digital assets of any type in the near future. It is also noteworthy that proposed AI implementation use cases are largely focused on back-office or customer query tasks, with one third of firms not yet proposing any use cases.

Readiness for T+1 settlement

The compression of the settlement cycle has become a focus of ASIFMA members recently, hence the inclusion of this topic in this year's survey. Most participant firms are themselves somewhat significantly or significantly ready for migration to T+1 in more APAC markets from a process and systems perspective. However, only half of their clients are fully prepared for the changes. Therefore, the industry will need sufficient time to help global investors manage the transition.

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Participants’ views of the markets

Singapore, Australia, and Hong Kong SAR were ranked as the top three markets to operate in within the APAC region, based on market development, regulatory, and operating environments. Significant improvements were observed for Malaysia, the Philippines, and Thailand. In contrast, India and Mainland China experienced the most substantial declines, with their regulatory environment scores notably lower than those for their operating environment and market development. Both Japan and Thailand exhibited minor gains in average scores, with higher market development scores relative to their operating and regulatory environment scores.

Most participants regarded India, Australia, Mainland China and Vietnam as particularly challenging to operate in from a regulatory environment perspective in the sense of a perception of their regulatory environments being harder to operate in the last 3 years. These difficulties are generally attributed to rapid and high-volume changes in the regulatory landscape and overregulation. Mainland China also faced the perception of inconsistent interpretation of regulations, while India struggled with the perception that resolution of regulatory issues was slow and bureaucratic. No specific causes were identified for the perception of Vietnam's regulatory challenges.

Participants perceived an overall increase in difficulty in operating within the APAC region from a regulatory perspective, except for Australia, Mainland China, Taiwan and South Korea, where it was relatively easier in 2025 compared with 2023/24. Australia, Hong Kong SAR, and Mainland China were considered more challenging from an operating environment perspective. However, perceptions of Hong Kong SAR's operating environment improved between 2023/24 and 2025. Both Singapore and Taiwan were seen as easier to operate in during 2025 compared to 2023/24. Similarly, greater difficulties were noted in operating in Australia, Hong Kong SAR, and Mainland China from a market development perspective, whereas India was perceived as being easier to operate in, in this regard.

Across the region, the absence of currency controls and lack of international sanctions emerged as the primary attractions for the regulatory environment, while poor tax conditions and data localization requirements were largely perceived as the main impediments. Language proficiency and workforce skills were identified as major attractions for the operating environment, whereas the political situation and cost of doing business were key challenges. From a market development perspective, currency convertibility and a high economic growth rate were seen as significant attractions, whereas interest/inflation rates, along with the unavailability of stock borrowing, lending, and short-selling, were perceived as impediments.

1 Participant’s views of the markets

1(i) Participants’ views of the markets – APAC market ratings on ease of doing business

This year, participants ranked Singapore, Australia, and Hong Kong SAR as the top three markets in APAC based on the combined rankings of their market development and their regulatory and operating environments. Japan rose to fourth place after dropping down the rankings in 2023/24, benefiting from initiatives to welcome foreign asset managers, such as providing documents in English. Taiwan dropped to 5th place. Notably, the ranking of Mainland China fell from 7th to 11th place in 2025, reflecting the most significant decline in this year's results. One member suggested that this drop may be attributed to geopolitical tensions affecting perceptions of the regulatory environment. Recent developments have made it easier to invest in the market, but the outlook for outbound investment remains medium. In contrast, the Philippines has risen from 12th in 2022 to 7th in 2025, continuing its strong growth.

Markets	Average Score	Ranking in 2025	Ranking in 2023/24	Ranking in 2022	Ranking in 2021
Singapore	7.53	1 (-)	1 (-)	1 (-)	1
Australia	7.32	2 (↑1)	3 (↓1)	2 (↑1)	3
Hong Kong SAR	7.29	3 (↓1)	2 (↑2)	4 (↓2)	2
Japan	6.58	4 (↑1)	5 (↓2)	3 (↑1)	4
Taiwan	6.35	5 (↓1)	4 (↑2)	6 (-)	6
Malaysia	6.16	6 (↑3)	9 (↓1)	8 (-)	8
the Philippines	6.14	7 (↑3)	10 (↑2)	12 (-)	12
India	6.12	8 (↓2)	6 (↑1)	7 (↑3)	10
South Korea	6.12	9 (↓1)	8 (↓3)	5 (↑2)	7
Thailand	5.73	10 (↑2)	12 (↓3)	9 (↓4)	5
Mainland China	5.71	11 (↓4)	7 (↑3)	10 (↓1)	9
Indonesia	5.69	12 (-)	12 (↓3)	9 (↓4)	5
Vietnam	5.68	13 (-)	13 (-)	13 (-)	13

Table 1. Ranking changes of markets based on average score across three factors

Ranking of the markets (1-13); 1 being the highest and 13 being the lowest

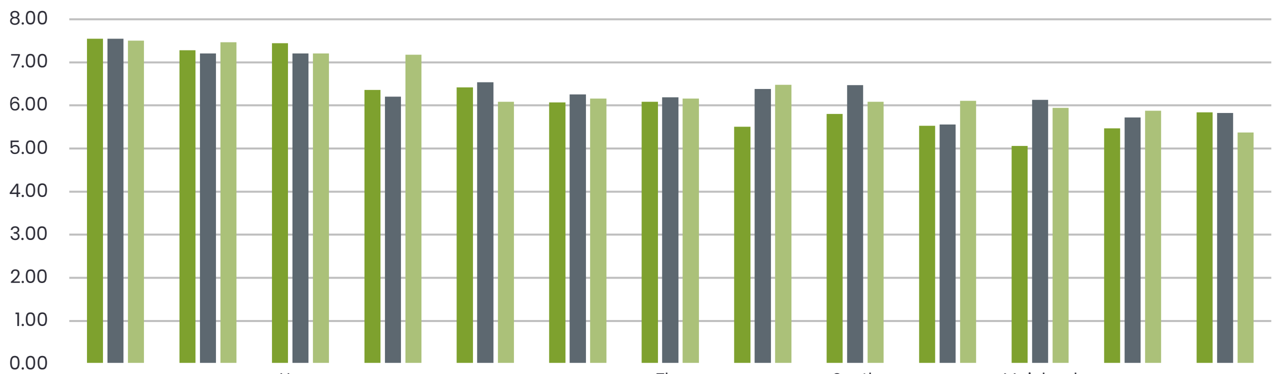
Note. Each market is scored by those participants that operate or intend to operate in it. The rating of each market reflects the average of those scores.

1 Participant’s views of the markets

1(ii) Participants’ views of the markets – ranking of APAC markets on component factors

The graph below shows the participants’ views for 2025 of each APAC market from three perspectives: regulatory environment, operating environment, and market development.

Generally, markets score consistently across all three fields of analysis. India and Mainland China are notable for having regulatory environment scores significantly below their operating environment and market development scores. Participants commented that in India, the velocity of regulation, often communicated through circulars, contributes to this perception. Japan and Thailand are notable for their market development ranking relatively higher than their operating and regulatory environment scores.



	Singapore	Australia	Hong Kong SAR	Japan	Taiwan	Malaysia	The Philippines	India	South Korea	Thailand	Mainland China	Indonesia	Vietnam
Regulatory Environment	7.55	7.28	7.45	6.36	6.42	6.07	6.09	5.51	5.80	5.52	5.06	5.47	5.84
Operating Environment	7.55	7.21	7.21	6.20	6.54	6.26	6.19	6.38	6.48	5.56	6.13	5.72	5.83
Market Development	7.51	7.47	7.21	7.17	6.09	6.16	6.16	6.48	6.09	6.11	5.95	5.88	5.37

Figure 1. Scoring of markets for 2025 based on average score across regulatory and operating environment and market development

[1] **Ranking of the markets (1-13);** 1 being the highest and 13 being the lowest

Note. Each market is scored by those participants that operate or intend to operate in it. The rating of each market reflects the average of those scores.

1(iii) Participants’ views of the historical regulatory environment – changes in the past three years

The graph below shows the ease of operating in each market from the perspective of the regulatory environment in the past three years. In this respect, India, Australia, Mainland China and Vietnam were viewed by an overwhelming majority of survey participants as harder to operate in.

Complexity of regulation in Mainland China stemmed in part from regulators’ head and provincial offices applying different interpretations of regulations, one participant said. With respect to Australia, a participant cited a continued high volume of regulatory changes and overregulation. One participant said that India’s regulations are changing rapidly, and a substantial effort to effect change is required within a short timeframe, while another suggested that resolution of regulatory issues is slow and bureaucratic.

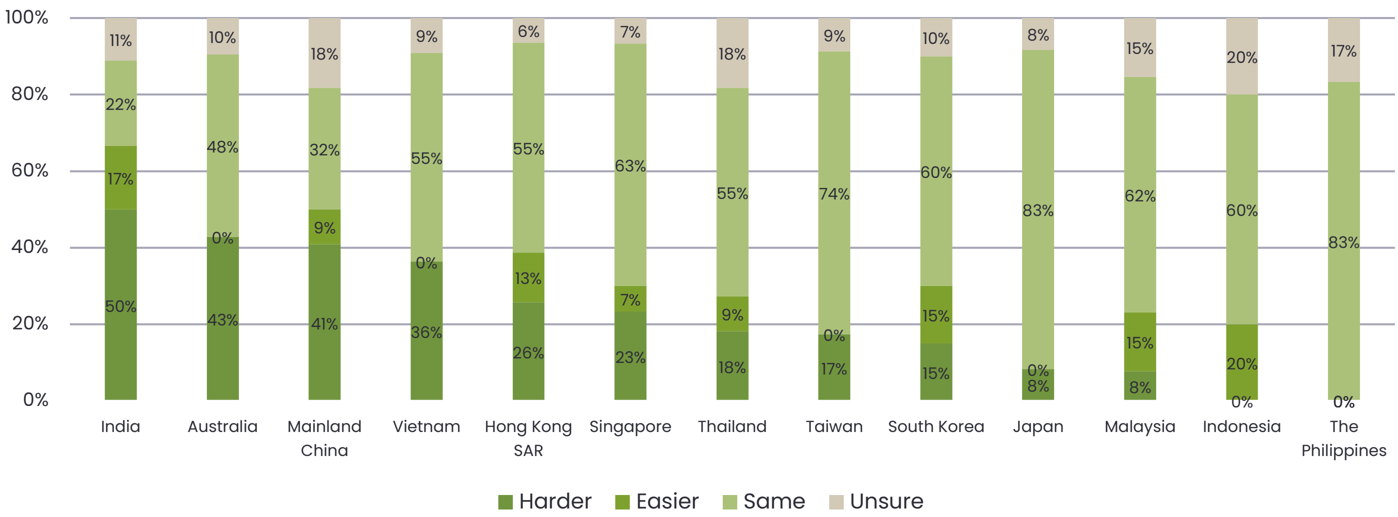
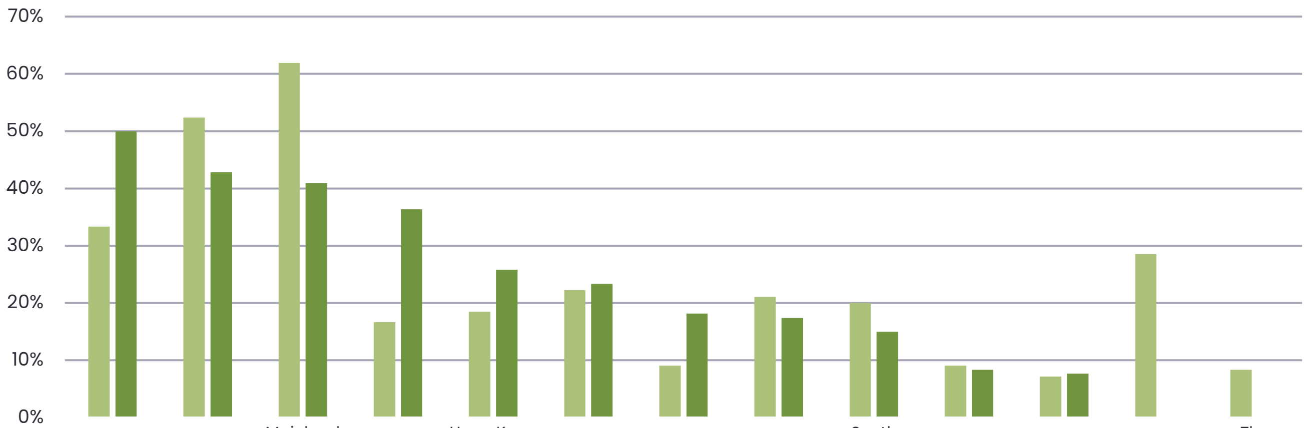


Figure 2. Do you believe it has become easier or harder to operate in APAC based on the regulatory environment?

1 Participant's views of the markets

1(iv) Participants' views of the historical regulatory environment – changes in the past three years

The graph illustrates the difficulty of operating in APAC capital markets due to the regulatory environment over the past three years. In 2023/24, India ranked third; by 2025, it had become the hardest market. Australia and Mainland China remain challenging but show improvements. Participants find Vietnam significantly harder, and Hong Kong SAR slightly harder to operate in. Conversely, Indonesia, the Philippines, and South Korea are easier to operate in than in 2023/24.



	India	Australia	Mainland China	Vietnam	Hong Kong SAR	Singapore	Thailand	Taiwan	South Korea	Japan	Malaysia	Indonesia	The Philippines
2023/24	33%	52%	62%	17%	19%	22%	9%	21%	20%	9%	7%	29%	8%
2025	50%	43%	41%	36%	26%	23%	18%	17%	15%	8%	8%	0%	0%

Figure 3. Percentage of participants who believe it has become harder to operate in APAC markets based on the perspective of regulatory environment in the past 3 years

1 Participant’s views of the markets

1(v) Participants’ views of the historical operating environment – changes in the past three years

Figure 4 shows the ease of operating in each market from the perspective of the operating environment in the past three years. In general, participants hold the view that APAC markets are the same or harder to operate in over the past three years, with overall less than 10% rating them easier. Australia, Hong Kong SAR and Mainland China were all considered to be harder to operate in from an operating environment perspective.

One participant commented that the operating environment in Hong Kong SAR is harder due to a talent outflow and limited influx of both foreign labor and clients.

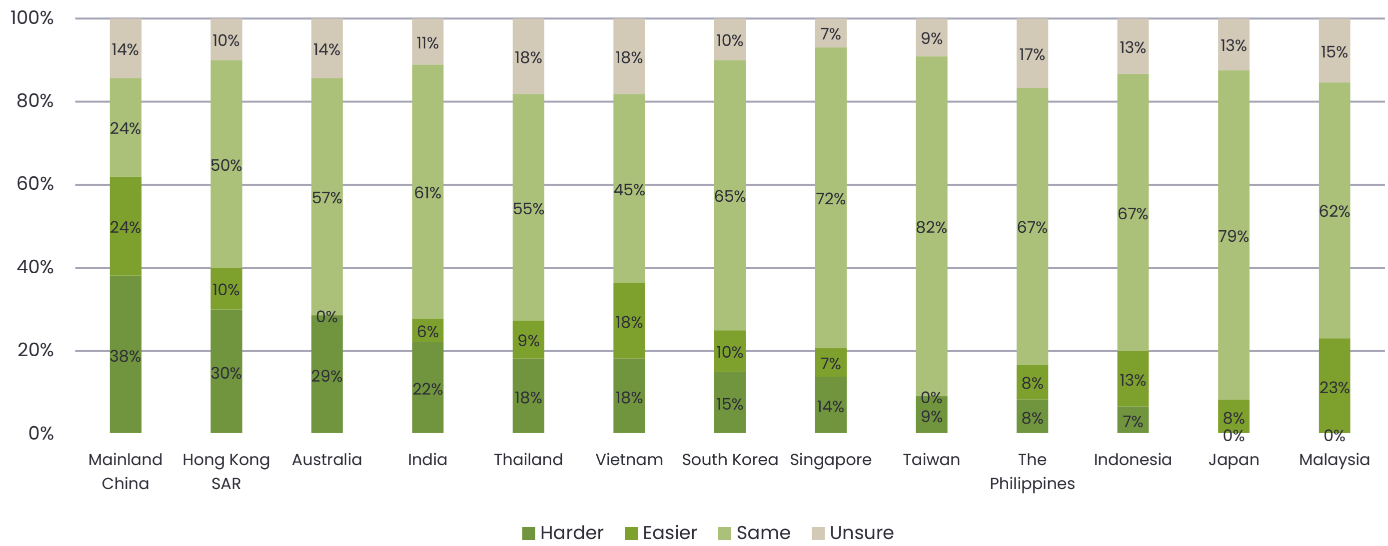


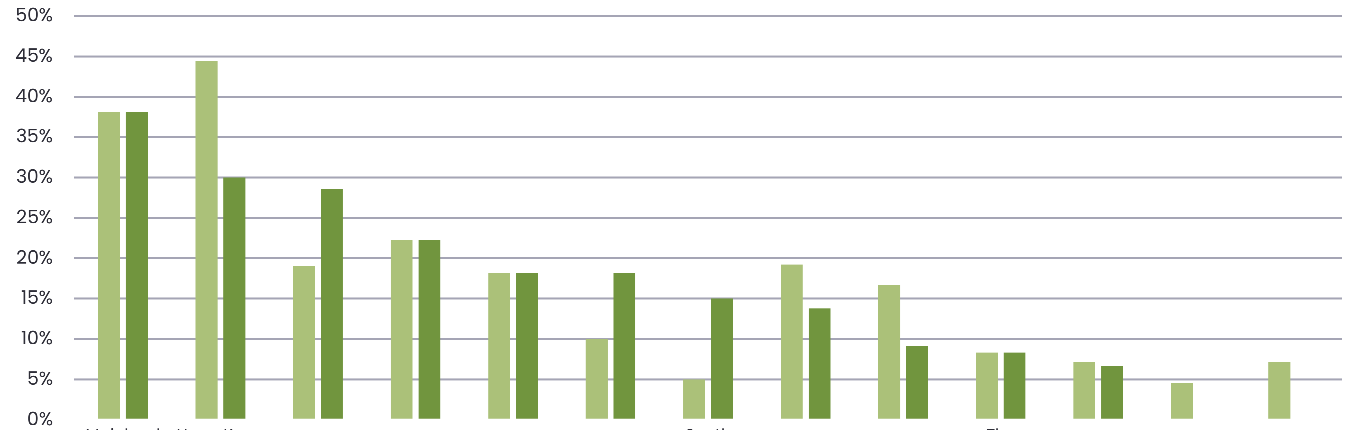
Figure 4. Do you believe it has become easier or harder to operate in APAC based on the operating environment?

1 Participant’s views of the markets

1(vi) Participants’ views of the historical operating environment – changes in the past three years

Figure 5 shows the percentages of participants that believe it has become harder to operate in APAC capital markets from the perspective of operating environment in the past three years. Mainland China and Hong Kong SAR continue to be hard to operate in, in line with the previous year results, although the Hong Kong SAR results have dropped from 44% to 30%, suggesting the operating environment is improving.

Participants believe that it is harder to operate in Australia, Vietnam and South Korea compared to 2023/24 and believe that it is easier to operate in Singapore and Taiwan in 2025 from the perspective of operating environment. Participants’ perception of other markets remains stable or indeterminate.



	Mainland China	Hong Kong SAR	Australia	India	Thailand	Vietnam	South Korea	Singapore	Taiwan	The Philippines	Indonesia	Japan	Malaysia
2023/24	38%	44%	19%	22%	18%	10%	5%	19%	17%	8%	7%	5%	7%
2025	38%	30%	29%	22%	18%	18%	15%	14%	9%	8%	7%	0%	0%

Figure 5. Percentage of participants who believe it has become harder to operate in APAC markets based on the perspective of operating environment in the past 3 years

1 Participant's views of the markets

1(vii) Participants' views of historical market development – changes in the past three years

Figure 6 shows the ease of operating in each APAC capital market from a market development perspective in the past three years. More participants think it has become harder to operate in Australia, Hong Kong SAR and Mainland China from the perspective of market development, which is in line with the operating environment results.

With regard to Mainland China and Hong Kong SAR, a participant suggested that the macro-economic downturn and geopolitical conflicts between the US and Mainland China contribute to making it harder to operate from a market development perspective. A third of participants believe that it has become easier to operate in India based on market development, with one participant citing continued consultation with industry members and creation of an Industry Standard Forum.

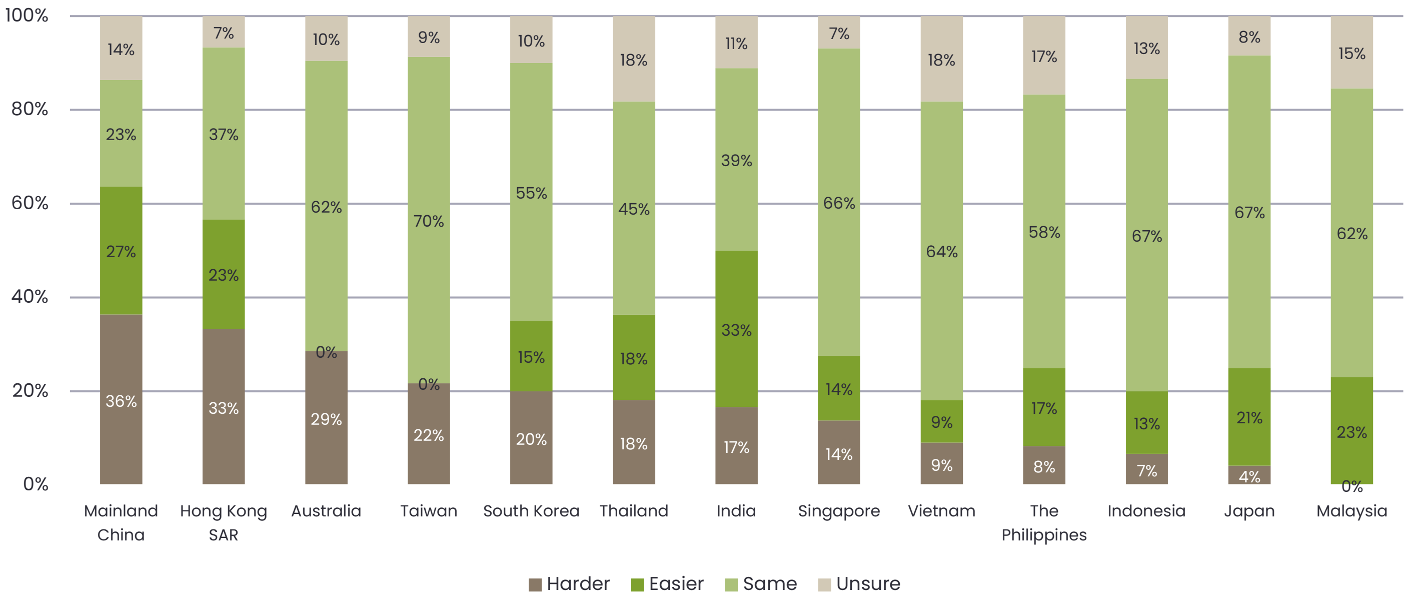
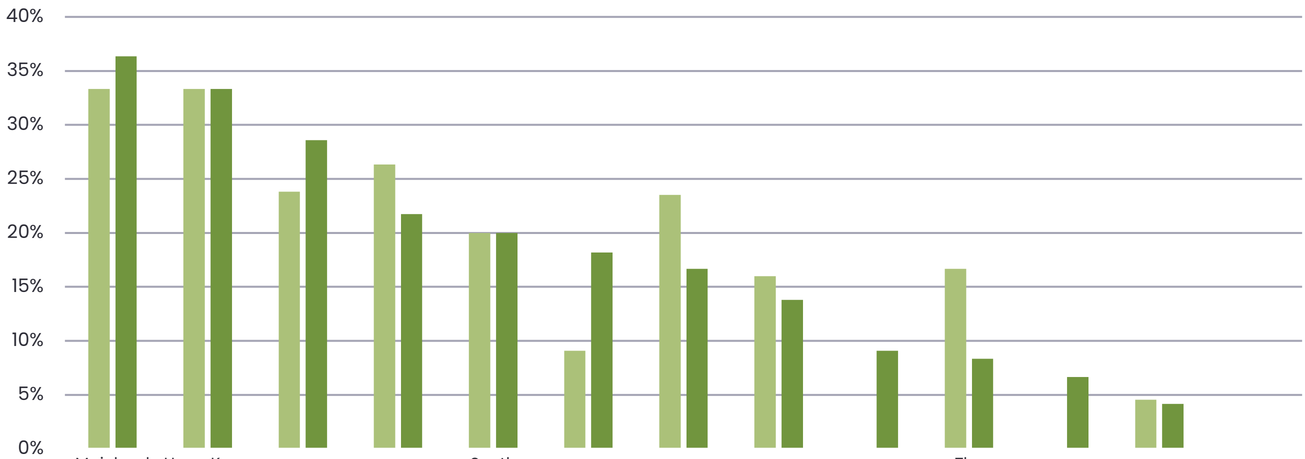


Figure 6. Do you believe it has become easier or harder to operate in APAC based on the market development?

1 Participant's views of the markets

1(viii) Participants' views of historical market development – changes in the past three years

The graph shows the percentages of participants who think it has become harder to operate in APAC capital markets over the past three years. Mainland China, Hong Kong SAR and Australia remain difficult markets. Participants found it harder to operate in Thailand, Vietnam, and Indonesia compared to 2023/24 but easier in Taiwan, India, and the Philippines.



	Mainland China	Hong Kong SAR	Australia	Taiwan	South Korea	Thailand	India	Singapore	Vietnam	The Philippines	Indonesia	Japan	Malaysia
2023/24	33%	33%	24%	26%	20%	9%	24%	16%	0%	17%	0%	5%	0%
2025	36%	33%	29%	22%	20%	18%	17%	14%	9%	8%	7%	4%	0%

Figure 7. Percentage of participants who believe it has become harder to operate in APAC markets based on the perspective of market development in the past 3 years

1(ix) Top market attractions under regulatory environment

The table highlights the top regulatory factors making APAC markets attractive. This year, lack of currency controls and the absence of international sanctions are the most appealing. In 2023/24, it was anti-bribery frameworks, lack of currency controls, and strong investor protection. Predictable and transparent regulatory policies were the key attractions in both 2022 and 2021. Where 2 factors are mentioned in the table, they tie for the most important factor

Ranking	Markets	Average Score	Regulatory Environment (2025)	Regulatory Environment (2023/24)	Regulatory Environment (2022)	Regulatory Environment (2021)
1	Singapore	7.53	Quality of anti-bribery and corruption framework Lack of currency controls	Quality of anti-bribery and corruption framework	Predictable and transparent regulatory policy	Predictable and transparent regulatory policy
2	Australia	7.32	Lack of currency controls	Lack of currency controls	Predictable and transparent regulatory policy	Predictable and transparent regulatory policy
3	Hong Kong SAR	7.29	Tax environment	Lack of currency controls	Tax environment	Tax environment
4	Japan	6.58	Lack of currency controls	Lack of currency controls	Predictable and transparent regulatory policy	Predictable and transparent regulatory policy
5	Taiwan	6.35	Investor protection	Investor protection Quality of anti-bribery and corruption framework	Investor protection	Predictable and transparent regulatory policy Foreign ownership regulations
6	Malaysia	6.16	Prudential regulations	Investor protection	Prudential regulations Predictable and transparent regulatory policy	Investor protection
7	the Philippines	6.14	Outsourcing regulations	Labor laws Outsourcing regulations	Outsourcing regulations	Outsourcing regulations
8	India	6.12	Lack of international sanctions	Lack of international sanctions	Investor protection	Investor protection
9	South Korea	6.12	Prudential regulations	Investor protection	Quality of anti-bribery and corruption framework	Quality of anti-bribery and corruption framework
10	Thailand	5.73	Lack of international sanctions	Restrictions on product/service offerings	Outsourcing regulations Restrictions on product/service offerings	Other foreign investment regulations Restrictions on product/service offerings
11	Mainland China	5.71	Investor protection	Quality of anti-bribery and corruption framework	Investor protection	Licensing requirements Investor protection
12	Indonesia	5.69	Lack of international sanctions	Lack of international sanctions	Licensing requirements	Foreign ownership regulations
13	Vietnam	5.68	Outsourcing regulations	Labor laws	Tax environment Other foreign investment regulations	Other foreign investment regulations Tax environment

Table 2. Summary of top regulatory environment attractions to operate in APAC markets

Ranking of the markets (1-13); 1 being the highest and 13 being the lowest

Note. Each factor is scored by participants on a scale of 1-10 with the highest average score as the top attraction.

1 Participant's views of the markets

1(x) Top market attractions under operating environment

The table outlines the most attractive factors for operating in each APAC market from the perspective of the operating environment. This year, the most frequently cited factor from the operating environment perspective is language skills, which aligns with the 2023/24 survey results. It appears that this primarily refers to English proficiency. In contrast, workforce skills were identified as the most attractive factor under the operating environment category in both 2022 and 2021.

Ranking	Markets	Average Score	Operating Environment (2025)	Operating Environment (2023/24)	Operating Environment (2022)	Operating Environment (2021)
1	Singapore	7.53	Language skills	Language skills	Political situation	Workforce skills
2	Australia	7.32	Language skills	Language skills	Workforce skills	Workforce skills
3	Hong Kong SAR	7.29	Availability of professional service support	Availability of professional service support	Workforce skills	Workforce skills
4	Japan	6.58	Fairness/ transparency in law enforcement	Physical infrastructure	Political situation	Physical infrastructure
5	Taiwan	6.35	Workforce skills	Fairness in law enforcement	Workforce skills	Workforce skills
6	Malaysia	6.16	Language skills	Language skills	Language skills	Language skills
7	the Philippines	6.14	Language skills	Language skills	Language skills	Workforce skills
8	India	6.12	Language skills	Human resourcing supply	Workforce skills Language skills	Workforce skills
9	South Korea	6.12	Digital infrastructure	Digital infrastructure	Digital infrastructure	Digital infrastructure
10	Thailand	5.73	Cultural and societal factors Competitive landscape	Competitive landscape Cost of doing business	Cultural and societal factors Competitive landscape	Cost of doing business
11	Mainland China	5.71	Workforce skills Physical infrastructure	Digital infrastructure	Digital infrastructure	Digital infrastructure Workforce skills
12	Indonesia	5.69	Political situation	Availability of professional service support Political situation	Political situation	Competitive landscape
13	Vietnam	5.68	Political situation	Cultural and societal factors	Cost of doing business	Political situation

Table 3. Summary of top operating environment attractions to operate in APAC markets

Ranking of the markets (1-13); 1 being the highest and 13 being the lowest

Note. Each factor is scored by participants on a scale of 1-10 with the highest average score as the top attraction.

1 Participant's views of the markets

1(xi) Top market attractions under market development

The table highlights key factors for operating in APAC markets focusing on market development. This year, the primary factors are currency convertibility and economic growth rate. In 2023/24, payments infrastructure topped the list; in 2022, it was trading and exchange infrastructure; and in 2021, it was a growing customer base and wealth. One participant noted that the top four markets for regulatory environment all had freely convertible currencies.

Ranking	Markets	Average Score	Market development (2025)	Market development (2023/24)	Market development (2022)	Market development (2021)
1	Singapore	7.53	Currency convertibility	Trading and exchange infrastructure	FinTech development	Fintech development
2	Australia	7.32	Currency convertibility	Trading and exchange infrastructure	Availability of hedging Trading and exchange infrastructure	Transparency of market information
3	Hong Kong SAR	7.29	Currency convertibility	Currency convertibility	Trading and exchange infrastructure	Clearing and settlement infrastructure
4	Japan	6.58	Currency convertibility	Currency convertibility	Trading and exchange infrastructure Market liquidity and depth	Market liquidity and depth
5	Taiwan	6.35	Transparency of market information	Trading and exchange infrastructure	Transparency of market information	Clearing and settlement infrastructure
6	Malaysia	6.16	Trading and exchange infrastructure	Payments infrastructure	Clearing and settlement infrastructure Payments infrastructure	Growing customer base and wealth
7	the Philippines	6.14	Clearing and settlement infrastructure Payments infrastructure Economic growth rate	Payments infrastructure	Growing customer base and wealth	Growing customer base and wealth
8	India	6.12	Economic growth rate	Economic growth rate	Trading and exchange infrastructure	Growing customer base and wealth
9	South Korea	6.12	Availability of hedging	Clearing and settlement infrastructure	Trading and exchange infrastructure Market liquidity and depth	Transparency of market information
10	Thailand	5.73	Trading and exchange infrastructure Payments infrastructure	Payments infrastructure	Growing customer base and wealth	Growing customer base and wealth
11	Mainland China	5.71	Clearing and settlement infrastructure	Payments infrastructure	Growing customer base and wealth	Growing customer base and wealth
12	Indonesia	5.69	Economic growth rate	Economic growth rate	Growing customer base and wealth	Growing customer base and wealth
13	Vietnam	5.68	Economic growth rate	Economic growth rate Inflation rate	Economic growth rate	Growing customer base and wealth Economic growth rate

Table 4. Summary of top market development attractions to operate in APAC markets

Ranking of the markets (1-13); 1 being the highest and 13 being the lowest

Note. Each factor is scored by participants on a scale of 1-10 with the highest average score as the top attraction.

1 Participant's views of the markets

1(xii) Top market impediments under regulatory environment

The table highlights top regulatory impediments for each market. The least attractive factors are a poor tax environment and data localization requirements. In 2023/24, the tax environment and poor anti-bribery frameworks were major concerns. lack of currency controls were cited as the least attractive in both 2022 and 2021.

Ranking	Markets	Average Score	Regulatory Environment (2025)	Regulatory Environment (2023/24)	Regulatory Environment (2022)	Regulatory Environment (2021)
1	Singapore	7.53	Outsourcing regulations	Outsourcing regulations	Outsourcing regulations	Outsourcing regulations
2	Australia	7.32	Tax environment	Tax environment	Tax environment	Tax environment
3	Hong Kong SAR	7.29	Lack of international sanctions	Lack of international sanctions	Lack of international sanctions	Lack of international sanctions
4	Japan	6.58	Tax environment	Labor laws	Tax environment	Tax environment
5	Taiwan	6.35	Lack of international sanctions	Lack of currency controls Cross-border regulation	Restrictions on product/service offerings	Restrictions on product/service offerings
6	Malaysia	6.16	Cross-border regulation	Quality of anti-bribery and corruption framework	Lack of currency controls	Lack of currency controls
7	the Philippines	6.14	Quality of anti-bribery and corruption framework	Quality of anti-bribery and corruption framework	Tax environment	Tax environment
8	India	6.12	Data localization requirements	Data localization requirements Tax environment	Lack of currency controls	Lack of currency controls
9	South Korea	6.12	Labor laws	Labor laws	Restrictions on product/service offerings Licensing requirements	Licensing requirements
10	Thailand	5.73	Quality of anti-bribery and corruption framework	Tax environment	Lack of currency controls	Lack of currency controls
11	Mainland China	5.71	Data localization requirements	Data localization requirements	Lack of currency controls	Lack of currency controls
12	Indonesia	5.69	Data localization requirements Tax environment	Quality of anti-bribery and corruption framework	Data localization requirements	Data localization requirements
13	Vietnam	5.68	Lack of currency controls	Foreign ownership regulations	Lack of currency controls	Lack of currency controls

Table 5. Summary of top regulatory environment impediments to operate in APAC markets

Ranking of the markets (1-13); 1 being the highest and 13 being the lowest

Note. Each factor is scored by participants on a scale of 1-10 with the lowest average score as the top impediment.

1 Participant's views of the markets

1(xiii) Top market impediments under operating environment

The table highlights the top impediments to market development. Consistent with previous surveys, the availability of stock borrowing and lending and the inability to short sell remain major concerns. This year, rising worries about interest and inflation rates in APAC are notable. In 2022, currency convertibility was a key issue, whereas in 2021, market liquidity, depth, and currency convertibility were primary concerns.

Ranking	Markets	Average Score	Market Development (2025)	Market Development (2023/24)	Market Development(2022)	Market Development (2021)
1	Singapore	7.53	Cost of doing business	Cost of doing business	Immigration law	Immigration law
2	Australia	7.32	Cost of doing business	Competitive landscape	Cost of doing business	Immigration law
3	Hong Kong	7.29	Political situation	Political situation	Political situation	Political situation
4	Japan	6.58	Language skills	Language skills	Language skills	Language skills
5	Taiwan	6.35	Political situation	Business incentives	Political situation	Political situation
6	Malaysia	6.16	Competitive landscape Human resourcing supply	Political situation	Political situation	Political situation
7	The Philippines	6.14	Political situation R&D innovation ability	Fairness in law enforcement	Physical infrastructure	Physical infrastructure
8	India	6.12	Business incentives	Barriers to entry	Cost of doing business Physical infrastructure	Physical infrastructure
9	South Korea	6.12	Political situation	Business incentives Cost of doing business	Barriers to entry Language skills	Language skills
10	Thailand	5.73	R&D innovation ability	Political situation	Political situation	Political situation
11	Mainland China	5.71	Political situation	Political situation	Political situation Barriers to entry	Barriers to entry
12	Indonesia	5.69	Cybersecurity	Cybersecurity	Physical infrastructure	Fairness in law enforcement
13	Vietnam	5.68	Business incentives Cybersecurity	Availability of data centers	Physical infrastructure	Language skills Physical infrastructure

Table 6. Summary of top operating environment impediments to operate in APAC markets

Ranking of the markets (1-13); 1 being the highest and 13 being the lowest

Note. Each factor is scored by participants on a scale of 1-10 with the lowest average score as the top impediment.

1 Participant’s views of the markets

1(xiv) Top market impediments under market development

The table shows the top factors considered as impediments to operating in each market from the perspective of market development. The factors under market development that make markets least attractive are the unavailability of stock borrowing & lending and short-selling which is the same as the previous survey. This year, however, there is rising concern in relation to both the interest and inflation rates across APAC. In 2022, the factor under market development that made markets least attractive was currency convertibility. While in 2021, the factors were market liquidity and depth and difficulties in currency convertibility.

Ranking	Markets	Average Score	Market Development (2025)	Market Development (2023/24)	Market Development(2022)	Market Development (2021)
1	Singapore	7.53	Interest Rate Inflation Rate	Economic growth rate	Market liquidity and depth	Market liquidity and depth
2	Australia	7.32	Interest Rate Inflation Rate	FinTech development	Regional integration	Regional integration
3	Hong Kong SAR	7.29	Interest Rate Economic growth rate	Economic growth rate	Economic growth rate	Economic growth rate
4	Japan	6.58	Economic growth rate	Economic growth rate	Economic growth rate	Economic growth rate
5	Taiwan	6.35	Interest Rate	FinTech development	Currency convertibility	Range of product/service offerings
6	Malaysia	6.16	FinTech development	Market liquidity and depth	Market liquidity and depth Currency convertibility	Currency convertibility
7	the Philippines	6.14	Inflation Rate	Availability of stock borrowing & lending and short-selling	Market liquidity and depth	Market liquidity and depth
8	India	6.12	Availability of stock borrowing & lending and short-selling	Currency convertibility	Currency convertibility	Currency convertibility
9	South Korea	6.12	Availability of stock borrowing & lending and short-selling	Availability of stock borrowing & lending and short-selling	Availability of stock borrowing & lending and short-selling	Availability of stock borrowing & lending and short-selling
10	Thailand	5.73	Economic growth rate	Economic growth rate	Availability of stock borrowing & lending and short-selling	Availability of stock borrowing & lending and short-selling
11	Mainland China	5.71	Availability of stock borrowing & lending and short-selling Currency convertibility	Currency convertibility	Currency convertibility	Currency convertibility
12	Indonesia	5.69	Availability of stock borrowing & lending and short-selling	Availability of stock borrowing & lending and short-selling	Market liquidity and depth	Market liquidity and depth
13	Vietnam	5.68	Availability of stock borrowing & lending and short-selling	Availability of stock borrowing & lending and short-selling	Transparency of market information	Transparency of market information Range of product/service offerings

Table 7. Summary of top market development impediments to operate in APAC markets

Ranking of the markets (1-13); 1 being the highest and 13 being the lowest

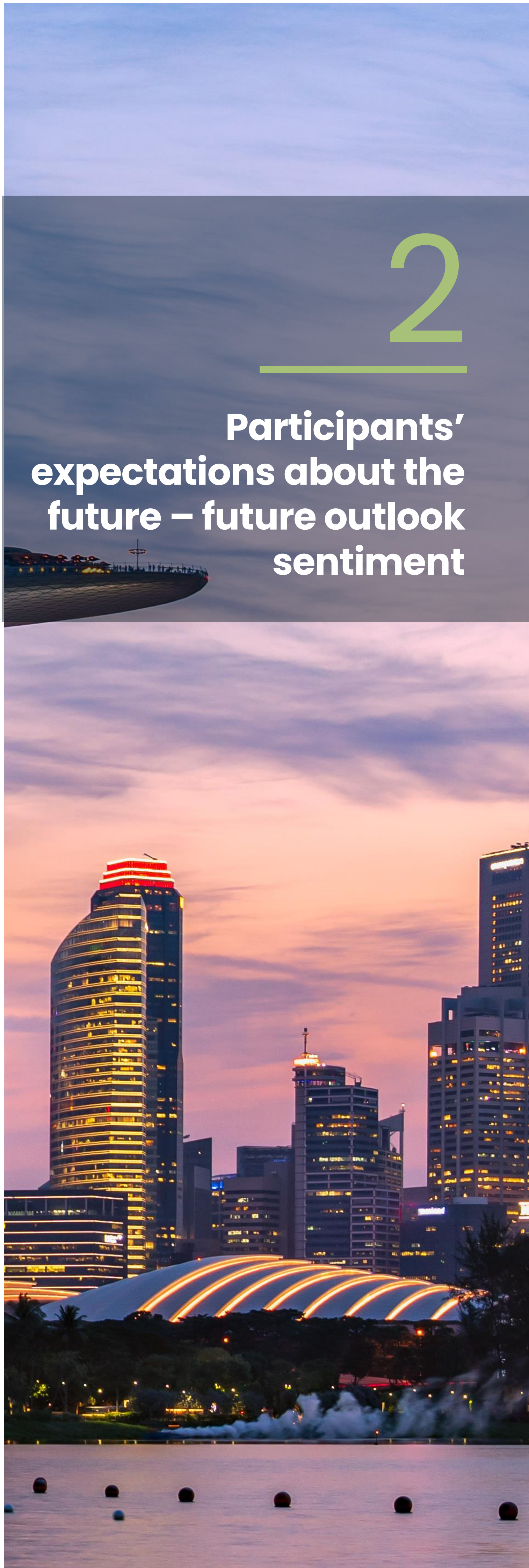
Note. Each factor is scored by participants on a scale of 1-10 with the lowest average score as the top impediment.

There has been a notable increase in the interest among participants to expand their presence in APAC, rising to 59% from 40% in the previous year. Participants' perspectives on expanding business activities in India and South Korea have shifted, showing a 14 and 29 percentage point reduction, respectively, in the number of participants interested in these markets. Conversely, Singapore and Mainland China exhibit a more favorable outlook, with a slight increase in participants seeking expansion opportunities.

The primary drivers for expansion remain the diversification of product and service offerings and scaling existing businesses, consistent with findings in the past three years. Other expansion methods, such as investments and establishing a presence in additional markets, continue to be less favored by participants. Reflecting the participants' predominant business profiles and previous survey results, equities (59%) and asset management (47%) are the leading product offerings targeted for expansion. Interest in investment and operations-driven expansion has decreased compared to previous years.

Emerging and frontier markets are generally less attractive for onshore expansion when compared to more developed markets, the Philippines excepted. Participants tend to favor onshore over offshore expansion. However, offshore expansion is more popular in emerging and frontier markets.

Geopolitical factors significantly influence the expansion or reduction of business activities, as well as decisions to enter or exit markets. A substantial majority of participants believe that changes in the geopolitical landscape will impact their expansion strategies in the APAC region, with US-Mainland China relations being the most influential factor. 70% of participants have developed strategies to address geopolitical risks, incorporating diversification and exposure mitigation approaches. Notably, none of the participants plan to exit the surveyed APAC markets, indicating a slight improvement from previous years. The most significant geopolitical risks identified by participants include sanctions, data sovereignty, and tariffs.



2

Participants' expectations about the future – future outlook sentiment

2 Participants' expectations about the future – future outlook sentiment

2(i) Future market sentiment and related expansion plans - where are firms increasing operations and investment?

Figure 8 highlights market expansion preferences from 2021 to 2025. India, the top target in 2023/24, saw a drop from 67% to 53% this year. Singapore and Mainland China have slightly recovered since 2023/24 and are now the top markets for 2025. South Korea's expansion interest plummeted from 50% in 2023/24 to 21% in 2025.

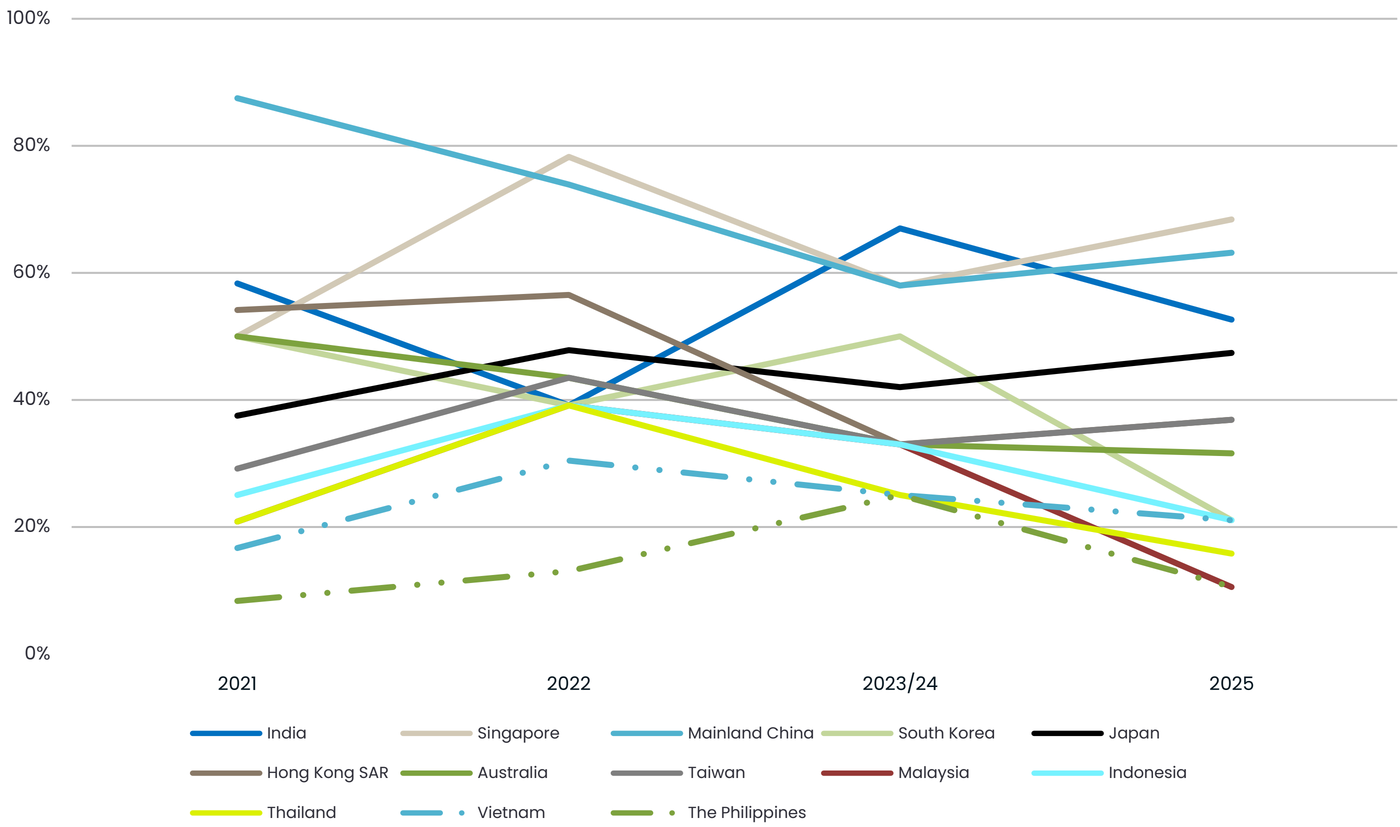


Figure 8. APAC markets participants are intending to expand operations and investments in from 2021 – 2025

[1] The % = Number of participants that want to expand in the given market ÷ total number of participants that want to expand in APAC markets

2 Participants' expectations about the future – future outlook sentiment

2(ii) Future market sentiment and related expansion plans - are firms increasing operations and investment and how?

Most participants with expansion plans in the region aim to expand their product and service offerings (89%) and business scale (84%) more than through other methods, such as investments and establishing a presence in additional markets. This trend is consistent with the results from the past three years. Organic growth continues to be the preferred model for market development.

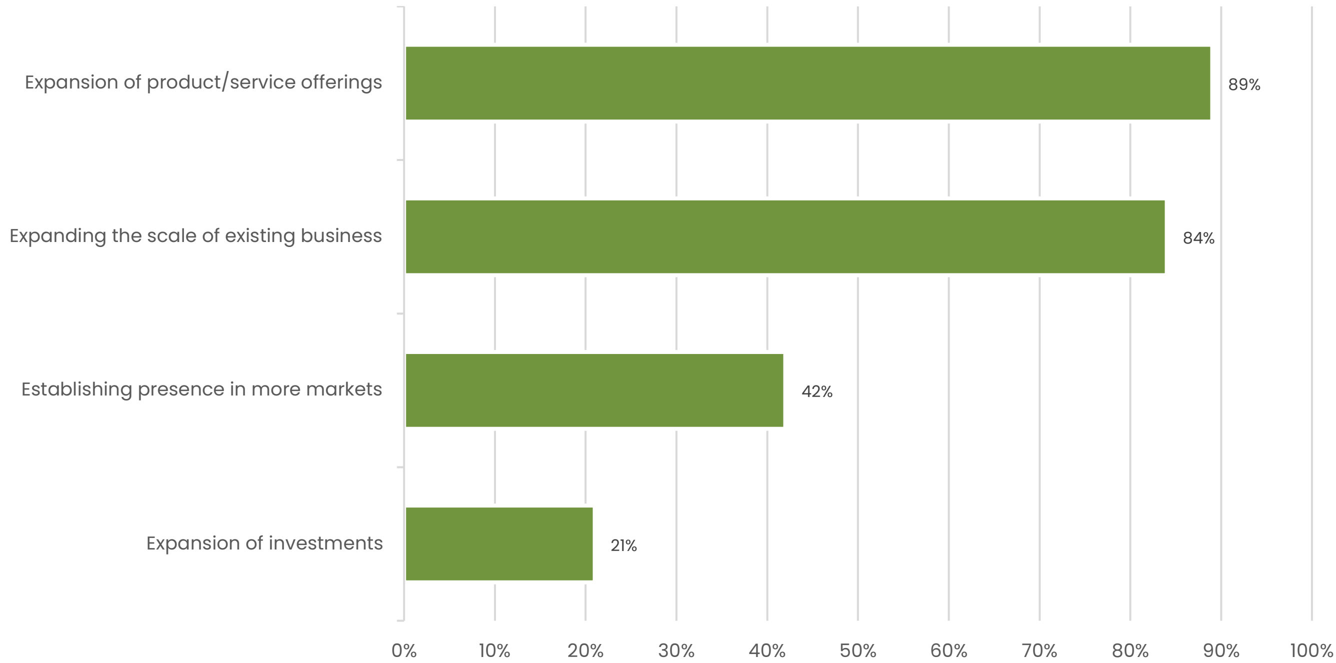


Figure 9. Nature of expansion plans 2025

Question allowed participants to select more than one response. Hence the total of %s across possible answers will exceed 100%

2 Participants' expectations about the future – future outlook sentiment

2(iii) Future market sentiment and related expansion plans - in what services/products are firms increasing operations and investment?

Expanding operations and product offerings in key markets is a priority for most participants this year. They are focusing on equities and asset management, consistent with prior surveys. Few ASIFMA members engage in retail banking.

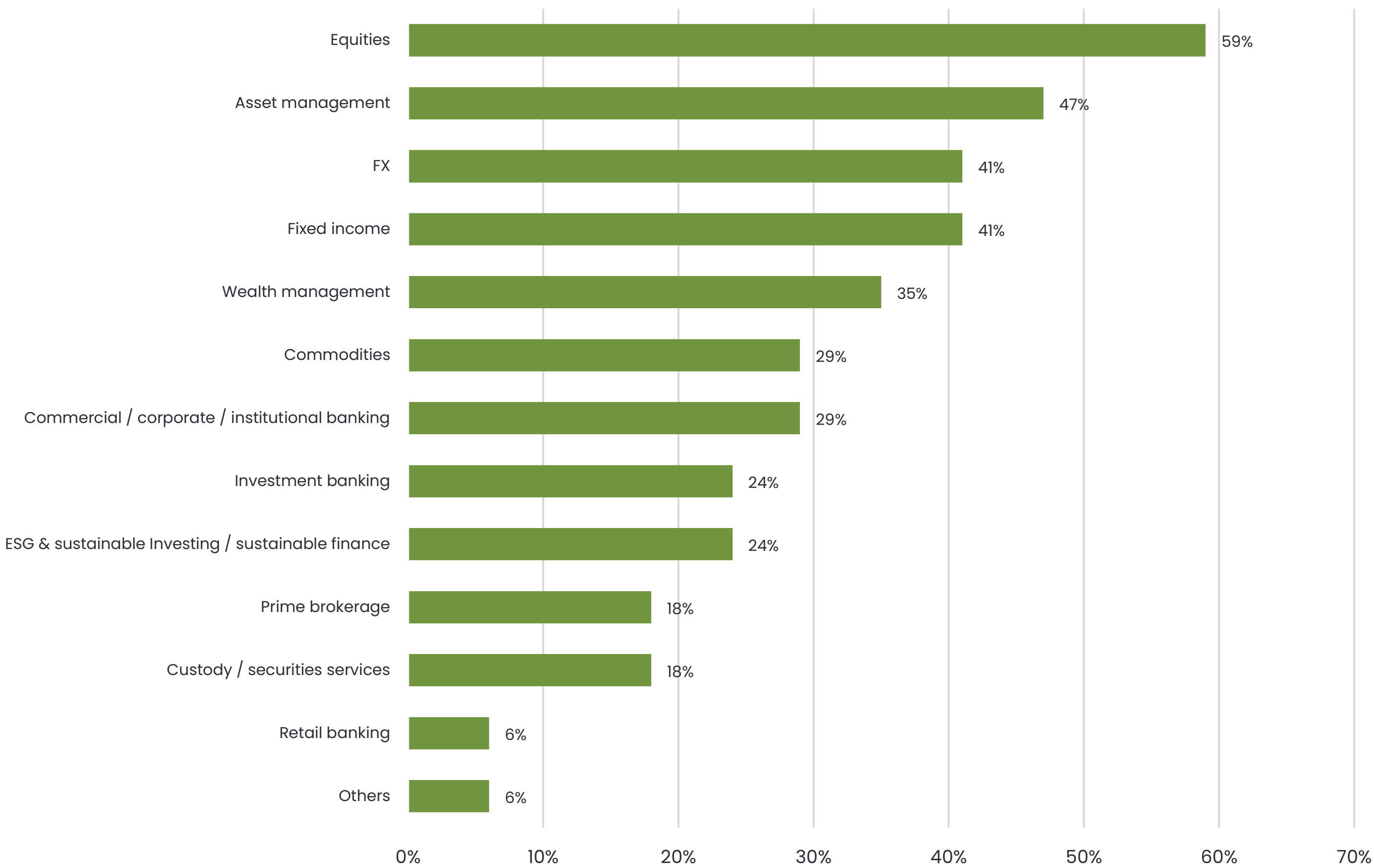
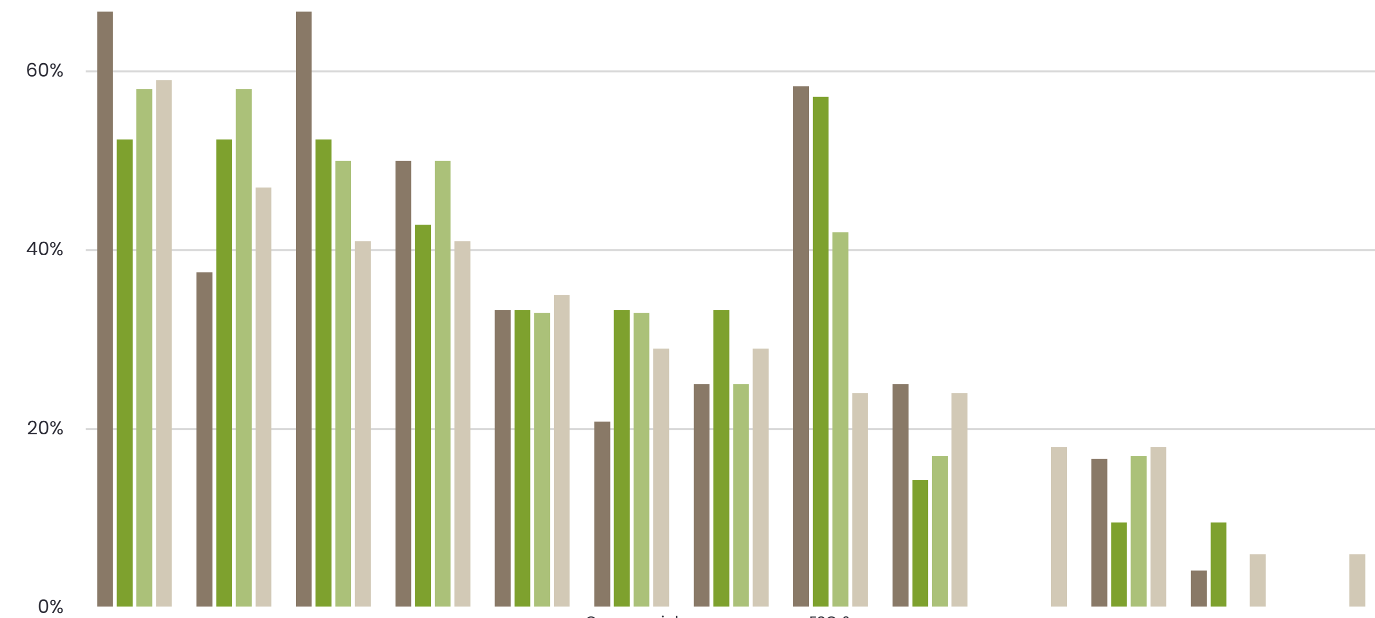


Figure 10. Areas of services/products survey participants intend to expand operations and investment in 2025

2 Participants' expectations about the future – future outlook sentiment

2(iv) Future market sentiment and related expansion plans - in what services and products are firms increasing operations and investment?

Judged over the past four years, participants' investment and operations expansion in the industry have generally decreased compared to 2021. Interest in ESG and sustainable finance has dropped (24% vs. 42% in 2023/24, 57% in 2022, and 58% in 2021). One member noted that, as product lines mature, the focus should shift to sales rather than expansion. Equities, wealth management, and commodities remain stable. Traditional banking, including retail banking, is a low priority, likely reflecting ASIFMA membership composition. This year was the first to survey firms on custody/securities services and "others".



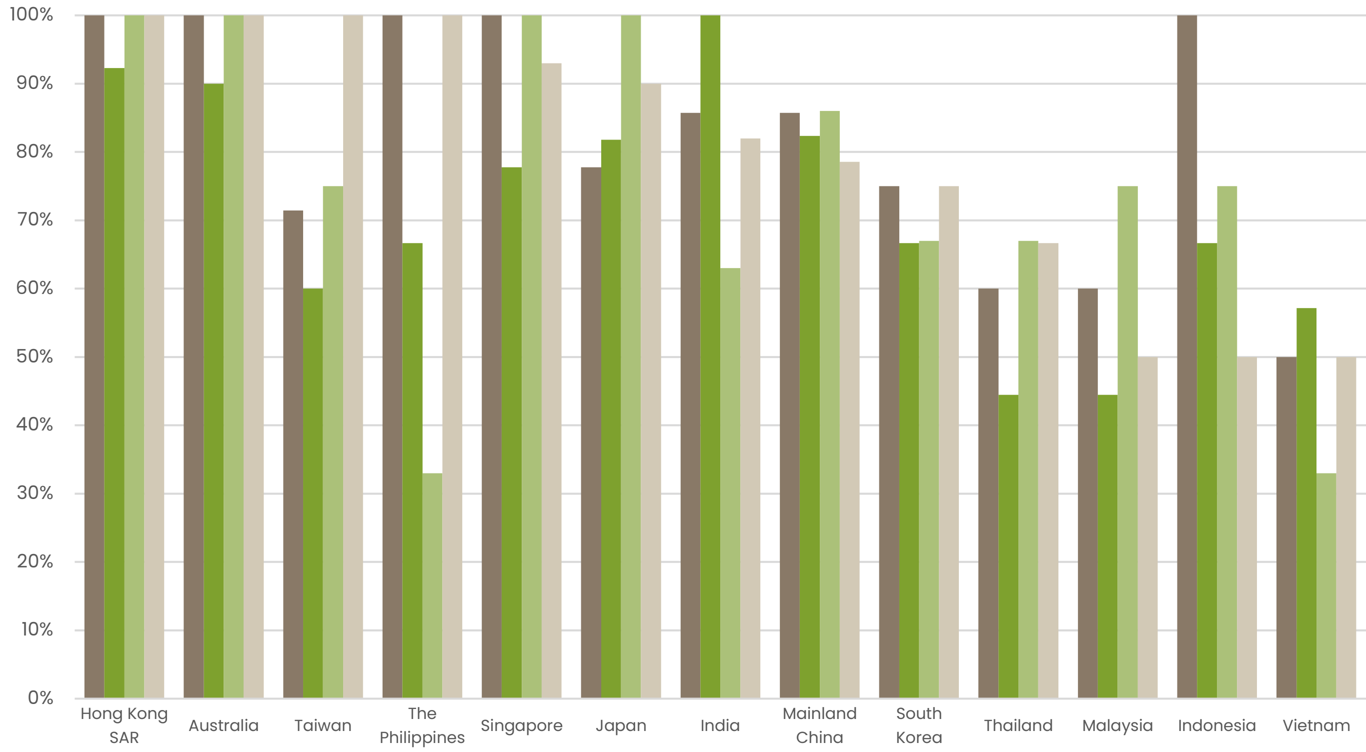
	Equities	Asset manageme nt	Fixed income	FX	Wealth manageme nt	Commercial / corporate / institutional banking	Commoditie s	ESG & Sustainable Investing / Sustainable finance	Investment banking	Custody / securities services	Prime brokerage	Retail banking	Others
2021	67%	38%	67%	50%	33%	21%	25%	58%	25%	0%	17%	4%	0%
2022	52%	52%	52%	43%	33%	33%	33%	57%	14%	0%	10%	10%	0%
2023/24	58%	58%	50%	50%	33%	33%	25%	42%	17%	0%	17%	0%	0%
2025	59%	47%	41%	41%	35%	29%	29%	24%	24%	18%	18%	6%	6%

Figure 11. Products/services in which participants intend to increase operations and investments 2021 – 2025 comparison

2 Participants' expectations about the future – future outlook sentiment

2(v) Future market sentiment and related expansion plans - where are firms expanding onshore?

The graph illustrates the markets where survey participants have planned to expand onshore over the past four years. The results indicate that participants are generally aiming to increase operations and investment onshore, as opposed to offshore. This year, with the exception of the Philippines, emerging markets appear less popular for onshore expansion.



	Hong Kong SAR	Australia	Taiwan	The Philippines	Singapore	Japan	India	Mainland China	South Korea	Thailand	Malaysia	Indonesia	Vietnam
2021	100%	100%	71%	100%	100%	78%	86%	86%	75%	60%	60%	100%	50%
2022	92%	90%	60%	67%	78%	82%	100%	82%	67%	44%	44%	67%	57%
2023/24	100%	100%	75%	33%	100%	100%	63%	86%	67%	67%	75%	75%	33%
2025	100%	100%	100%	100%	93%	90%	82%	79%	75%	67%	50%	50%	50%

Figure 12. Percentages[1] of participants choosing onshore expansion in APAC markets 2021-2025

*Note. **Ranking** (1-13) - 1 being the highest and 13 being the lowest

[1] The "onshore" ("offshore") % = Number of participants who want to expand "onshore" ("offshore") ÷ overall no of participants that intend to expand their business operations in that market

2 Participants' expectations about the future – future outlook sentiment

2(vi) Future market sentiment and related expansion plans - are firms increasing operations and investment and how?

Last year, market sentiment was less optimistic. This year, 59% of participants plan to expand in APAC markets, up from 40% in the previous year. Those not expanding dropped from 33% to 16%, reflecting greater optimism, similar to the 2021 and 2022 results.

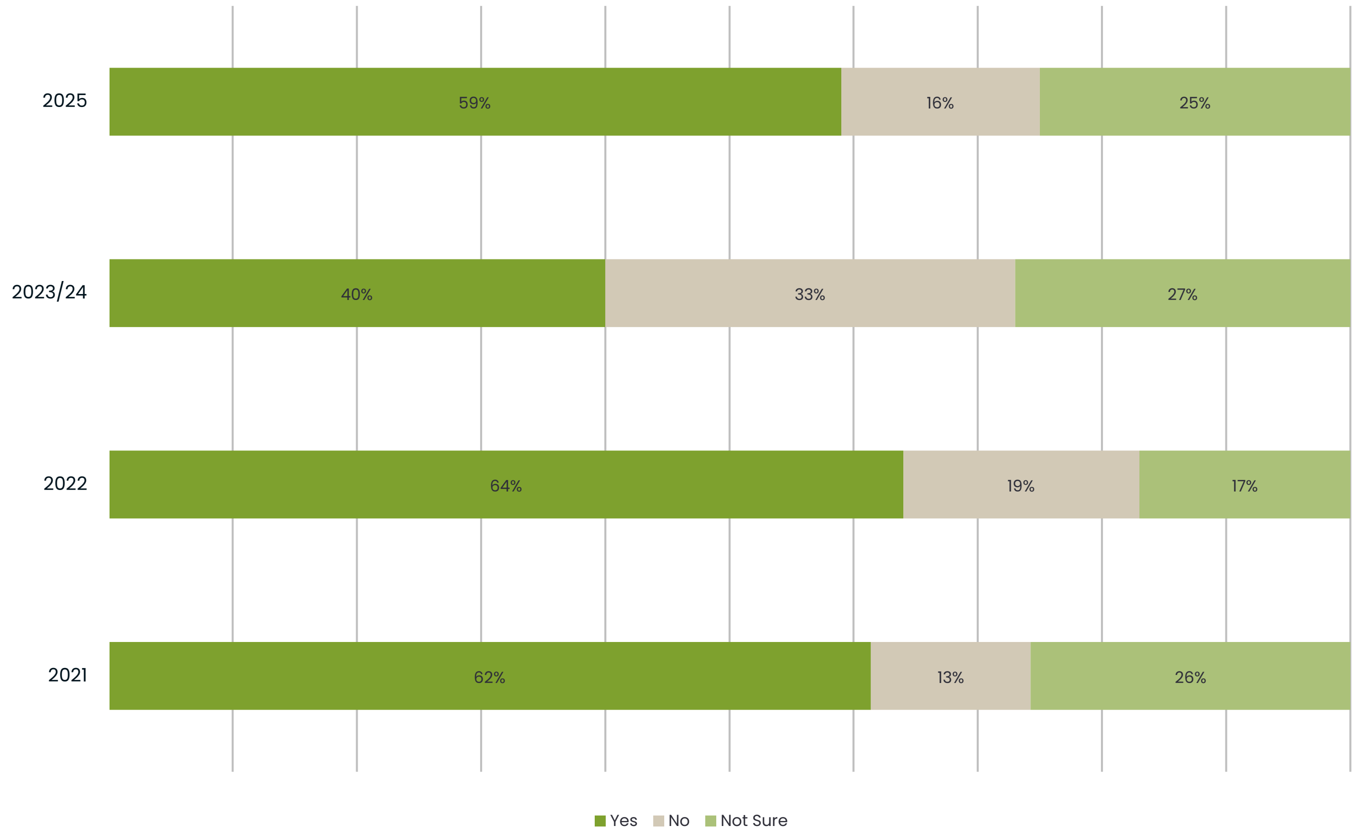


Figure 13. Intention to expand into any of the surveyed APAC markets in the coming 3 years

2 Participants' expectations about the future – future outlook sentiment

2(vii) Future market sentiment and related exit plans - are firms reducing operations and investment and how?

No participants plan to exit the surveyed APAC markets this year, a slight improvement from previous years when one firm planned to leave. The number of participants uncertain about reducing their presence in APAC has also dropped from 22% to 13%, indicating less uncertainty in investment plans.

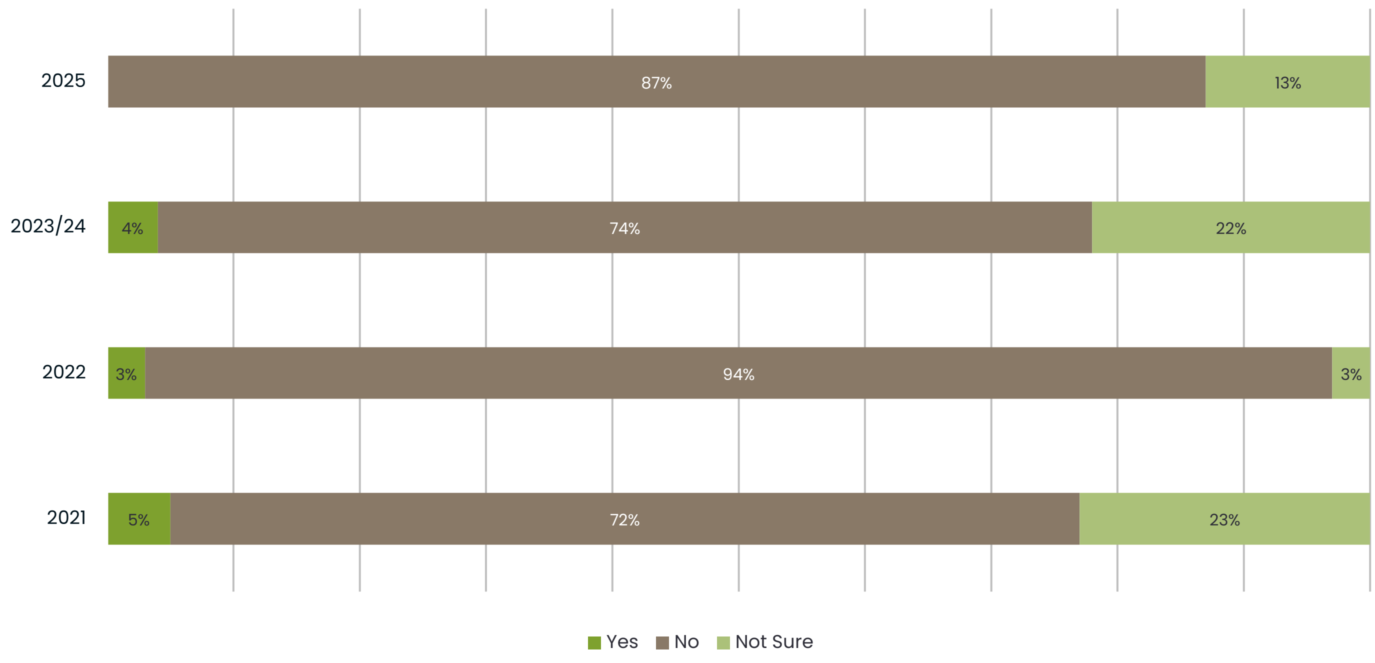


Figure 14. Intension to exit any of the surveyed APAC markets in the coming 3 years

2 Participants' expectations about the future – future outlook sentiment

2(viii) Participants' views on the future regulatory environment – changes in the next three years

Figure 15 shows the ease of operating in markets based on the regulatory environment over the next three years. Survey participants believe Australia (43%) and India (39%) will be harder to operate in. the Philippines (33%), Mainland China (27%), Thailand (27%), and Vietnam (27%) have the highest uncertainty regarding whether the regulatory environment will improve or deteriorate.

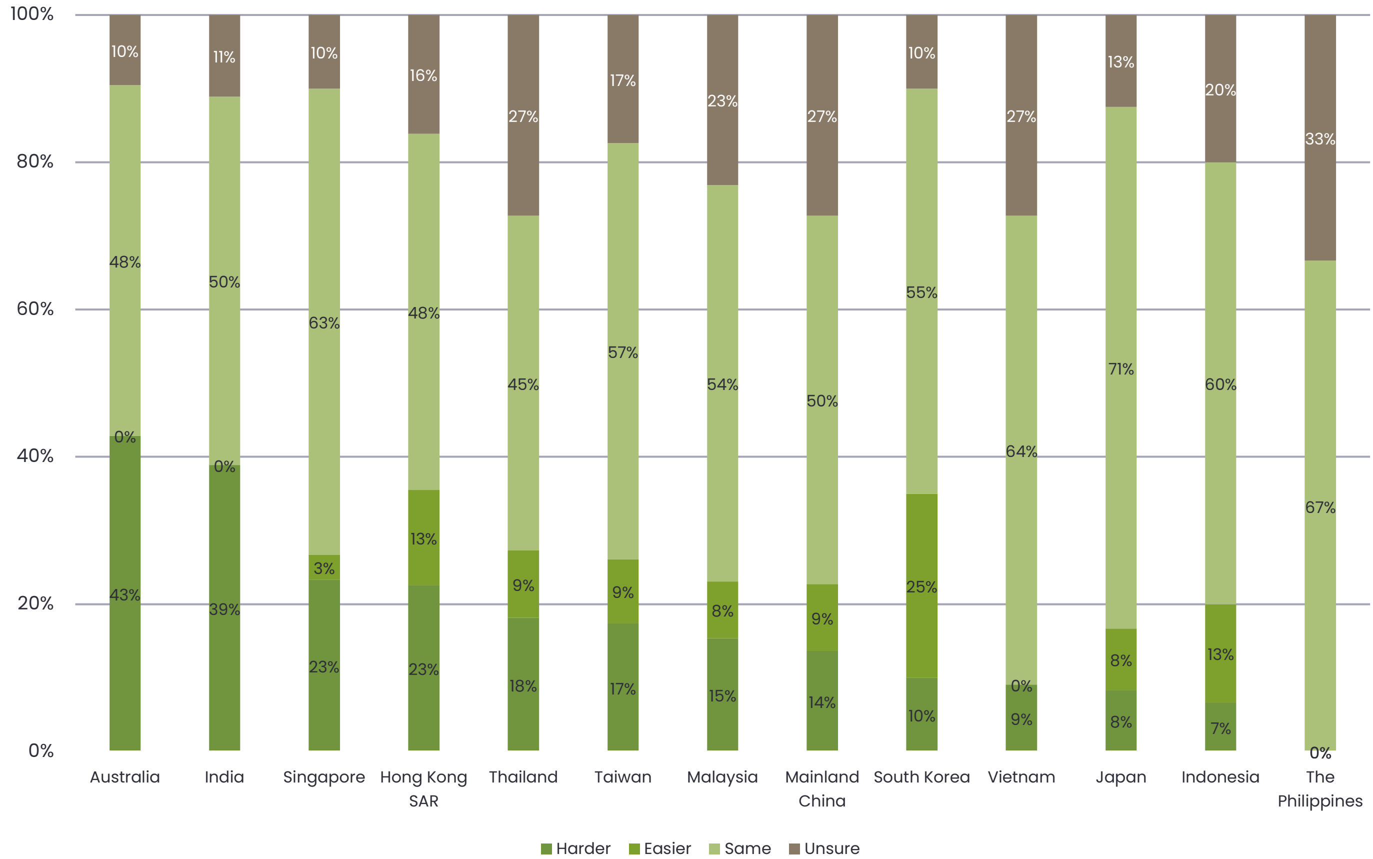


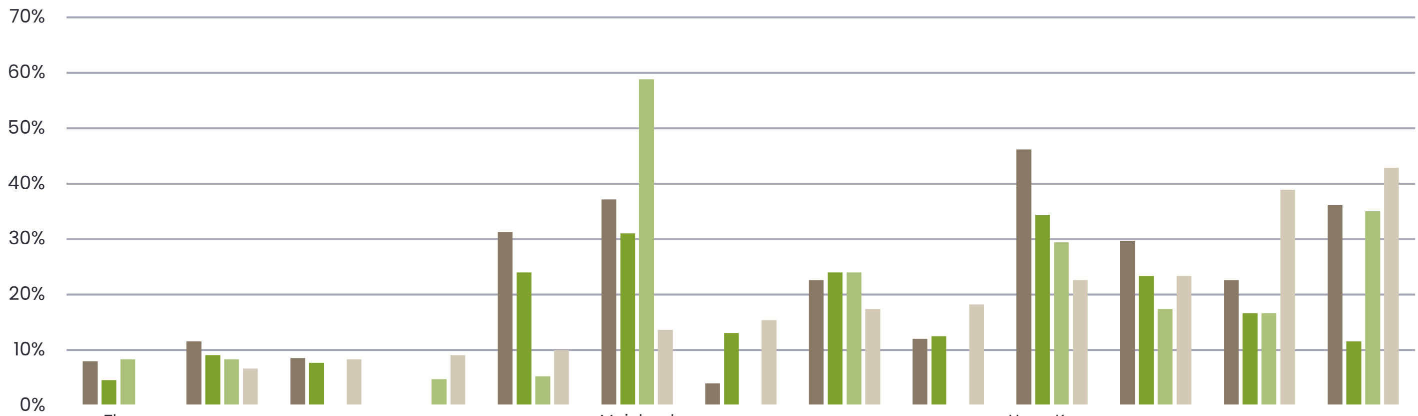
Figure 15. Do you believe that, in the next 3 years, it will become easier or harder to operate in APAC markets based on the regulatory environment?

2 Participants' expectations about the future – future outlook sentiment

2(ix) Participants' views on the future regulatory environment – where will it be harder to operate in the next 3 years?

70% of survey participants have some degree of strategies in place to manage geopolitical risks and highlighted that regional and global co-operation and information sharing is critical to remain compliant. Other factors also include diversification strategies and exposure risk management to mitigate market-specific geopolitical risk.

Additionally, continuous regulatory monitoring and scenario analysis are essential for decision-making.



	The Philippines	Indonesia	Japan	Vietnam	South Korea	Mainland China	Malaysia	Taiwan	Thailand	Hong Kong SAR	Singapore	India	Australia
2021	8%	12%	9%	0%	31%	37%	4%	23%	12%	46%	30%	23%	36%
2022	5%	9%	8%	0%	24%	31%	13%	24%	13%	34%	23%	17%	12%
2023/24	8%	8%	0%	5%	5%	59%	0%	24%	0%	29%	17%	17%	35%
2025	0%	7%	8%	9%	10%	14%	15%	17%	18%	23%	23%	39%	43%

Figure 16. Percentage of participants' anticipating it will be harder to operate in the markets from a regulatory environment perspective in the next 3 years

2 Participants' expectations about the future – future outlook sentiment

2(x) Participants' views on the future operating environment – changes in the next three years

None of the participants indicated plans to exit APAC markets this year. This is slightly more optimistic than previous years (2022 and 2023/24) where in both years one firm indicated plans to exit a market. Further, the survey participants who are uncertain about whether to reduce their presence in the surveyed APAC markets has declined from 22% to 13% this year compared with 2023/24, suggesting an improvement in relation to uncertainty in investment plans.

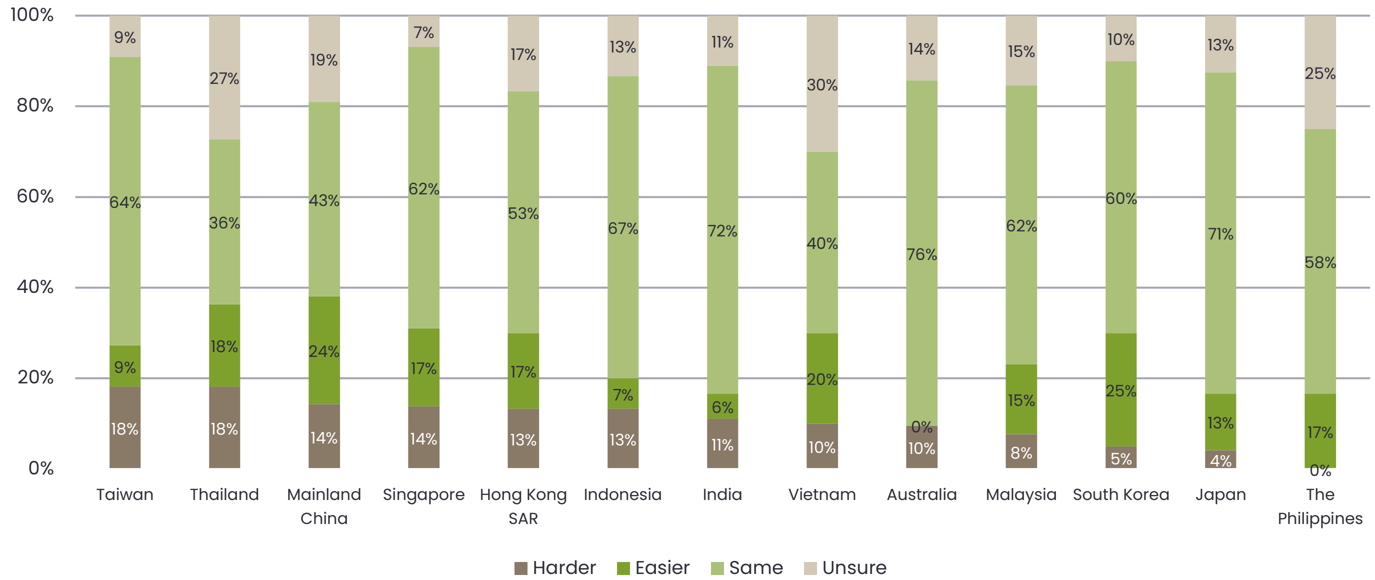
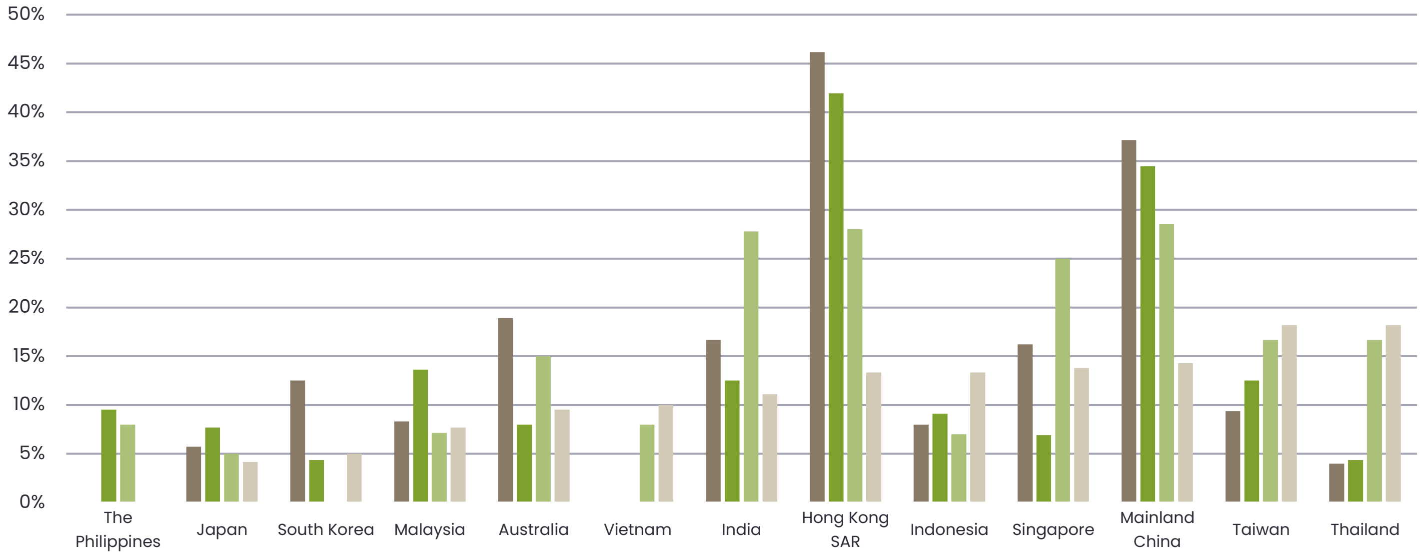


Figure 17. Do you believe that, in the next 3 years, it will become easier or harder to operate in APAC based on operating environment?

2 Participants' expectations about the future – future outlook sentiment

2(xi) Participants' views on the future operating environment – where will it be harder to operate in the next 3 years?

The graph shows the percentages of participants who expect the operating environment in each APAC market to become harder over the next three years. From 2021-2025, fewer participants foresaw difficulties in Hong Kong SAR and Mainland China. One participant noted improvements in Hong Kong SAR due to policy changes such as Hong Kong SAR exchange listing rule revisions, family office policies and digital asset regulations. For India, the operating environment is stable, with continued integration into global markets expected. More participants consistently believed it would be harder to operate in Taiwan and Thailand during this period.



	The Philippines	Japan	South Korea	Malaysia	Australia	Vietnam	India	Hong Kong SAR	Indonesia	Singapore	Mainland China	Taiwan	Thailand
2021	0%	6%	13%	8%	19%	0%	17%	46%	8%	16%	37%	9%	4%
2022	10%	8%	4%	14%	8%	0%	13%	42%	9%	7%	34%	13%	4%
2023/24	8%	5%	0%	7%	15%	8%	28%	28%	7%	25%	29%	17%	17%
2025	0%	4%	5%	8%	10%	10%	11%	13%	13%	14%	14%	18%	18%

Figure 18. Percentage of participants' anticipating markets will be harder to operate from operating environment perspective in the next 3 years

2

Participants' expectations about the future – future outlook sentiment

2(xii) Participants' views on future market development – changes in the next three years

The graph presents participants' opinions on the outlook for market development in various APAC capital markets over the next three years. Market development in South Korea will improve according to 35% of respondents, who expect government efforts to ease obstacles and adopt international standards. Others identified Hong Kong SAR, Australia, and Taiwan as increasingly challenging for business due to market development concerns.

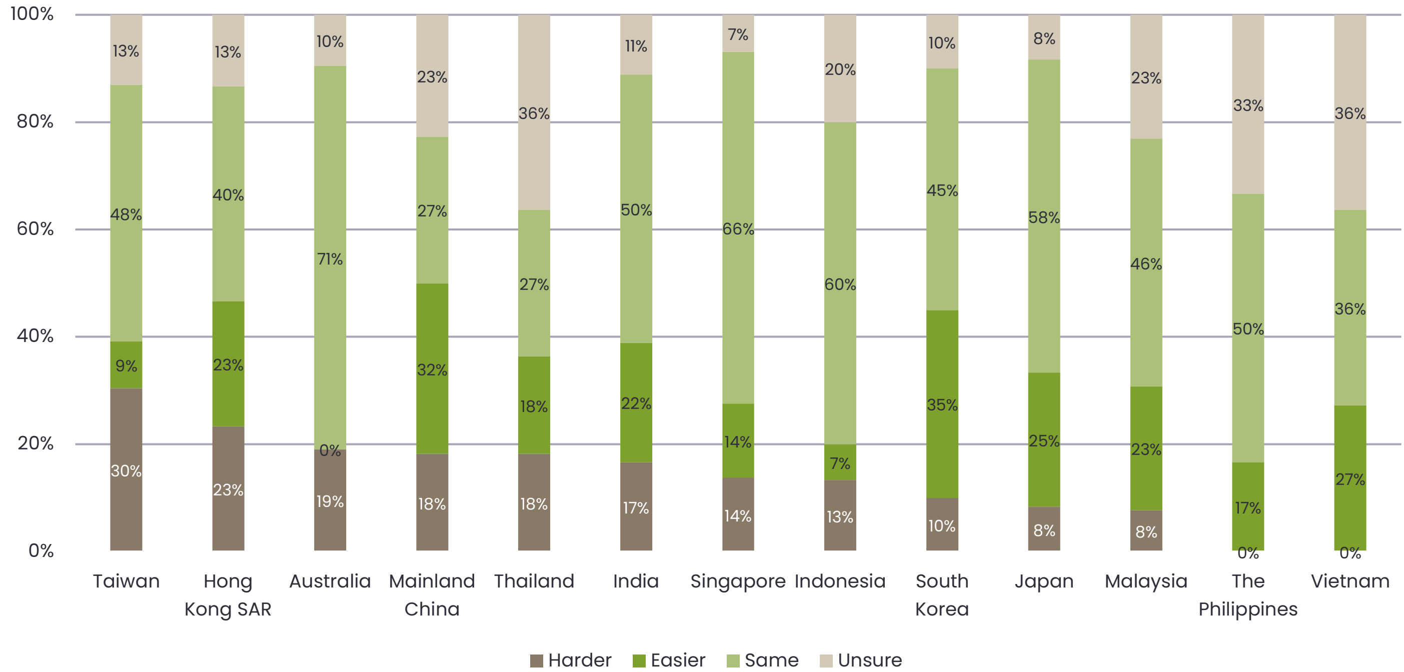
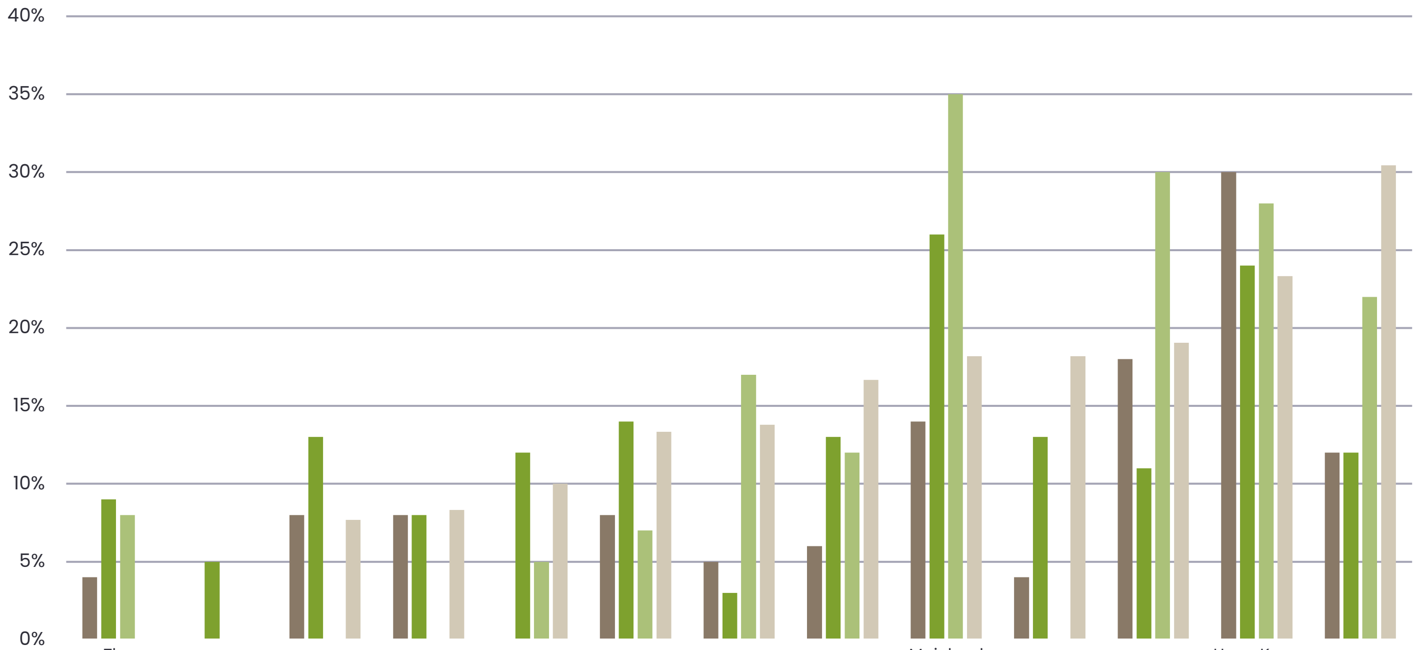


Figure 19. Do you believe that, in the next 3 years, it will become easier or harder to operate in APAC based on market development?

2 Participants' expectations about the future – future outlook sentiment

2(xiii) Participants' views on future market development – where will it be harder to operate in the next 3 years?

Figure 20 illustrates the percentages of participants who expect it will become harder to operate in APAC capital markets over the next three years. There is a rising trend in anticipated difficulties, notably in Taiwan, as well as Thailand, India, and Singapore. Mainland China shows a significant decrease this year compared to the previous two years.

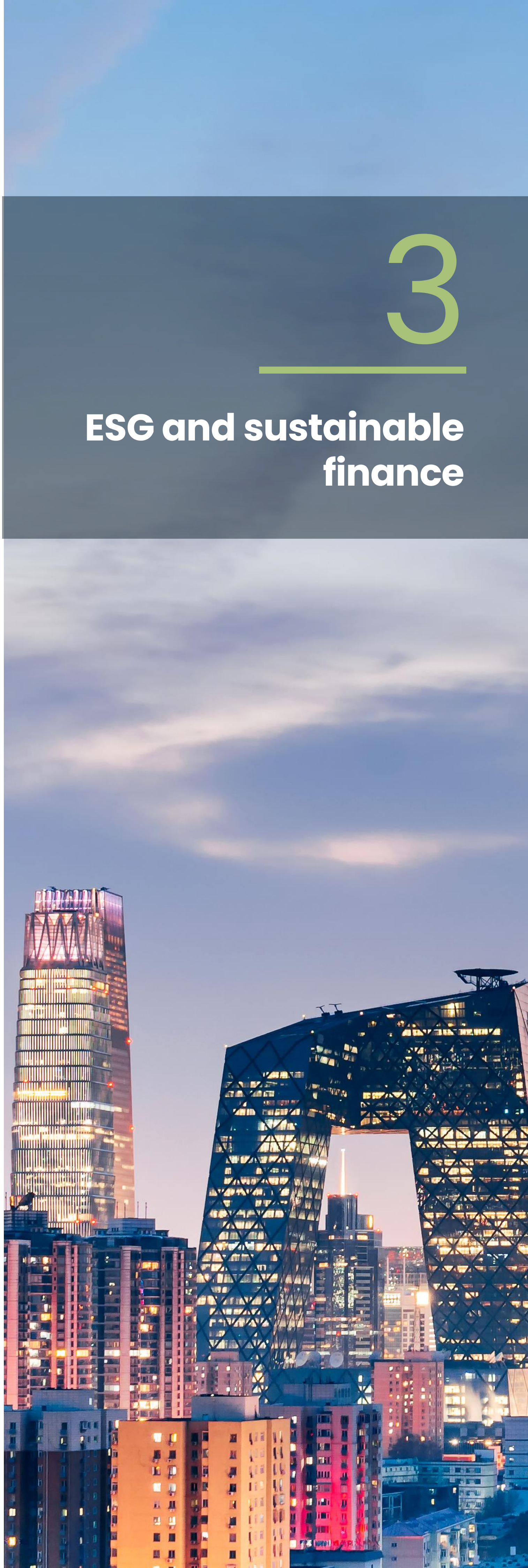


	The Philippines	Vietnam	Malaysia	Japan	South Korea	Indonesia	Singapore	India	Mainland China	Thailand	Australia	Hong Kong SAR	Taiwan
2021	4%	0%	8%	8%	0%	8%	5%	6%	14%	4%	18%	30%	12%
2022	9%	5%	13%	8%	12%	14%	3%	13%	26%	13%	11%	24%	12%
2023/24	8%	0%	0%	0%	5%	7%	17%	12%	35%	0%	30%	28%	22%
2025	0%	0%	8%	8%	10%	13%	14%	17%	18%	18%	19%	23%	30%

Figure 20. Percentage of participants' anticipation that it will be harder to operate in the markets from a market development perspective in the next 3 years

3

ESG and sustainable finance



Since 2022, the markets with the most favorable regulatory environment for ESG and sustainable finance have generally been Singapore, Australia, Hong Kong SAR and Mainland China. The primary attraction is government and regulatory support for ESG and sustainable finance product offerings, while the most common barrier is the absence of an adequate carbon price.

Regarding sustainability disclosures, the main challenge this year is the uncertainty around the degree and consistency of implementing International Sustainability Standards Board (ISSB) standards, which has surpassed concerns about the interoperability of those standards from last year. This likely reflects industry confidence in the early signs of progress on ISSB standard implementation and growing concerns about consistency across different markets. Furthermore, participants indicate that, while data gaps in sustainability disclosures are significant, they expect these to be addressed by listing rules and unlisted company disclosure regulations. The greatest challenge with sustainability data is believed to be the variability of disclosures within and across markets.

3 ESG and sustainable finance

3(i) ESG and sustainable finance – ranking of markets based on ease of doing ESG and sustainable finance

The table ranks APAC markets by their average scores across 17 factors related to ESG and sustainable finance. Singapore, previously ranked first, was overtaken by Australia as the leading market in this respect. Mainland China retained its 3rd position, while Hong Kong SAR dropped to 4th place. Vietnam has shown gradual improvement, moving from 13th in 2021 to 9th in 2025. In contrast, India and Thailand experienced significant declines, falling from 6th and 7th in 2023/24 to 12th and 13th in 2025, respectively. One member noted that India's perception may have shifted due to unfulfilled expectations from regulatory initiatives anticipated in 2023/24.

Markets	Average Score	Ranking in 2025	Ranking in 2023/24	Ranking in 2022
Australia	6.62	1 (↑3)	4 (-)	4
Singapore	6.57	2 (↓1)	1 (-)	1
Mainland China	6.39	3 (-)	3 (↑2)	5
Hong Kong SAR	6.19	4 (↓2)	2 (-)	2
Taiwan	6.04	5 (↑3)	8 (↓1)	7
Malaysia	5.97	6 (↑3)	9 (↓1)	8
Japan	5.95	7 (↓2)	5 (↓2)	3
South Korea	5.59	8 (↑2)	10 (↓4)	6
Vietnam	5.47	9 (↓3)	12 (↑1)	13
Indonesia	5.37	10 (↑1)	11 (-)	11
the Philippines	4.96	11 (↑2)	13 (↓1)	12
India	4.77	12 (↓6)	6 (↑3)	9
Thailand	4.29	13 (↓6)	7 (↑3)	10

Table 8. Ranking changes to markets for ESG and sustainable finance in APAC

3(ii) ESG and sustainable finance – ranking of markets and top attractions and impediments

The table highlights the key attractions and impediments for ESG and sustainable finance in each market. Top attractions include government/regulator support and balanced ESG disclosure regulations. Major impediments are inadequate carbon pricing and the lack of credible, liquid carbon markets. Participants noted that the lack of adequate carbon pricing was unsurprising, as a previous GFMA paper identified this as crucial for unlocking sustainable finance capital.

Markets	Ranking in 2025	Top Market Attraction	Top Market Impediment
Australia	1	Adequately skilled workforce	Adequate carbon price
Singapore	2	Government/regulator facilitation of ESG & sustainable investing/sustainable finance product offerings	Adequate carbon price
Mainland China	3	Government/regulator facilitation of ESG & sustainable investing/Sustainable Finance product offerings	Adequate carbon price
Hong Kong SAR	4	Comprehensive but balanced ESG & Sustainable Investing / Sustainable finance disclosure regulations	Adequate carbon price
Taiwan	5	Government/regulator facilitation of ESG & Sustainable Investing / Sustainable Finance product offerings	Credibility and liquidity of carbon markets
Malaysia	6	Comprehensive but balanced ESG & Sustainable Investing / Sustainable finance disclosure regulations	Adequate carbon price
Japan	7	Government/regulator facilitation of ESG & Sustainable Investing / Sustainable Finance product offerings	Adequate carbon price
South Korea	8	Comprehensive but balanced ESG & Sustainable Investing / Sustainable finance disclosure regulations Balanced capital treatment of ESG & Sustainable Investing / Sustainable finance exposures	Adequate carbon price
Vietnam	9	Comprehensive but balanced ESG & Sustainable Investing / Sustainable finance disclosure regulations Interoperable ESG & Sustainable Investing / Sustainable Finance regulations	Credibility and liquidity of carbon markets
Indonesia	10	Clarity of balanced and usable taxonomies	Adequate carbon price
Philippines	11	Comprehensive but balanced ESG & Sustainable Investing / Sustainable finance disclosure regulations Government/regulator facilitation of ESG & Sustainable Investing / Sustainable Finance product offerings	Credibility and liquidity of carbon markets
India	12	Clarity of net-zero targets and policy framework from the government to incentivize sustainable economic development	Adequate carbon price
Thailand	13	End investor's propensity to invest in ESG & Sustainable investing / Sustainable finance products Government/regulator facilitation of ESG & Sustainable Investing / Sustainable Finance product offerings	Adequately skilled workforce

Table 9. Top attraction factors and top impediment factors when considering ESG and sustainable finance in each APAC market

Ranking of the markets (1-13): 1 being the highest and 13 being the lowest

Note: Each of the 17 factors is scored by participants on a scale of 1-10 with the highest average score as the top attraction and the lowest average score as the top impediment.

3(iii) ESG and sustainable finance – what are the greatest challenges with the overall design of sustainability disclosures and reporting?

Survey participants have rated uncertainty in the degree of and consistency in the implementation of ISSB standards (42%) as the greatest challenges with the overall design of sustainability disclosures in APAC, up 15 percentage points from 2023/24's survey results. International applicability and interoperability remained consistent from 2023/24 to 2025. Participants supplemented that, while standards differ across APAC and sustainability disclosure is still in the early phases of implementation, the advent of IFRS-aligned sustainability reporting standards across multiple jurisdictions is very promising and a great step in establishing uniformity, reliability and quality of data. Consistent with this, one member said that they were not surprised that sequencing of financial and non-financial sector reporting and data availability fell as a challenge in the overall design of sustainability disclosure and reporting from 29% in 2023/24 to 18% in 2025 as the introduction of ISSB reporting for listed corporates in many APAC markets reduced a previous fear that financial institutions would have to report before corporates upon which financial institutions reporting was dependent.

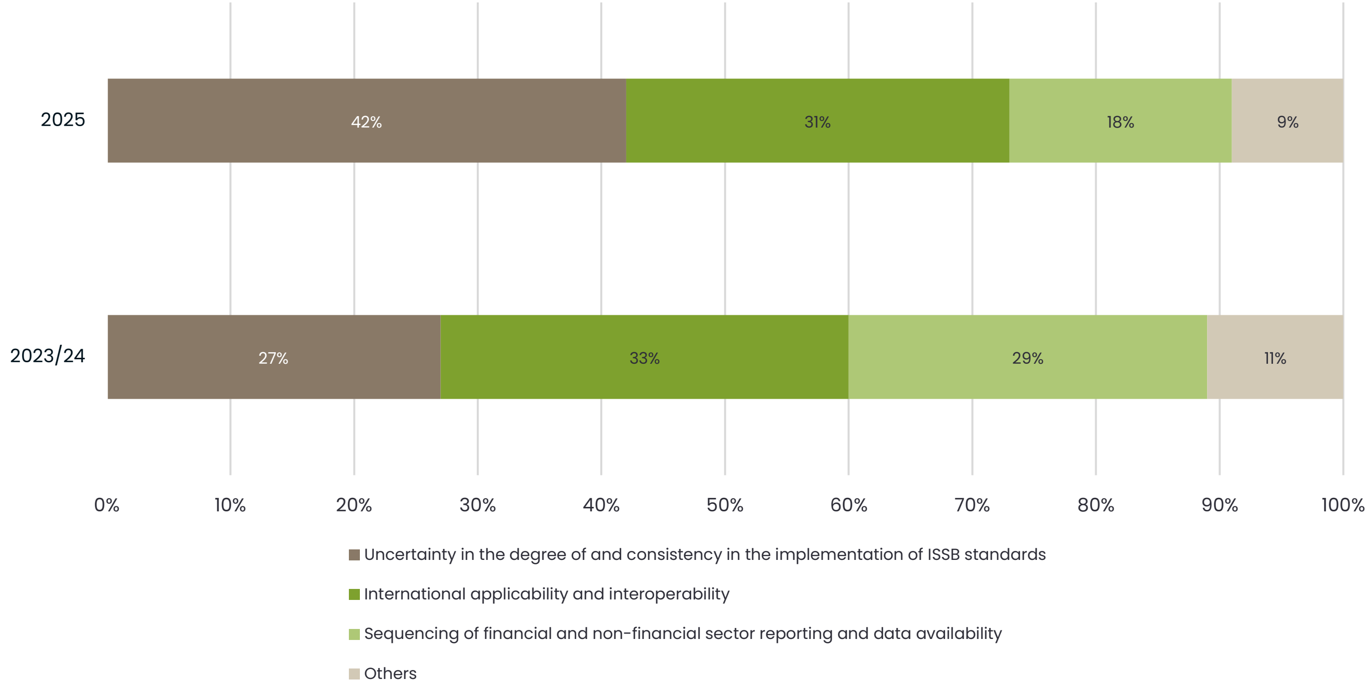


Figure 21. Summary of participants' view on the greatest challenges with the overall design of sustainability disclosures and reporting in APAC

3 ESG and sustainable finance

3(iv) ESG and sustainable finance – what are the sustainability data gaps and how significant are they?

85% of survey participants identify significant gaps in sustainability data, citing issues like reliability, depth, and consistency. The greatest challenge is the variability in disclosure quality within and across markets, with a lack of sector-specific guidance. One member noted that these data gaps highlight the impact of introducing ISSB reporting in many jurisdictions, which represents progress towards making sustainable finance viable.

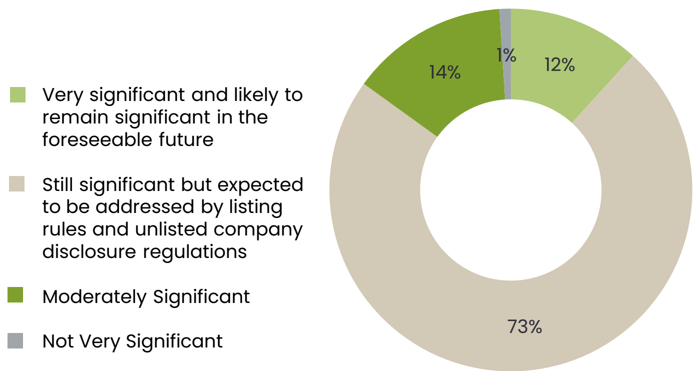


Figure 22. Summary of participants' view on the significance of sustainability data gaps

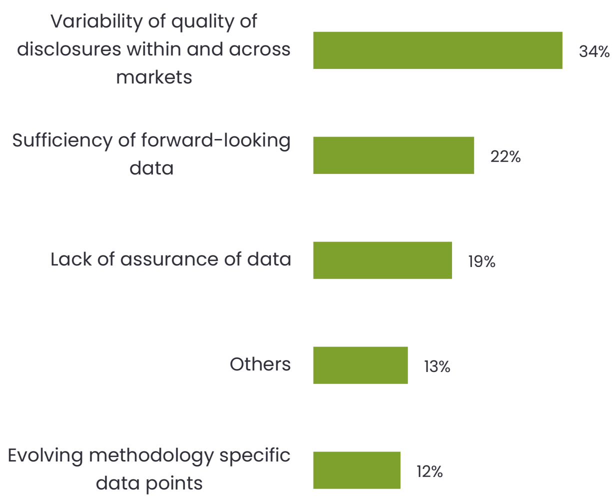


Figure 23. Summary of participants' views on the greatest challenges with sustainability data

4

Digital assets and AI

This year, the survey for the first time included questions on digital assets and AI. The leading markets for digital assets and AI from a regulatory perspective are Singapore, Hong Kong SAR, Japan, and Australia, with South Korea replacing Australia for AI. Participants believe that proportionate risk-tiering and principles-based regulation are crucial for a favorable AI regulatory environment. Half of the participants have no plans to offer digital assets soon, while those who do prefer tokenized assets. Current AI use cases focus mainly on back-office tasks like risk management and compliance, followed by investment research, customer queries, and asset management.

4 Digital assets and AI

4(i) Digital assets – APAC market ratings on regulatory environment

Singapore excelled in digital asset regulation, respondents found, with a modular licensing framework, stablecoin regime and industry collaboration promoting innovation and oversight. In contrast, one participant noted Hong Kong SAR's bundled licensing limits composability and innovation. Both jurisdictions are exploring initiatives like asset tokenization, but Singapore stands out for its clear and comprehensive framework. Mainland China ranks 12th in APAC due to restrictive conditions for non-governmental digital asset ventures.

Markets	Average Score	Ranking in 2025
Singapore	7.5	1
Hong Kong SAR	6.7	2
Japan	5.9	3
Australia	5.7	4
India	5.6	5
Thailand	5.3	6
Taiwan	5.3	7
South Korea	5.1	8
Malaysia	5.0	9
the Philippines	4.7	10
Indonesia	4.6	11
Mainland China	4.4	12
Vietnam	3.7	13

Table 10. APAC market ratings on regulatory environment for digital assets

4 Digital assets and AI

4(ii) Digital assets – offerings in the near future

Half of survey participants do not plan to offer digital assets soon due to the early stage of industry development and regulatory uncertainty. Tokenized securities are the highest-ranked product offering, with 23% of participants intending to offer them soon. Other product offerings show relatively low interest levels, ranging from 9-14%, with NFTs being the least popular at 5%.

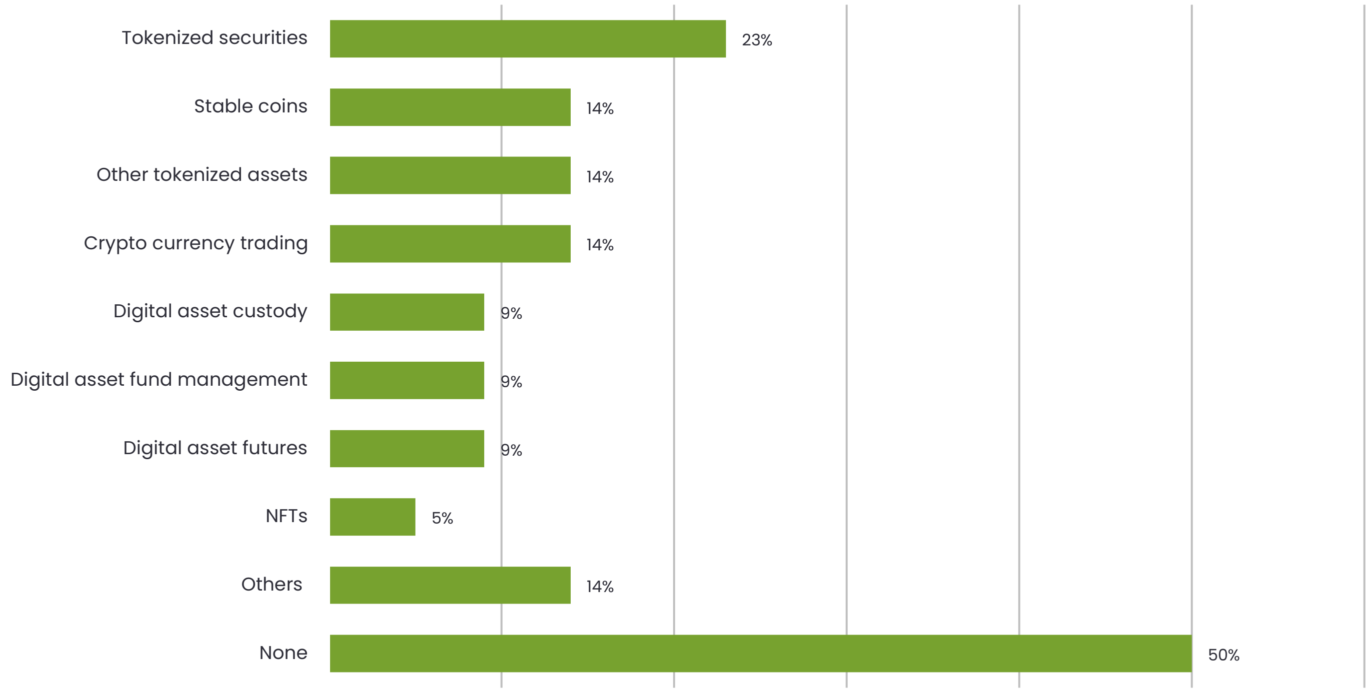


Figure 24. Summary of participants' view on digital asset offerings: current and future plans

4

Digital assets and AI

4(iii) Artificial intelligence – APAC market ratings on regulatory environment

Participants noted the region's pro-innovation stance on AI. Singapore and Hong Kong SAR offer mainly technology-neutral, principle-based guidelines. Singapore introduced the first Model AI Governance Framework in 2019 and continues to update its strategies. In Hong Kong SAR, the SFC's recent Generative AI Circular aims to promote responsible AI use by licensed corporations. However, there's some ambiguity about which AI applications are regulated and the extent of oversight required. Survey participants stressed the importance of balancing risk control with not unduly restricting beneficial AI applications.

Markets	Average Score	Ranking in 2025
Singapore	6.78	1
South Korea	5.88	2
Hong Kong SAR	5.85	3
Japan	5.75	4
India	5.67	5
Taiwan	5.64	6
Australia	5.54	7
Thailand	5.00	8
Indonesia	4.71	9
Vietnam	4.20	10
Mainland China	6.17	11
Malaysia	5.17	12
the Philippines	4.80	13

Table 11. APAC market ratings on regulatory environment for artificial intelligence

Ranking of the markets (1-13): 1 being the highest and 13 being the lowest

Note: Each of the markets were scored by participants on a scale of 1-10. The rating of each market reflects an average of those scores.

4(iv) Artificial intelligence – key factors for responsible AI use

Survey participants emphasized the importance of risk-tiered and principles-based regulation (88% and 79%, respectively) to effectively govern AI use. They highlighted the need for flexible yet robust regulations due to AI's wide-ranging capabilities. Participants also stressed involving financial institutions in drafting regulations to ensure practical measures and outcomes and called for clarity on third-party AI providers to balance innovation and regulation for responsible AI use.

Figure 25. Summary of participants' view on important features of a regulatory environment for responsible AI adoption

4 Digital assets and AI

4(v) Artificial intelligence – AI use cases

When asked about AI use cases, firms cited various applications, including workflow efficiency and customized translation and commentary. Participants also identified risk management (44%) and regulatory compliance (36%) as current AI use cases under exploration. Furthermore, 44% of participants reported exploring investment research as a potential AI use case. 36% of survey participants indicated "others," highlighting the breadth of AI's capabilities.

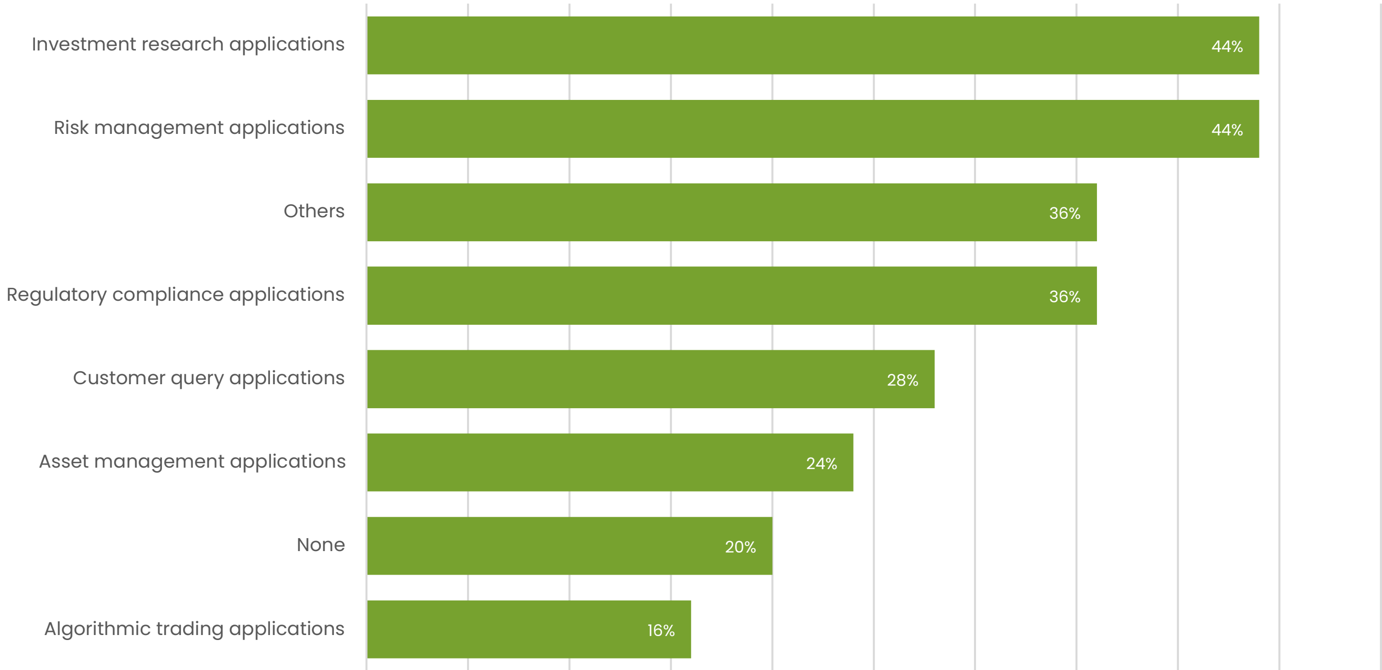
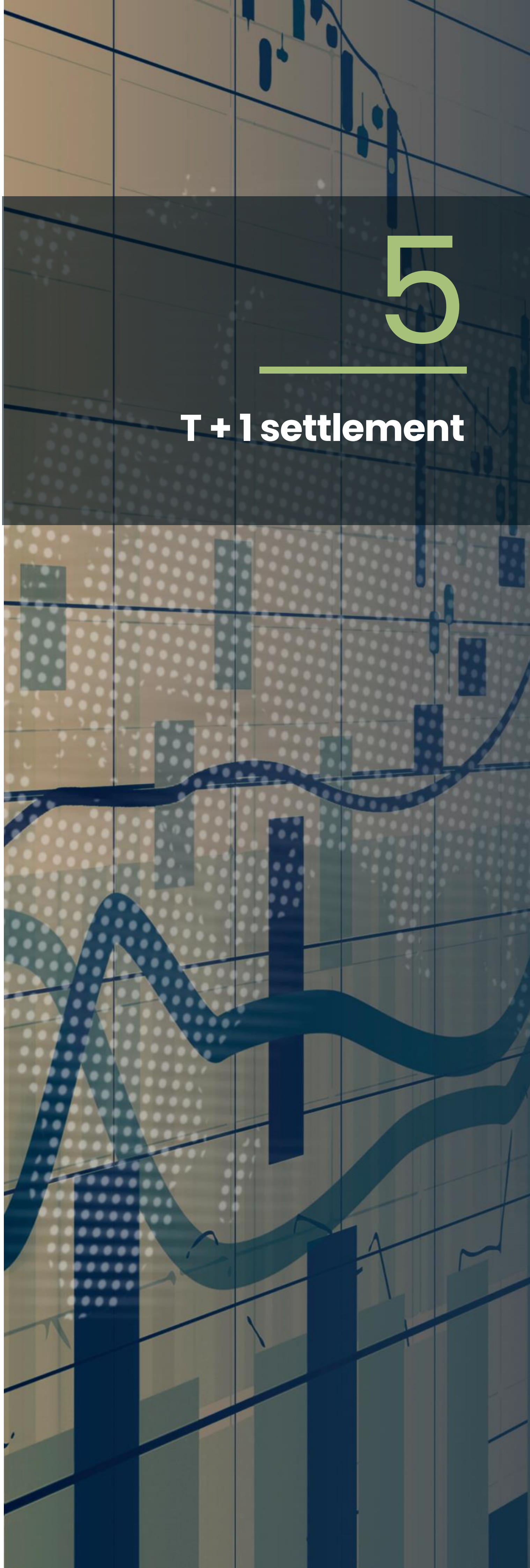


Figure 26. Summary of participants' view on AI use cases

5

T + 1 settlement



The US has made the switch to T + 1 settlement. However, APAC jurisdictions are now beginning to consider the switch themselves, with some having already made the switch.

The key issue now is assessing the level of readiness within the industry and the customer base.

5 T + 1 settlement

5(i) T+1 settlement readiness

Most firms (60%) are either somewhat or significantly prepared for T+1 settlement following the move by the US.

Participants indicated that they need time to develop a roadmap for operations, considering the required technology and operational changes. Corporate clients are less prepared for this development and do not view it as a primary focus. If APAC regulators and exchanges plan to adopt a T+1 settlement model, a clear change process is necessary with an appropriate notice period and consultation with market participants.

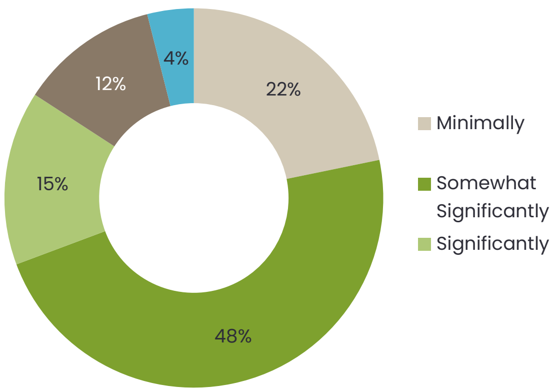


Figure 27. How ready are you for this development (e.g., technology, client onboarding, infrastructure set up, operations uplift, etc.)?

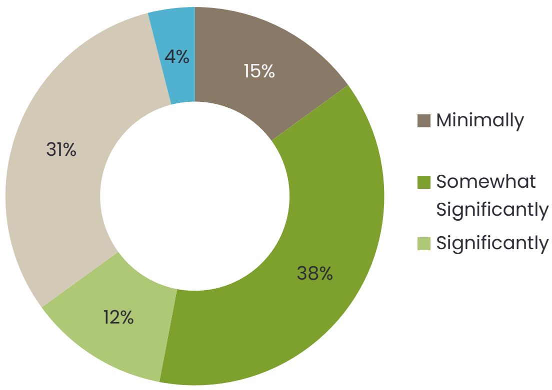


Figure 28. How ready are your clients for this development?

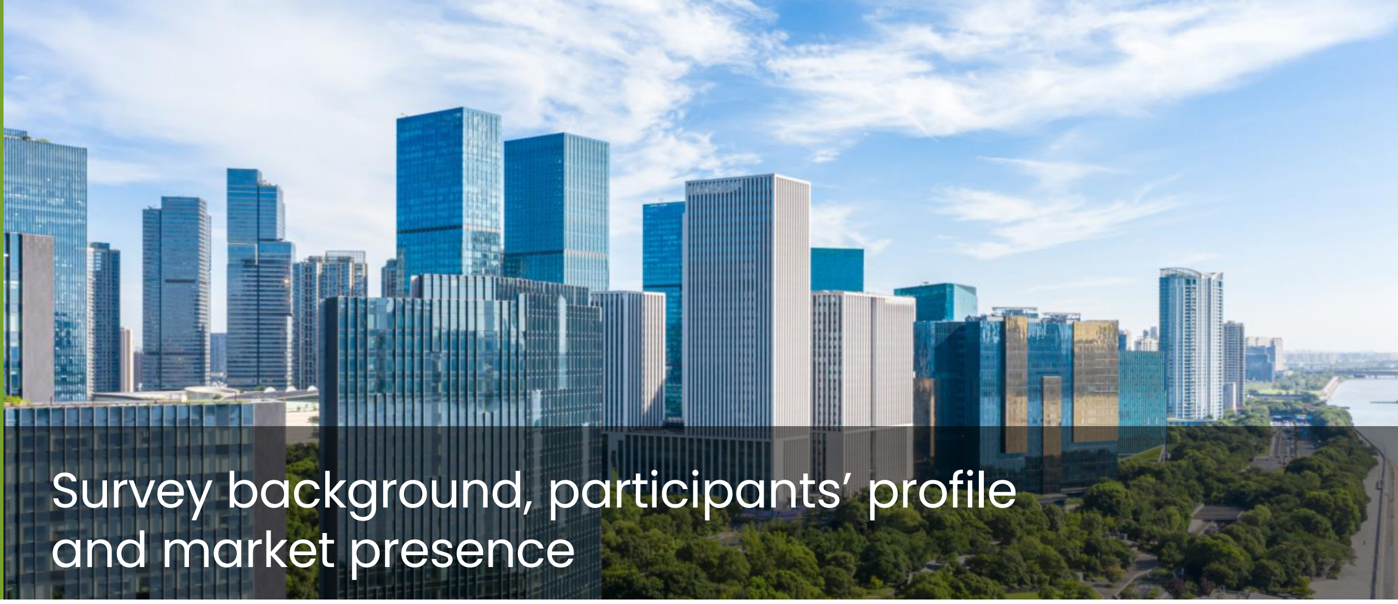
6

Survey background, participants' profile and market presence

Thirty-three ASIFMA members participated in the survey, roughly consistent with last 2025 numbers. While not all participants responded to every question, most did.

The majority of participants were inbound from the US (31%) and Europe (41%), primarily the EU, as well as the UK and Switzerland to a lesser extent. A smaller proportion of participants originated from the APAC region (30%), mainly Mainland China, Hong Kong SAR, Japan, with fewer from India and Australia. The balance between buy-side and sell-side participation varies annually, showing more sell-side involvement this year compared to more buy-side involvement last year. This appears to be random and not indicative of changes in market presence.

Participants predominantly engage in asset management and equities, with other asset classes and business activities less popular. However, most focus on trading asset classes, servicing those areas, or wealth management and corporate and investment banking. There is no consistent pattern in activity levels each year, they have remained relatively constant compared to other activities. The profile of participant business activities aligns with that of ASIFMA members.



6 Survey background, participants' profile and market presence

6(i) Survey background and participants

Thirty-three ASIFMA members participated in the survey from both the buy and sell side. The survey covers 13 APAC markets: Australia, Mainland China, Hong Kong SAR, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

Participants place of origin

Figure 29 below shows the breakdown of the survey participants by the locations of their headquarters.

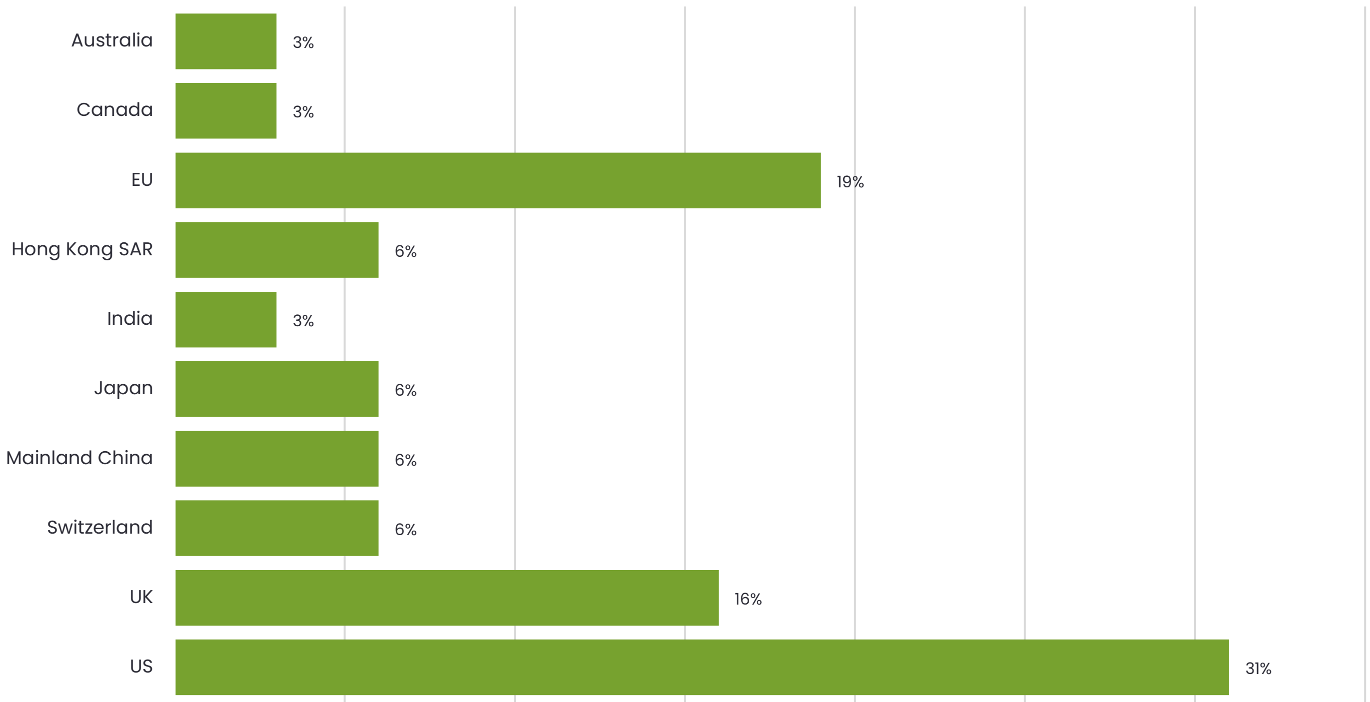
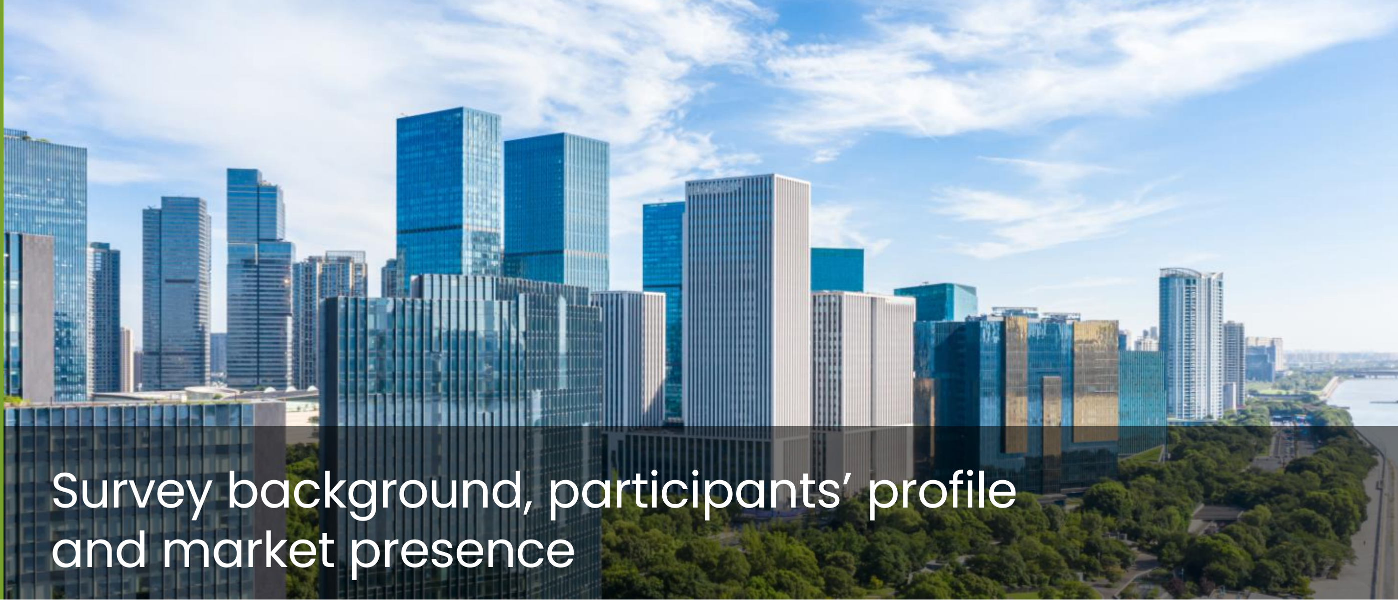


Figure 29. Group headquarter locations



6 Survey background, participants' profile and market presence

6(ii) Survey background and participants

Buy – side/sell – side composition of participants

By comparison with the survey results of past two years, the percentages of participants offering sell-side services has increased.

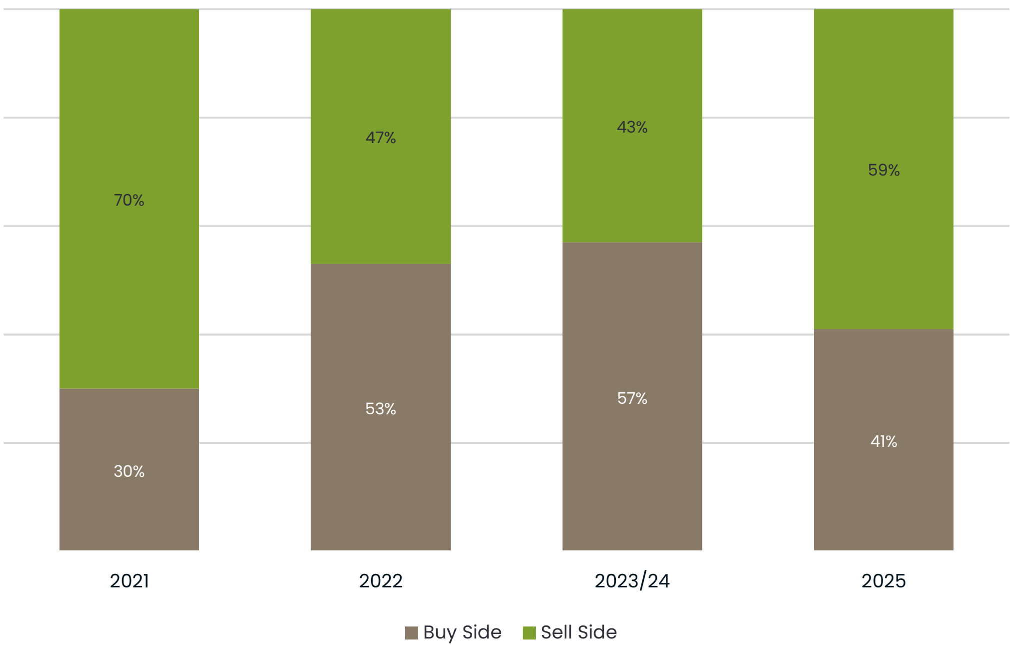
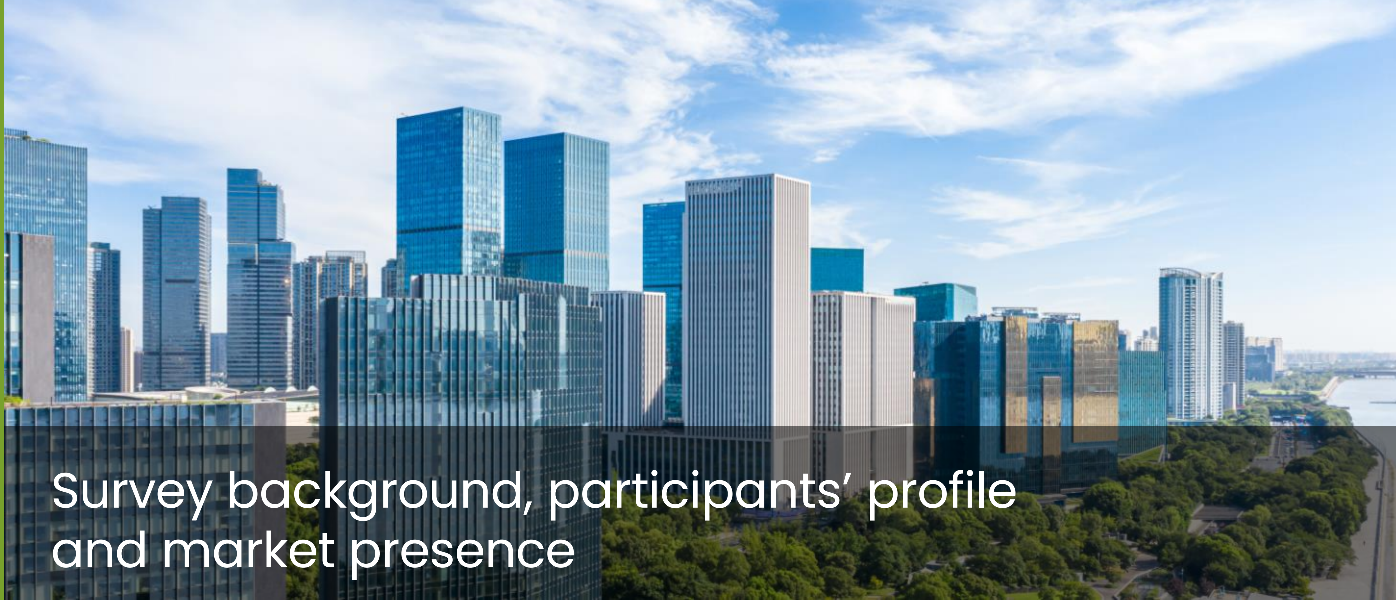


Figure 30. Buy/Sell – side breakdown



6 Survey background, participants' profile and market presence

6(iii) Survey background and participants

Business activities participants engaged in

Generally, aside from the variations in the composition of the participants in the survey, the activities in which participants engage remain fairly constant. The one exception is ESG and sustainable finance. Currently, 44% of firms are engaged in ESG & sustainable investing, which is a 9 percentage point decrease since 2023/24.

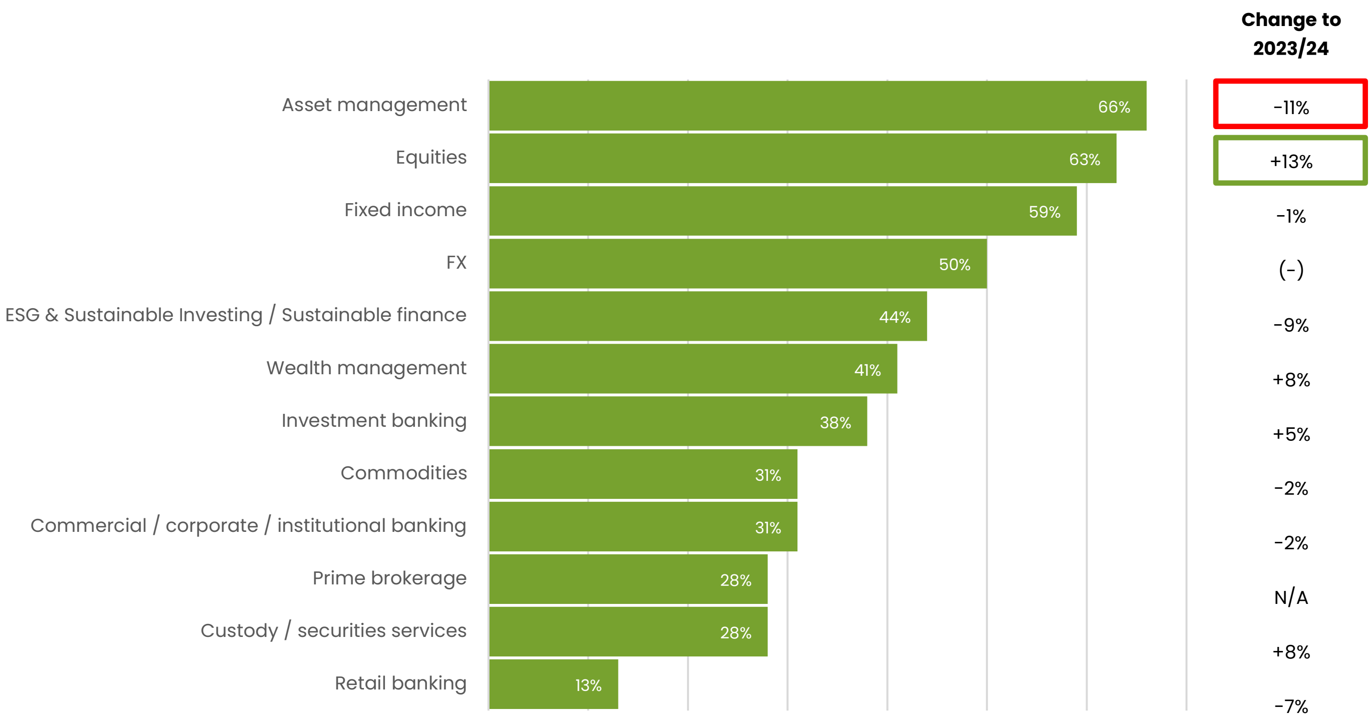
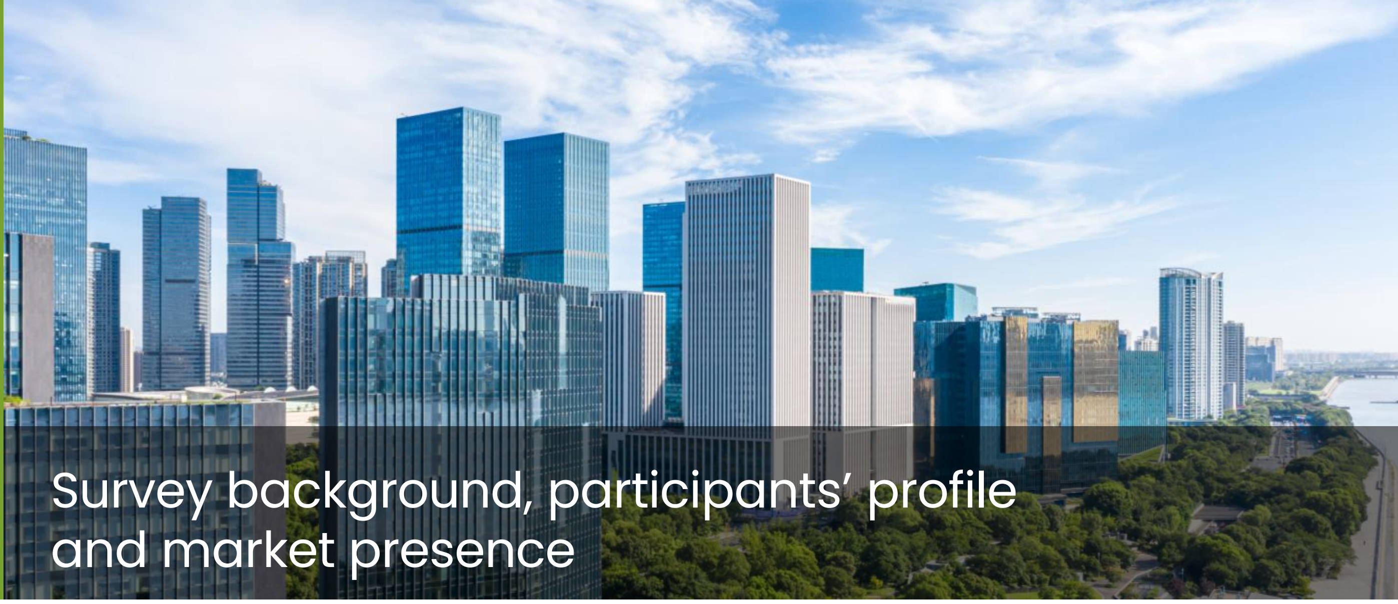


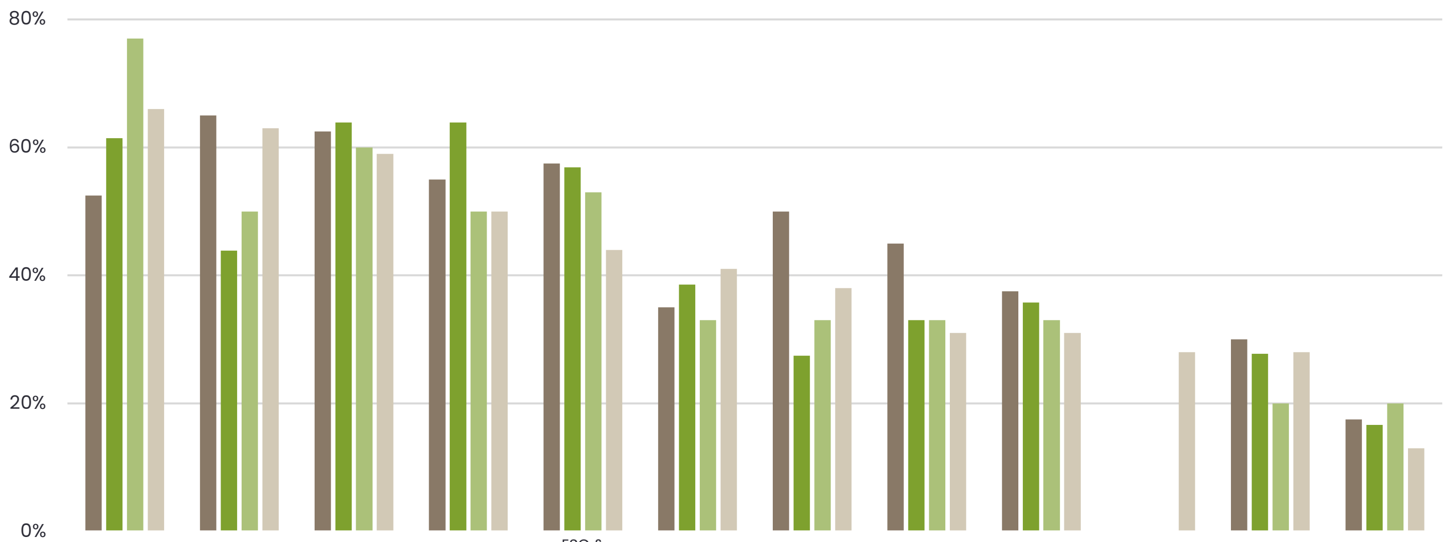
Figure 31. Breakdown of participants activities engaged in



6 Survey background, participants' profile and market presence

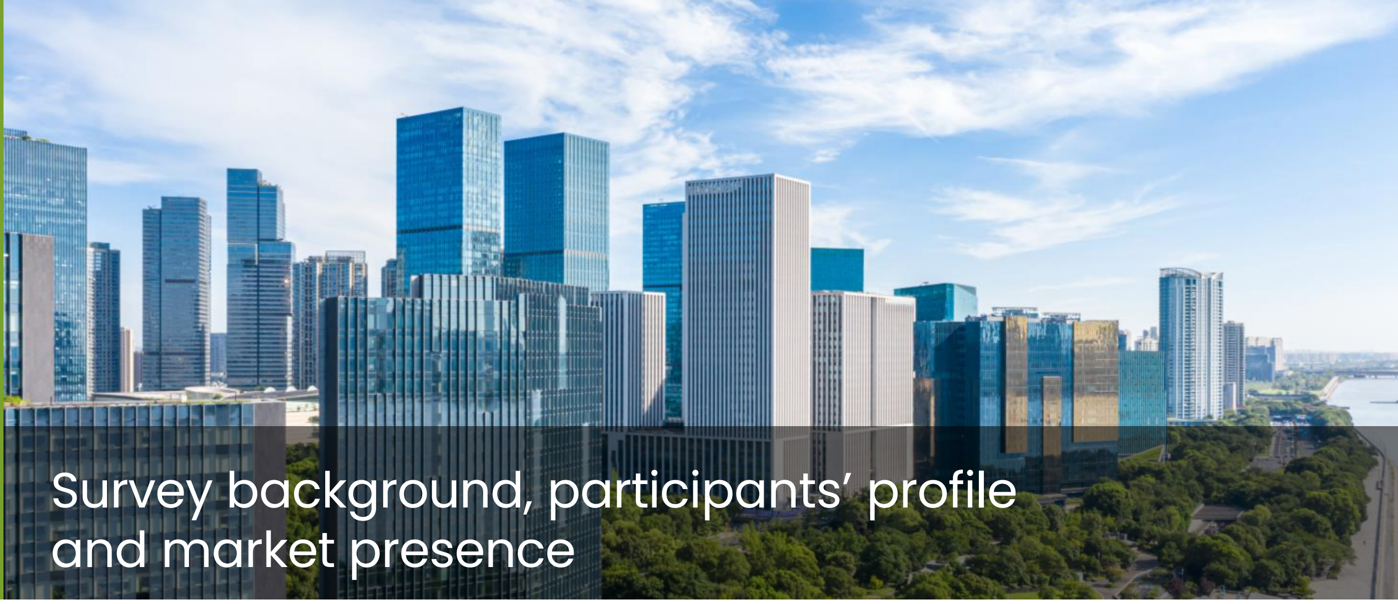
6(iv) Historical trend of activities engaged in by survey participants

This graph shows the breakdown of participants' capital markets business activities pursued in APAC markets over the past four years. There is no strong common pattern across the activities but participation in most activities, other than ESG/sustainable finance which suffered a large fall, is relatively stable with variations more likely being due to changes in participant composition than strategy. ESG/sustainable finance has suffered a continuous declining trend in the percentage of members who engage in it since 2021. Further, it fell significantly from 2023/24-2025 from 53% to 44%. One member suggested that this was owing to the extra costs in developing and issuing ESG/sustainable finance products compared with equivalent conventional products which deterred banks and customers from developing and distributing them and from purchasing them. This was the first year in which participants were asked about participation in custody/securities services.



	Asset management	Equities	Fixed income	FX	ESG & Sustainable Investing / Sustainable finance	Wealth management	Investment banking	Commercial / corporate / institutional banking	Commodities	Custody / securities services	Prime brokerage	Retail banking
2021	53%	65%	63%	55%	58%	35%	50%	45%	38%		30%	18%
2022	61%	44%	64%	64%	57%	39%	27%	33%	36%		28%	17%
2023/24	77%	50%	60%	50%	53%	33%	33%	33%	33%		20%	20%
2025	66%	63%	59%	50%	44%	41%	38%	31%	31%	28%	28%	13%

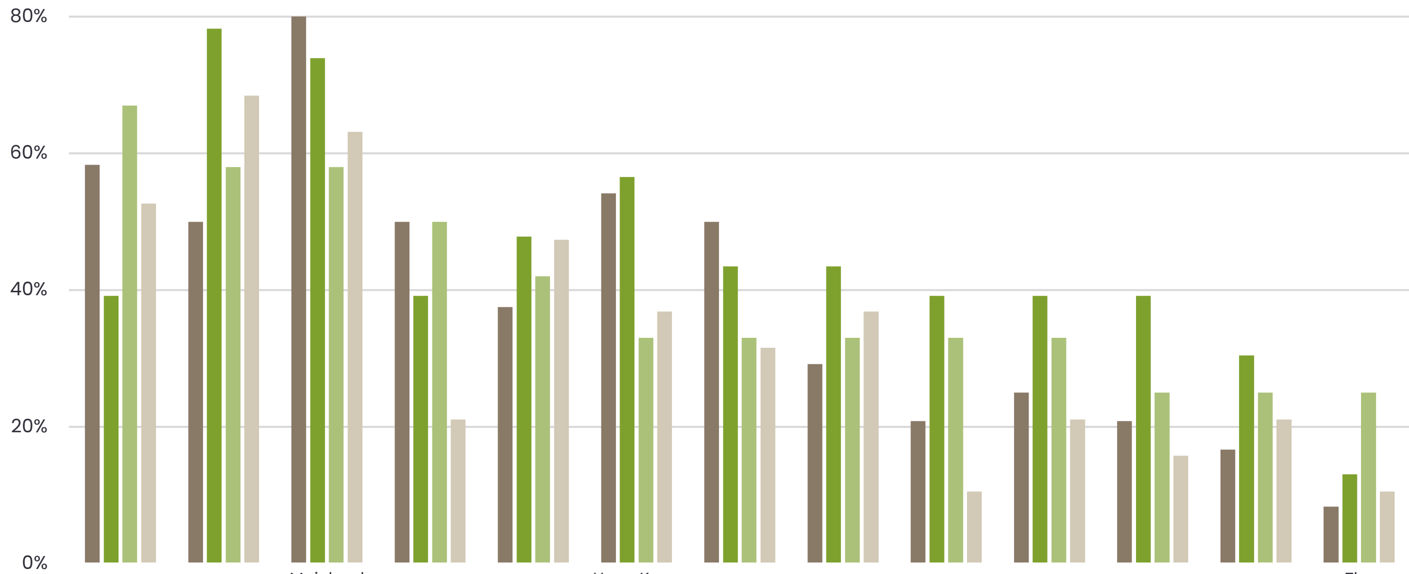
Figure 32. Historical % of participants engaged in various capital markets business activities



6 Survey background, participants' profile and market presence

6(v) Historical trend of survey participants with expansion plans within a given year

The graph below illustrates the percentage of survey participants with expansion plans within a given year from 2021 to 2025. Survey responses reveal varied sentiments across different regions. In India, where interest in expansion fell 14 percentage points over the previous year, participants noted the impact of increased investment over the past two years, along with a transition to a T+1 settlement cycle that presents both challenges and opportunities. One participant observed that investment has "normalized" and is now being redirected to other markets, emphasizing internal expenditures over external investments. In Mainland China, despite geopolitical challenges, one participant remarked that the market continues to perform well due to numerous market and product reforms. However, some respondents expressed negative views regarding the market's overall environment. One participant noted that South Korea faces a less favorable political climate, with a crackdown on short-selling being unconducive to significant capital investment. Meanwhile, participants pointed out that Australia's regulatory positions, such as a perceived negative stance toward the practice of "pre-hedging" and recent budget announcements regarding non-compete agreements, are not conducive to market expansion. Data was gathered before the US administration announced a series of global tariffs.



	India	Singapore	Mainland China	South Korea	Japan	Hong Kong SAR	Australia	Taiwan	Malaysia	Indonesia	Thailand	Vietnam	The Philippines
2021	58%	50%	88%	50%	38%	54%	50%	29%	21%	25%	21%	17%	8%
2022	39%	78%	74%	39%	48%	57%	43%	43%	39%	39%	39%	30%	13%
2023/24	67%	58%	58%	50%	42%	33%	33%	33%	33%	33%	25%	25%	25%
2025	53%	68%	63%	21%	47%	37%	32%	37%	11%	21%	16%	21%	11%

Figure 33. Percentage of survey participants with expansion plans in APAC markets within a given year

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Glossary

Regulatory Environment		
1	Currency controls	Currency controls, foreign exchange controls or currency exchange controls refer to restrictions applied by some governments to ban or limit the sale or purchase of foreign currencies by nationals and/or the sale or purchase of local currency by foreigners.
2	Foreign ownership regulations	Foreign ownership regulations refer to the regulatory framework over the ownership of a portion of a country's assets (businesses, natural resources, property, bonds, equity etc.) by individuals who are not citizens of that country or by companies whose headquarters are not in that country.
3	Other foreign investment regulations	Foreign investment regulations refer to restrictions limiting the investment or requirement to obtain a consent to invest in domestic companies.
4	Data localization requirements	Data localization or data residency law requires data about a nation's citizens or residents to be collected, processed, and/or stored inside the country, often before being transferred internationally.
5	International sanctions	International sanctions are restrictions on trade and economic relations between individuals, organizations or countries based on specific reasons.
6	Quality of anti-bribery and corruption framework	The framework prohibits the actual or attempted use of any form of bribery or corruption, either directly or indirectly. A "bribe" is anything of value given, offered, promised, accepted, requested or authorized (in each case, directly or indirectly) with the intent that a person who is trusted or expected to act in good faith or with impartiality, performs that function improperly or in order to obtain or retain an advantage in the course of business. "Corruption" is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.
7	Licensing requirements	Licensing requirements means any provisions of law, rule, regulation, or formal order of the department which apply to facilities with respect to initial or continued authority to operate.
8	Restrictions on product/service offerings	Requirement to obtain special permits and licenses before selling certain product/service offerings.

Glossary

9	Tax environment	Tax environment means a set of legal regulations for determining the types, percentage and amounts of taxes specified in the applicable laws and their imposition and payment.
10	Predictable and transparent regulatory policy	Transparency and predictability of regulations and procedures at borders are widely recognized as an essential element of trade facilitation. The WTO Glossary defines transparency as the "Degree to which trade policies and practices, and the process by which they are established, are open and predictable". The same concept can be applied to financial services regulations. The concepts of transparency and predictability are always associated with each other.
11	Investor protection	Various measures designed to protect investors from malpractices of companies, investment banks, deposit taking institutions and other intermediaries.
12	Prudential regulations	Prudential regulation is a legal framework focused on the financial safety and stability of institutions and the broader financial system.
13	Reporting requirements	Reporting requirements means any applicable laws, rules, regulations, instruments, orders or directives and any requirements of a regulatory or supervisory organization that mandate reporting and/or retention of transaction and similar information.
14	Outsourcing regulations	Outsourcing regulations govern the provision of service in which a regulated firm contracts with or otherwise engages a service provider for the performance of any aspect of the outsourcing firm's regulated or unregulated functions that could otherwise be undertaken by the entity itself on an ongoing basis.
15	Labor laws	Labor law is legislation specifying responsibilities and rights in employment, particularly the responsibilities of the employer and the rights of the employee.
16	Cross-border regulation	Cross-border regulations refer to the licensing and product authorization requirements for the overseas firms dealing with domestic customers or counterparties.

Glossary

Operating Environment		
1	Workforce skills	Workforce skills means the knowledge, skills, and competencies that employees can provide to financial services intermediaries.
2	Language skills	Skills that enable a person to communicate orally or in writing in English or other languages widely used internationally or regionally.
3	Digital infrastructure	Digital infrastructure refers to the digital technologies that provide the foundation for an organization's information technology and operations.
4	Physical infrastructure	Physical infrastructure refers to the physical availability and quality of public facilities, including the number of facilities, facility amenities and resources, the distribution of facilities, and the appropriate mix of facility types to meet industry needs.
5	Cost of doing business	The cost of doing business definition is any expense a business incurs while in the process of conducting business. A cost of doing business could be a direct cost, like raw materials, or an indirect cost, like building security.
6	Political situation	The meaning of "political" is of or relating to government, a government, or the conduct of government. Political situation refers to the stability of the governance in a jurisdiction and whether it is conducive to the predictable conduct of business.
7	Immigration law	Immigration law includes the national statutes, regulations, and legal precedents governing immigration into and deportation from a country.
8	Fairness in law enforcement	Fairness in law enforcement refers to predictable and transparent application of laws in a fair and consistent manner following due process.
9	Barriers to entry	Barriers to entry describe the high start-up costs or other obstacles that prevent new competitors from easily entering an industry or area of business.
10	Business incentives	Governments can offer financial assistance to private businesses making investments through the use of economic incentives. Incentives can include tax abatements, tax revenue sharing, grants, infrastructure assistance, no or low-interest financing, free land, tax credits and other financial resources.

Glossary

11	Competitive landscape	The competitive landscape refers to the list of options a customer could choose rather than your products or services.
12	R&D innovation ability	Research and development (R&D) innovation is the process of developing and commercializing new ideas, implementing new processes or changing the way your business makes money. It can also be viewed as the activities required to keep your business competitive and sustainable for the long term.
13	Availability of data centers	Availability of technically advanced, resilient and physically cyber secure facilities that electronic data storage.
14	Cybersecurity	The state of being protected against the criminal or unauthorized use of electronic data, or the measures taken to achieve this.
15	Cultural and societal factors	Features of a jurisdiction's culture or society that are conducive to the efficient and open conduct of business.
16	Availability of professional service support	The availability of a sufficient spread of competent special advisors in a range of disciplines (e.g., accountancy, law, IT, cybersecurity, taxation, immigration, consultancies, etc.) needed to support financial services business.
17	Human resourcing supply	Human resources supply is the source of workers to meet demand requirements.
Market Development		
1	Availability of hedging	The availability to legally conduct hedging against investment risk i.e., strategically using financial instruments or market strategies to offset the risk of any adverse movements in variables such as interest rate, currency rate, price, etc.
2	Clearing and settlement infrastructure	Clearing and settlement infrastructure means systems that clear and settle transactions in securities such as bonds and equities, and in derivative instruments such as options and futures.
3	Payments infrastructure	Payment infrastructure is a network of systems and technologies that enable electronic payment processing. This network allows everyone in the ecosystem to exchange payments from financial institutions to individuals.

Glossary

4	Trading and exchange infrastructure	Trading and exchange infrastructure consists of the delivery of direct market data and order entry, colocated server access, bespoke networks, time services, and client and counterpart connectivity.
5	FinTech development	Financial technology (better known as FinTech) is used to describe new technology that seeks to improve and automate the delivery and use of financial services. FinTech development refers to the sophistication of market and policy environment to support FinTech.
6	Availability of repo	The availability of market infrastructure and regulation that permit the use of repo. Repo or repurchase agreement is a short-term agreement to sell securities in order to buy them back at a slightly higher price.
7	Availability of stock borrowing & lending and short-selling	The availability of market infrastructure and regulation that permit the stock borrowing & lending and short-selling. Short-selling refers to the sale of a security which you do not own. A stock-borrow is secured to cover the delivery of the sale. A short sale is profitable if the price of the security declines, allowing the short-seller to repurchase the securities at the lower price and return the borrow.
8	Growing customer base and wealth	The future prospects of a market for a financial intermediary's products and services will depend on the growth rate of the population of relevant customers and their ability to pay for those products and services (i.e., their wealth).
9	Currency convertibility	Currency convertibility can be defined as the ability to exchange one currency for another at a given conversion rate and in terms of the usability of a currency for foreign transactions. Regulatory restrictions on the conversion of currency exist in many markets.
10	Market liquidity and depth	Market liquidity and depth for a product is based on the number of standing orders to buy (bids) and sell (offers) at various price levels. In addition to price levels, market depth considers the order size, or volume, at each price level.

Glossary

11	Transparency of market information	Market transparency describes the extent to which the details of market activity are made public. Important information about a market that is typically published includes the following: Last-sale reports: These reports include the price, quantity, and possibly time of all trades as they occur. In an equity market transparency refers to the timeliness and the accuracy of disclosures by listed issuers of material price sensitive information.
12	Range of product/service offerings	A diversity and sophistication of financial product and service offerings in a jurisdiction.
13	Financial inclusion	Financial inclusion is when everyone can access financial services that can help them build wealth, including savings, credit, loans, equity, and insurance.
14	Regional integration	Regional integration refers to the degree to which a jurisdiction's laws, economy and infrastructure are interoperable with those of other jurisdictions in the region.
15	Inflation rate	Inflation is the rate of increase in prices over a given period of time. Inflation is typically a broad measure, such as the overall increase in prices or the increase in the cost of living in a country.
16	Interest rate	An interest rate is a cost of borrowing money, expressed as a percentage of the amount borrowed.
17	Economic growth rate	An economic growth rate refers to the change in the value of all goods and services produced within a country for a specific period in comparison to an earlier period. It is depicted in terms of percentage. The economic growth rate is a measure for knowing the relative health of an economy over time.

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