

July 17, 2014

**The Amended Chiang Mai Initiative Multilateralisation (CMIM) Comes
Into Effect on July 17, 2014**

1. The amended Chiang Mai Initiative Multilateralisation (CMIM) Agreement, which is a regional financial cooperation among the Finance Ministers and Central Bank Governors of the ASEAN Members States, China, Japan and Korea (ASEAN+3) and the Monetary Authority of Hong Kong, China, has come into effect on July 17, 2014.

2. Key points of the amendment to strengthen the CMIM are as follows.
 - To double its total size of USD 240 billion (two hundred and forty billion) from USD 120 billion (one hundred and twenty billion)
 - To introduce CMIM Precautionary Line
 - To increase the IMF de-linked portion from 20% to 30%

3. This amendment will strengthen the regional safety net for the CMIM participants in responding to potential or actual balance-of-payments and short-term liquidity difficulties.
(Attachments)

Key Points of the amendment of the CMIM

1. Strengthening CMIM Stability Facility (CMIM-SF) as crisis resolution mechanism

i) Size

- To double the total size of CMIM from the current USD 120 billion to USD 240 billion (keeping the current share of financial contributions and voting power among the member countries the same)

ii) IMF De-linked Portion

- To increase the IMF de-linked portion to 30%

iii) Maturity, Supporting periods and Monitoring

- IMF linked portion: To lengthen the maturity period to 1 year with 2 renewals, totaling up to 3 years in supporting period
- IMF de-linked portion: To lengthen the maturity to 6 months with 3 renewals, totaling up to 2 years in supporting period
- To conduct monitoring on a bi-annual basis by Executive Level Decision Making Body (ELDMB)

2. Introducing CMIM Precautionary Line(CMIM-PL) as crisis prevention function

i) Introduction

- To introduce one simplified crisis prevention facility

ii) Qualifications and Conditionality

- To allow ELDMB to flexibly apply the 5 qualification elements, which are stipulated below, as ex-ante qualifications and ex-post conditionalities after considering the economic reports by the requesting country and analyses by AMRO and, if necessary and available, ADB and/or IMF as the basis for the decision

<5 qualification elements>

- (i) External position and market access
- (ii) Fiscal policy
- (iii) Monetary policy
- (iv) Financial sector soundness and supervision

(v) Data adequacy

iii) Duration of Access, Arrangement periods, Maturity and Monitoring

- To set the Duration of Access of CMIM-PL at 6 months with 3 renewals, totaling 2 years in arrangement period
- To set the Maturity at 6 months for the IMF de-linked portion and 1 year for the IMF linked portion
- To conduct monitoring on a bi-annual basis by ELDMB

iv) Commitment Fee

- To introduce the commitment fee of 0.15% to CMIM-PL

v) Relationship with CMIM-SF

- Maximum swap amount for each member is applied for both CMIM-SF and CMIM-PL
- To restrict dual-drawing from both CMIM-SF and CMIM-PL
- To replace the CMIM-PL with the CMIM-SF if any CMIM-PL recipient party is hit with crisis and needs additional support, depending on the decision made by ELDMB

**Contributions, Purchasing Multiple, Maximum Swap Amount
and Voting Powers**
(After the amendment of the CMIM)

Countries	Financial Contribution (billion USD)		Share (%)		Purchasing Multiple	Maximum Swap Amount (billion USD)	Basic Votes	Votes Based on Contribution	Total Voting Power	
Plus Three	192.00	80.00				117.30	9.60	192.00	201.60	71.59
Japan	76.80	32.00			0.5	38.40	3.20	76.80	80.00	28.41
China	76.80	32.00	China (Excluding Hong Kong)	28.50	0.5	34.20	3.20	68.40	71.60	25.43
			Hong Kong China	3.50	2.5	6.30	0.00	8.40	8.40	2.98
Korea	38.40	16.00			1	38.40	3.20	38.40	41.60	14.77
ASEAN	48.00	20.00				126.20	32.00	48.000	80.00	28.41
Indonesia	9.104	3.793			2.5	22.76	3.20	9.104	12.304	4.369
Thailand	9.104	3.793			2.5	22.76	3.20	9.104	12.304	4.369
Malaysia	9.104	3.793			2.5	22.76	3.20	9.104	12.304	4.369
Singapore	9.104	3.793			2.5	22.76	3.20	9.104	12.304	4.369
Philippines	9.104	3.793			2.5	22.76	3.20	9.104	12.304	4.369
Vietnam	2.00	0.833			5	10.00	3.20	2.00	5.20	1.847
Cambodia	0.24	0.100			5	1.20	3.20	0.24	3.44	1.222
Myanmar	0.12	0.050			5	0.60	3.20	0.12	3.32	1.179
Brunei	0.06	0.025			5	0.30	3.20	0.06	3.26	1.158
Lao PDR	0.06	0.025			5	0.30	3.20	0.06	3.26	1.158
Total	240.00	100.00				243.50	41.60	240.00	281.60	100.00