Regional financial surveillance and cooperation

Dr Alexander Ressos, TEP
Of Counsel, KGP Legal LLC
Attorney-at-Law (Switzerland and Germany), Solicitor (England & Wales and Hong Kong)

The lesson of 1997

The Asian financial crisis of 1997, which Chapter D.III examines, left East Asian governments with a sharp lesson. Countries that had followed orthodox policies found themselves exposed to sudden capital flight. The assistance they received from the International Monetary Fund came with conditions that many in the region regarded as intrusive and in part mistaken. A Japanese proposal for an Asian Monetary Fund failed in 1997 because of opposition from the United States and the IMF.[1] The idea of a regional source of liquidity survived in a more modest form.

On 6 May 2000 the finance ministers of the ten ASEAN states and of China, Japan and Korea met in Chiang Mai, in northern Thailand, and agreed on a network of bilateral swap arrangements, the Chiang Mai Initiative.[2] The swaps allowed a member in difficulty to borrow foreign currency from another member's central bank against its own currency. Because they were bilateral, each swap had to be activated separately, which made the network slow and uncertain in a crisis.

The multilateral safety net

The members therefore transformed the network into a single multilateral agreement. The Chiang Mai Initiative Multilateralisation, signed on 28 December 2009, entered into force on 24 March 2010 with a size of US$120 billion. A later amendment doubled the size to US$240 billion and raised the share that a member may draw without an IMF programme from 20 to 30 per cent. The sources differ on the date of the doubling. The members agreed on it at their meeting in Manila in May 2012, while the amended agreement took effect in 2014. A further amendment, in effect since 2021, raised the portion that may be drawn without an IMF programme to 40 per cent and allowed members to contribute in local currencies on a voluntary basis.[3]

The CMIM is a commitment and holds no money. Each member undertakes to provide a fixed amount of its reserves through swaps when another member draws on the arrangement. The arrangement has two established facilities: a stability facility for members already facing balance of payments difficulties and a precautionary line for members whose position may deteriorate. A third, the rapid financing facility, is designed for sudden shocks such as pandemics or natural disasters.[4] The rapid financing facility took shape in three steps, which AMRO's pages record in different words. The members agreed in 2023 to establish it, finalised its design in 2024 and approved in 2025 the amendment of the agreement that introduces it.[5]

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg

Contributions and voting power

The distribution of commitments reflects economic weight. China, including Hong Kong, and Japan each commit US$76.8 billion, or 32 per cent of the total, and Korea US$38.4 billion, so that the three northern members provide 80 per cent. The ten ASEAN members provide the remaining US$48 billion. Singapore commits US$9.104 billion, or 3.793 per cent, the same amount as Indonesia, Malaysia, the Philippines and Thailand. With a purchasing multiple of 2.5, it could in turn draw up to US$22.76 billion. Its share of the voting power is 4.369 per cent.[6]

For Singapore the arrangement is chiefly an act of regional solidarity. With official reserves among the largest in the world relative to its economy, the city is unlikely ever to need the facility. Its commitment signals that the financial centre has a stake in the stability of its neighbours, whose crises would hit its banks, its trade finance and its wealth management business alike. The insurance works in both directions, since a run on a neighbour's currency can quickly become a problem for the banks that lend to that neighbour from Singapore.

AMRO: from company to international organisation

A safety net requires someone to watch the economies it may have to support. The ASEAN+3 members therefore created a surveillance office, the ASEAN+3 Macroeconomic Research Office. Because a treaty would have taken years to negotiate and ratify, AMRO was first set up in 2011 as a company limited by guarantee under the Singapore Companies Act.[7] The device allowed the office to hire staff, rent premises and begin work while the members negotiated its permanent status. MAS gives a different date for the establishment of AMRO, March 2010, which corresponds to the entry into force of the CMIM and to the decision to create the office.[8]

The members signed the Agreement Establishing AMRO in October 2014. It entered into force on 9 February 2016 and converted the company into an international organisation, an event celebrated at a ceremony in the MAS Building on 19 February 2016.[9] Its offices are in the MAS Building at 10 Shenton Way, which places the regional surveillance office under the same roof as Singapore's central bank and financial regulator.[10]

The transformation from a Singapore company into a treaty organisation illustrates a pattern. Singapore law provided a vehicle that allowed an international project to begin before the diplomats had finished their work. The same flexibility, which the Variable Capital Company and the trust regime offer to private investors (see Chapter E.IV), here served a group of states. Once the treaty was in force, privileges and immunities could be conferred on the organisation by order under the International Organisations (Immunities and Privileges) Act.[11]

AMRO's work

AMRO describes its mission as contributing to the macroeconomic and financial stability of the region through surveillance, support for the CMIM and technical assistance. Its members are the ten ASEAN states together with China, Hong Kong, China, Japan and Korea, fourteen in all. The office

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg

conducts annual consultation visits to each member, modelled on the IMF's Article IV consultations, and publishes country reports, a regional economic outlook and reports on financial stability and fiscal policy. In 2019, a representative year before the pandemic, it carried out 13 annual consultation visits and 15 interim visits.[12]

Its forecasts are watched by banks and investors in the region. In the October 2026 update of its regional outlook, published on 5 October together with its financial stability report, AMRO projected growth of 4.1 per cent for the ASEAN+3 region in both 2026 and 2027, with inflation of 1.6 per cent in 2026 and 1.7 per cent in 2027. Its chief economist named the investment cycle in artificial intelligence as a support for a widening range of regional activity.[13]

The IMF in Singapore

Singapore's relationship with the IMF predates most of these regional arrangements. The country joined the Fund in August 1966, a year after independence. Tharman Shanmugaratnam, then Deputy Prime Minister and Minister for Finance, chaired the International Monetary and Financial Committee, the Fund's principal ministerial body, from 2011 to 2015.[14] The IMF continues to review Singapore's economy each year. The latest Article IV consultation recorded on the Fund's country page in November 2026 was concluded by the Executive Board on 9 July 2025, with the staff report following on 16 July 2025.[15]

The IMF's institutional presence in the city is the IMF-Singapore Regional Training Institute, established in 1998, the year after the Asian crisis. It trains officials of finance ministries, central banks and statistical offices in macroeconomic and financial management and in the related legal and statistical questions. MAS describes it as jointly funded by the IMF, the Government of Singapore and the Government of Japan, while the institute's own website also lists the Government of Korea among its partners.[16] For the financial centre the institute is a quiet asset. Generations of regional officials have spent weeks in Singapore learning the techniques of fiscal and monetary analysis. Many of them later deal with Singapore's banks and regulators as senior figures in their own administrations.

Notes

1. On the Japanese proposal for an Asian Monetary Fund of September 1997 and its abandonment after opposition from the United States and the IMF, see Phillip Y. Lipscy, “Japan's Asian Monetary Fund Proposal”, *Stanford Journal of East Asian Affairs*, vol. 3, no. 1, 2003, pp. 93–104.
2. Wikipedia, “Chiang Mai Initiative” (accessed November 2026): “the ASEAN Plus Three countries met on 6 May 2000 in Chiang Mai, Thailand”, to set up a network of bilateral swap arrangements.
3. AMRO, “History” (amro-asia.org, accessed November 2026): 2019 CMIM Package Agreement raising the IMF de-linked portion to 40 %; 2021, “The amended CMIM Agreement comes into effect”; AMRO, “Regional Financing Arrangements” (amro-asia.org, accessed November 2026), timeline for 2021: the amended agreement “increases the ILDP from 30 percent to 40 percent” and “institutionalizes local currency contributions in the CMIM on a voluntary and demand-driven basis”; Wikipedia, “Chiang Mai Initiative” (accessed November 2026): agreement signed on 28 December 2009; a “pool worth US$120 billion” launched “on 24 March 2010”; AMRO, “History and Milestones”

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg

(amro-asia.org, accessed November 2026): CMIM Agreement in effect with "size - US$120 billion, (2) IDLP - 20%"; amended in 2014 with "size doubled to US$240 billion, (2) IDLP raised to 30%"; Wikipedia, "Chiang Mai Initiative" (accessed November 2026): at the May 2012 meeting in Manila members agreed on "expanding CMIM from current $120 billion to 240 billion"; AMRO, "History and Milestones", dates the amendment to 2014.

4. AMRO, "Supporting the Implementation of the CMIM" (amro-asia.org, accessed November 2026): "Collectively, members commit US$240 billion to support one another when needed"; descriptions of the CMIM-SF, CMIM-PL and CMIM-RFF ("For urgent financing needs arising from sudden and exogenous shocks, such as pandemics or natural disasters").
5. AMRO, "History" (amro-asia.org, accessed November 2026): 2023, members agree to "establish the Rapid Financing Facility (RFF)"; 2024, members "finalized the establishment of the Rapid Financing Facility (RFF)"; AMRO, "Regional Financing Arrangements" (amro-asia.org, accessed November 2026), timeline: 2024 meeting "endorsed the establishment of the Rapid Financing Facility (RFF)"; 2025, the Finance Ministers and Central Bank Governors approved the amended agreement, which "introduces the Rapid Financing Facility (RFF)". The date on which this amendment enters into force is not stated.
6. AMRO, "Members and Voting Power", *Annual Report 2025* (amro-asia.org, published July 2026, accessed November 2026), and AMRO, *Factsheet* (amro-asia.org, 2020 and 2026 editions), table "Members' Contribution & Voting Power": China US$76.80 billion (32.00 %), of which Hong Kong, China US$8.40 billion; Japan US$76.80 billion (32.00 %); Korea US$38.40 billion (16.00 %); Plus Three US$192.00 billion (80.00 %); ASEAN US$48.00 billion (20.00 %); total US$240.00 billion; AMRO, *Factsheet* (amro-asia.org, accessed November 2026): Singapore, financial contribution US$9.104 billion (3.793 %), purchasing multiple 2.5, maximum arrangement amount US$22.76 billion, voting power 12.304 votes (4.369 %), identical to Indonesia, Thailand, Malaysia and the Philippines.
7. AMRO, "History and Milestones" (amro-asia.org, accessed November 2026): "AMRO is established as a company limited by guarantee in Singapore in accordance with the Singapore Companies Act."
8. Monetary Authority of Singapore, "International Cooperation" (mas.gov.sg, accessed November 2026): "The ASEAN+3 Macroeconomic Research Office (AMRO), located in Singapore, was established in March 2010".
9. AMRO, "AMRO is officially established as an international organization in February 2016" (amro-asia.org, accessed November 2026): agreement "signed by all ASEAN+3 members in October 2014", which "took effect on February 9, 2016"; ceremony on "February 19, 2016" held "at the MAS building in Singapore"; conversion "from a company limited by guarantee to an international organization".
10. AMRO, *Factsheet* (amro-asia.org, accessed November 2026): "Headquartered in Singapore"; address "10 Shenton Way, #15-08 MAS Building, Singapore 079117".
11. International Organisations (Immunities and Privileges) Act 1948 (2020 Revised Edition), which empowers the conferment of privileges and immunities on international organisations by order.
12. AMRO, "Who We Are" (amro-asia.org, accessed November 2026): mission "To contribute to the macroeconomic and financial resilience and stability of the region through surveillance", with support for regional financing arrangements and technical assistance; AMRO, *Factsheet* (amro-asia.org, accessed November 2026): members are "the 10 member states of the Association of Southeast Asian Nations (ASEAN), and China; Hong Kong, China; Japan; and South Korea"; "its 14 member states"; AMRO, *Factsheet* (amro-asia.org, accessed November 2026), "Highlights of 2019 Activities": 13 annual consultation visits, 15 interim visits, 13 annual consultation reports, one flagship report (AREO).
13. AMRO, press release "ASEAN+3: Navigating Shocks Through Stronger Foundations and Deeper Financial Integration", Singapore, 5 October 2026, accompanying the ASEAN+3 Financial Stability Report 2026 and the AREO October Update (PR Newswire copy, accessed November 2026): "Growth is projected at 4.1 percent in both 2026 and 2027", inflation "at 1.6 and 1.7 percent, respectively"; Bernama, "AMRO Slightly Raises ASEAN+3 2027 Growth Forecast To 4.1 Pct", 5 October 2026, quoting Chief Economist Dong He: "The AI investment cycle is supporting a widening range of regional activities".

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg

14. Monetary Authority of Singapore, “International Cooperation” (mas.gov.sg, accessed November 2026): “Singapore has been a member of the IMF since August 1966.”; Monetary Authority of Singapore, “International Cooperation” (mas.gov.sg, accessed November 2026), on Tharman Shanmugaratnam's chairmanship of the IMFC from 2011 to 2015.
15. International Monetary Fund, country page “Singapore” (imf.org, accessed November 2026): “last Article IV Executive Board Consultation was on July 9, 2025”; Article IV country report dated 16 July 2025.
16. IMF-Singapore Regional Training Institute, website (imfsti.org, accessed November 2026): STI “was established in 1998” as “the International Monetary Fund's (IMF) regional training center for the Asia and Pacific region”; address 79 Robinson Road, CapitaSky #16-01, Singapore 068897; Monetary Authority of Singapore, “International Cooperation” (mas.gov.sg, accessed November 2026): “The IMF-Singapore Training Institute (IMF-STI) was set up in Singapore in 1998”; “It provides training on macroeconomic and financial management, and related legal and statistical issues”; jointly funded by the IMF, the Government of Singapore and the Government of Japan; IMF-STI website (imfsti.org, accessed November 2026) listing the Government of the Republic of Korea as a further partner.

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg