

Co-chairs' Statement of the ASEAN+3 Finance and Central Bank Deputies' Meeting

Kanazawa, Japan, 7 December 2023

The ASEAN+3 Finance and Central Bank Deputies Meeting (The Meeting) was convened in Kanazawa, Japan on 6-7 December 2023. At the Meeting, the Deputies had discussions focusing on the tasks assigned by the ASEAN+3 Finance Ministers' and Central Bank Governors in May 2023.

At the Meeting, the Deputies agreed on the establishment of the Rapid Financing Facility (RFF), which will be placed under the Chiang Mai Initiative Multilateralisation (CMIM) and in principle its modalities as below for endorsement by the Ministers and Governors in May 2024. The Deputies further agreed to discuss concomitantly ways to incorporate freely usable currencies for the RFF. The Deputies have developed a roadmap to further advance discussions of financing structures, which includes discussion of paid-in capital structure to enhance the credibility and effectiveness of the regional financial safety net with the aim of narrowing down possible modalities by 2025. At the same time, the Deputies agreed to advance discussions on other possible non-financing and financing facilities. The Deputies completed the review of the CMIM margin structure, which was aimed at improving the accessibility and effectiveness of the CMIM, while advancing discussions on the future direction of the CMIM in the context of the five-year periodic review, including further study on the IMF de-linked portion (IDL). Moreover, the Deputies welcomed the successful implementation of the 14th Test Run, which involved an actual fund transfer under the CMIM Stability Facility. On the ASEAN+3 Macroeconomic Research Office (AMRO) front, the Deputies developed the Terms of Reference for the additional senior management position at the AMRO, enabling the launch of the selection of the additional position in early 2024 and appointment by mid-2024. On the Disaster Risk Financing (DRF), the Deputies agreed to establish a secretariat for the DRF Initiative and to review it in two years.

Modalities of the Rapid Financing Facility under the CMIM

i. Purpose

Addressing actual and urgent balance of payment difficulties stemming from sudden exogenous shocks¹.

ii. Use of the instrument

The instrument is designed for circumstances where a full-fledged program is either not necessary or not feasible. All members are eligible.

iii. Access limits

Half of the access limits under the existing facilities; i.e., 20% of Maximum Arrangement Amount (MAA) for IDLP; 50% of MAA for ILP².

iv. Conditionality

No ex-ante qualification and ex-post conditionality, which would enhance accessibility to CMIM.

v. Maturity

6 months for IMF De-link, and 1 year for IMF Link. Allow renewal once for both IMF De-link (up to 1 year) and IMF Link (up to 2 years).

¹ “Exogenous shocks” include natural disasters and pandemics, but not limited to them. Before approving a request for financing, Executive Level Decision Making Body shall confirm urgent BoP difficulties have stemmed from sudden exogenous shocks, not attributable to weak economic fundamentals or domestic policy management.

² Link to IMF emergency financing