

Joint Message of the 22nd Trilateral
Finance Ministers and Central Bank Governors' Meeting

Virtual, 12 May 2022

1. We, Finance Ministers and Central Bank Governors of China, Japan and Korea, held the 22nd trilateral meeting virtually, under the chairmanship of H.E. Liu Kun, Minister of Finance of China.
2. We exchanged views on the recent global and regional economic developments, and policy efforts to support the economic recovery. The region has seen steady growth in the year 2021, thanks to the higher vaccination rates and more targeted measures to minimize the impact of the pandemic and to support our recovery. However, we should remain vigilant as the economic recovery is subjected to increasing uncertainties and risks, such as sharper-than-expected monetary policy normalization in some major advanced economies, continuing supply chain disruptions, and inflation pressures aggravated by current Russia-Ukraine conflict. These factors may also pose downside risks to the economic outlook and incur volatility of financial markets and capital flows in the region. Against this backdrop, we are committed to continuously using supportive policy tools to maintain recovery while preserving monetary and financial stability and long-term fiscal sustainability.
3. While the pandemic causes scarring effects on the regional economies, it also brings about opportunities in the context of digitalization, green transition and integration of the regional economy. We welcome and fully support the entry into force of the Regional Comprehensive Economic Partnership. China, Japan and Korea will enhance communication and coordination, and collaborate with ASEAN countries in the ASEAN+3 Finance Process, in order to make continued progress in the 2030 Agenda for Sustainable Development to achieve stronger, greener and more balanced global development.
4. We acknowledge the importance of enhancing CMIM's operational readiness at current stage. We welcome the adoption of a new CMIM reference rate

reflecting global financial market conventions and commend members' effort in reviewing the CMIM margin structure. We also welcome the updated Operational Guidelines (OG) on the use of each member's own local currency for CMIM liquidity support. Based on this, we welcome the progress made in developing the CMIM's OG to enable a member to provide a local currency of another member (third-party local currency), with a view towards finalizing it by the end of 2022. We encourage members to push forward the discussion on CMIM future direction with the aim to further improve existing CMIM facilities in the context of the second periodic review, which is to be completed by 2024. Besides, we welcome the success of the 12th test run and look forward to the 13th test run to test the transition from CMIM IMF de-linked portion to the IMF linked portion.

5. We congratulated AMRO on its ten-year anniversary celebration on December 7, 2021. We welcome AMRO's participation as an Observer at the ASEAN+3 Leaders' Summit in 2021 and support AMRO to join the future Leaders' Summits.

6. We support the initiative to review AMRO's Strategic Direction and to develop a detailed implementation plan, including the build-up of a regional think -tank network to strengthen AMRO's role as a Regional Knowledge Hub. We commend further improvements in AMRO's surveillance capacity, encourage AMRO to mainstream emerging and structural issues in its surveillance work, and provide more targeted and pragmatic policy advice to member authorities to maintain financial stability, advance economic transformation and pursue sustainable development. We encourage AMRO to develop its thought-leadership and project ASEAN+3 views onto the global stage serving as the regional voice. We appreciate AMRO's support to the CMIM's operational readiness and expansion of its Technical Assistance (TA) team and enhancement of its TA activities by making better use of China's, Japan's and Korea's financial contributions. We commend AMRO Director, Mr. Doi Toshinori, for his excellent work over the past three years, and look

forward to working with the incoming Director, Dr. Li Kouqing fruitfully in the next three years.

7. We welcome the ABMI's continued progress toward implementing the ABMI Medium-Term Road Map 2019-2022, and appreciate ADB's work in this regard. We commend the Credit Guarantee and Investment Facility (CGIF) to expand and innovate the issuance of local currency bonds. We look forward to the report on sustainable finance in ASEAN+3, and welcome the progress of ongoing research to assess the status of the "double mismatch problem" under the ASEAN+3 Bond Market Forum (ABMF), which will provide recommendations and suggestions to renew the ABMI Medium-Term Road Map in 2023. We take note of the study under the Cross-Border Settlement Infrastructure Forum (CSIF) and the Asia Prime Collateral Forum (APCF)'s recent progress.

8. We welcome the substantial progress made in deepening and broadening ASEAN+3 financial cooperation, including those made by the Working Groups on ASEAN+3 Future Initiatives. In particular, we support the development of the ASEAN+3 Macro-structural Framework and the Instrument to help members deal with structural weaknesses and enhance AMRO's surveillance on structural issues, acknowledge the concept paper to conduct a detailed study among ASEAN+3 members with the aim to launch a new initiative on Disaster Risk Financing building on the existing regional initiatives, and recognize the view on improving regional policy coordination on Fintech and the introduction of possible technical cooperation area. As leading countries of three Working Groups of the above mentioned areas, we are committed to progressing towards concrete outcomes to promote regional financial cooperation. We also welcome the two new initiatives of Financial Digitalization and Transition Finance. We look forward to assessing potential implications of Financial Digitalization on Regional Financing Arrangements (RFAs) for forward-looking recommendations, and carrying out the work plan on transition finance to better understand regional members' needs, concerns and potential recommendations.

9. We welcome the continued efforts of the Southeast Asia Disaster Risk Insurance Facility (SEADRIF) in strengthening the financial resilience of ASEAN member countries against disaster risks, with support from the ASEAN Secretariat and the World Bank. We also welcome the membership expansion of SEADRIF and the progress of the Public Asset Financial Protection Program.

10. We appreciate China and Cambodia's leadership as the Co-chairs of ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting in 2022. In addition, we agree to support Japan and Indonesia to chair the 26th ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting next year.

11. China, Japan and Korea will actively take part in and facilitate the ASEAN+3 Finance Process by further enhancing cooperation and communication with each other as well as with ASEAN countries. We believe that the Trilateral Finance Ministers and Central Bank Governors' Meeting will continue to serve as an effective platform for trilateral financial cooperation, and decided to meet again in Incheon, Korea in 2023.