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Capital Market Development in Southeast Asia: Indonesia, Philippines and Vietnam



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Executive Summary

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- **Indonesia, the Philippines, and Vietnam have made substantial strides in capital market development** over the past decade, implementing regulatory reforms, modernising infrastructure, and expanding product offerings that have broadened market access and attracted growing investor interest. Each market has achieved notable milestones that demonstrate genuine commitment to deepening capital markets as complements to bank financing. Building on this progress, significant opportunities now exist for development finance institutions to support the next phase of market maturation through targeted interventions in credit enhancement, issuer readiness, and institutional investor development.

Chart 1: Capital Market Indicators of ASEAN countries, 2025

Country	LCY Corporate Bond Size	Corporate Bond Market Size/ GDP	Equity Market Capitalisation	Equity Market Capitalisation/ GDP	Turnover ratio on the equity market	Share of retail trading on the equity market	Share of foreign trading on the equity market
	USD bn	%	USD bn	%	%	%	%
Indonesia	32.2	2.2%	944.0	56.9%	30.3%	18.3%	45.7%
Philippines	27.0	5.0%	318.0	66.0%	13.0%	16.0%	46.3%
Vietnam	54.0	10.4%	367.6	71.5%	67.3%	54.1%	11.6%
Singapore	164.0	26.7%	820.7	134%	34.9%	-	-
Thailand	137.1	23.6%	504.6	96%	61.5%	29.0%	54.1%

Source: FiinProX, PSE, IDX, ADB ABO, CEIC. Note: the data are for the full year of 2025. The share of retail trading in Thailand does not include trading by foreign retail investors

- **Vietnam's capital markets have expanded rapidly in recent years, supported by strong retail participation and accommodative monetary conditions**. The equity market has grown substantially relative to GDP, with trading activity reaching the highest levels in ASEAN and the IPO pipeline has strengthened considerably. However, market liquidity remains concentrated in a narrow set of cyclical stocks, particularly banks and real estate, creating vulnerability to sector-specific shocks and limiting sustained foreign institutional interest. The market is overwhelmingly retail-driven, while institutional participation remains nascent despite recent regulatory reforms designed to attract long-term capital.

Meanwhile, **the corporate bond market has undergone significant restructuring** following disruptions in the real estate sector. Outstanding corporate debt has expanded considerably but remains concentrated in banking. Recent regulatory interventions have strengthened market discipline through mandatory credit rating requirements and stricter leverage limits for issuers.

Executive Summary (cont'd)

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- **Philippine capital market operates on a foundation of steady economic expansion and an established regulatory framework, yetit faces ongoing bottlenecks in secondary market depth and issuer diversity.** The equities sector is characterised by low turnover and a limited pipeline of new public offerings. The corporate debt market is similarly concentrated, with top-tier issuers accounting for the vast majority of outstanding bonds. The secondary market suffers from illiquidity due to a buy-and-hold investor base and the absence of executable pricing benchmarks. A notable bright spot is the accelerated adoption of sustainable finance. Driven by alignment with the ASEAN Taxonomy, ESG-labeled instruments now represent a material share of total issuances, supported by banks and institutional capital.

- **In the Indonesia's equity market, headline growth masks persistent weaknesses in depth and liquidity.** Market capitalisation remains unevenly distributed, with a disproportionate share concentrated among large firms, primarily SOEs and conglomerate-linked companies. IPO activity has moderated since 2023, reflecting electoral cycles, macro uncertainty, and concerns over issuer quality. While initiatives such as tiered listing boards and fiscal incentives have broadened access, low free float and persistent controlling-shareholder dominance continue to constrain institutional engagement. Meanwhile, the corporate bond market has grown in size but remains shallow and conservative. Issuance is concentrated among financial institutions and repeat issuers, investor demand is skewed toward high-grade credits, and maturities cluster in the 1 to 5-year range.

- **Actionable Recommendations for development finance institutions should address the structural constraints in the three countries through catalytic mechanisms** that strengthen market functions rather than simply adding capital. Credit enhancement remains a priority across all three markets, particularly through guarantee structures or direct co-investment vehicles that derisk lower-rated and first-time issuers in infrastructure and climate-aligned sectors.

  Technical assistance programs should focus on building issuer readiness, particularly for mid-sized corporates that lack the resources or expertise to navigate public market requirements. This includes support for financial reporting aligned with international standards, governance improvements, and development of credible sustainable finance frameworks with measurable key performance indicators and robust impact tracking. Meanwhile, anchor investment strategies should target qualified initial public offerings and sustainable bond issuances in priority sectors, demonstrating commercial viability and signaling quality to domestic institutional investors.

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2.1 Philippines – Market Landscape & Activity

The equity market is relatively small with modest liquidity, dominated by large conglomerates

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Chart 17: Market capitalisation of the equity market

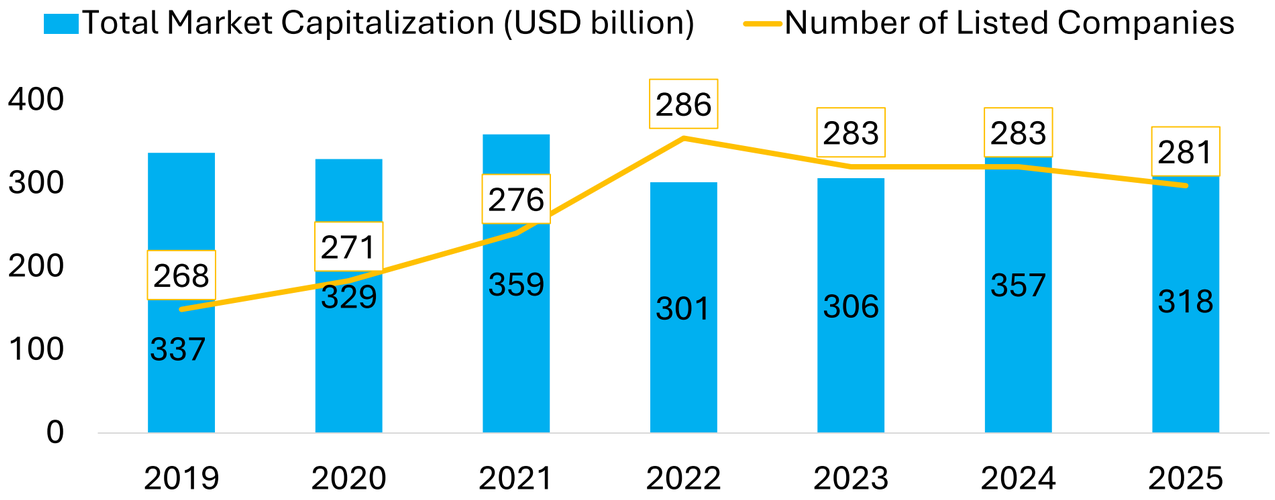
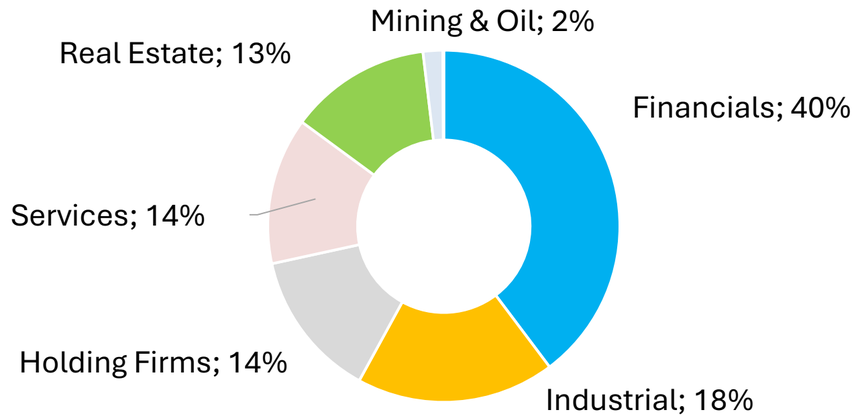


Chart 18: Weights of Market Capitalisation, FY2025



Source: Philippine Stock Exchange, EIU, Ipsos Analysis. Note: Sector are based on PSE industry classification. Industrial and services sectors include several holding-company–type firms, hence exposure to holding companies and conglomerate groups may be underestimated when viewed solely under the "Holding Firms" category

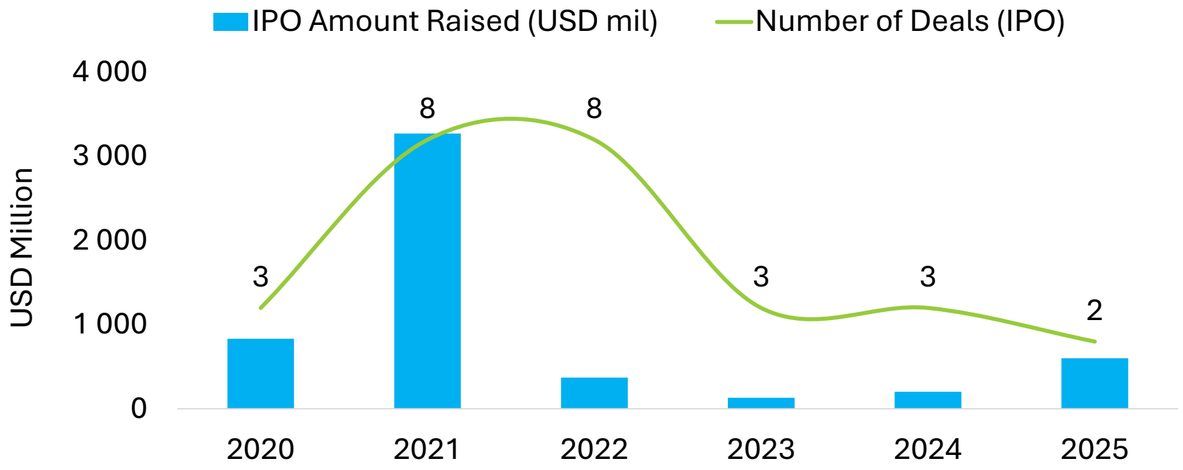
- **As of the end of 2025, total equity market capitalisation stood at approximately USD 318 billion, equivalent to around 66% of GDP, placing the Philippines among the group having small equity markets in ASEAN** on a GDP-adjusted basis together with Indonesia and Vietnam. The Philippine equity market is highly concentrated, both by sector and by ownership. Holding companies, financial institutions, and industrial firms dominate market capitalisation, reflecting the prominence of large conglomerate groups.
- **Liquidity remains the central structural weakness of the Philippine equity market.** Daily Average Value Turnover (DAVT) has struggled to recover to pre-pandemic levels, declining from around US$152 million in 2020 to approximately US$132 million in 2025. Trading activity is also highly concentrated in a small number of large-cap stocks, with limited participation across the broader market. As a result, the market remains shallow, with limited price discovery and subdued secondary trading activity, ultimately constraining its ability to scale and attract sustained capital inflows.

02 2.1 Philippines – Market Landscape & Activity

The IPO activity remains subdued, constrained by fragile investor confidence and low liquidity

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Chart 19: Philippines' Initial Public Offerings Over Years



Source: Philippine Stock Exchange, Ipsos Analysis

Chart 20: FY2022-2025 IPO Sectoral Concentration

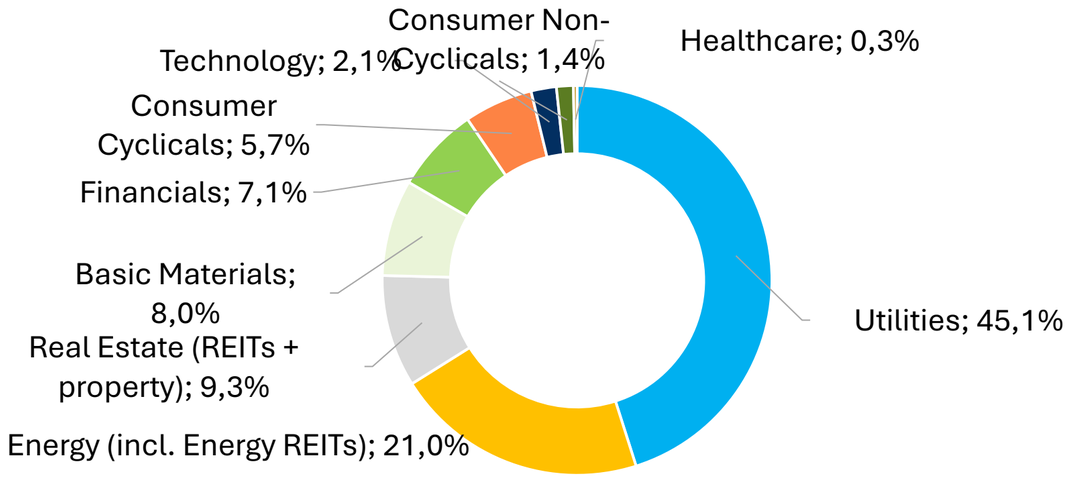


Chart 21: IPO Pipeline

Company	Sector	Expected IPO year
GCash (Mynt)	Technology / Fintech (digital wallet)	2026
SM REIT	Real Estate (REIT)	2026
Okada Manila	Consumer Cyclicals (integrated resort / gaming)	2026
Hann Holdings Corp.	Consumer Cyclicals (resorts / casino)	2026 *(deferred from 2025)*
Others	Utilities, Infrastructure, REITs (incl. non-property), Renewable Energy, Consumer/Logistics	2026–2027

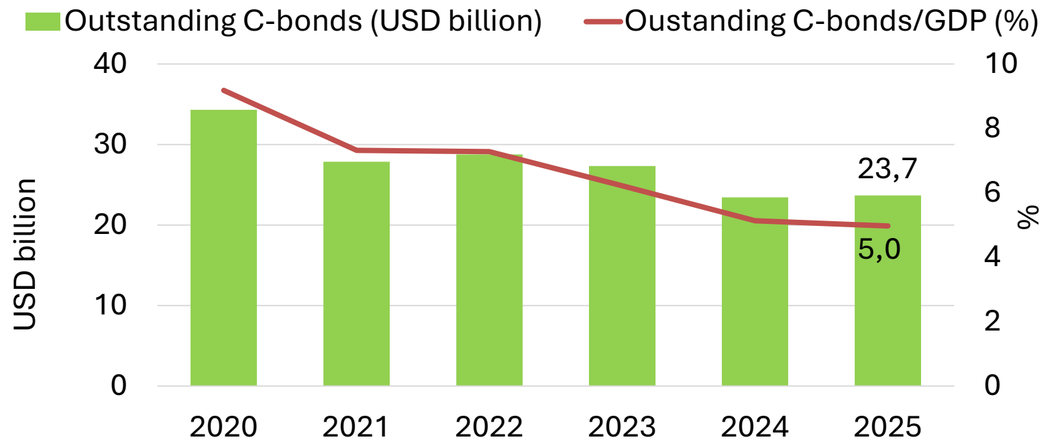
- **In 2025, initial public offering (IPO) activity on the Philippine Stock Exchange (PSE) remained subdued, with only two companies completing listings.** Market participants attributed the weak pipeline and postponements to broad uncertainty in both local and global markets, including U.S. trade policy volatility, poor equity valuations, thin liquidity, and heightened risk aversion.
- **The market remains constrained by family-controlled conglomerates' preference for private funding, concentrated ownership structures, and limited free float**, which reduce listing supply. Governance concerns further limit the depth of anchor demand for IPOs.
- **The PSE is targeting a modest pipeline of around four IPOs for 2026**. Reforms such as the easing of minimum public float requirements and updates to REIT rules are expected to facilitate listings. Sectorally, fintech is expected to be a key driver of IPO activity.

02 2.1 Philippines – Market Landscape & Activity

The corporate bond market remains modest in size with heavy concentration in banks and real estate

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Chart 22: Outstanding Corporate Bond Value



Source: AsianBondsOnline (ADB), Ipsos Analysis

Chart 23: Outstanding value by Sector

Sector	USD bil	%
Financials (Banks)	7.5	31.3%
Real Estate	7.3	30.5%
Utilities	3.9	16.2%
Holding Firms	3.8	15.8%
Transport	1.0	4.3%
Telecommunication	0.3	1.1%
Others	0.2	0.8%
Total	**23.7**	**100.0%**

Source: AsianBondsOnline (ADB), Ipsos Analysis

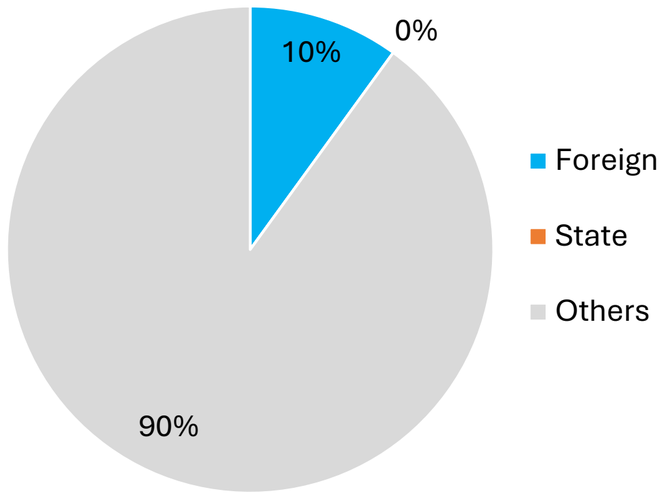
- **The Philippine corporate bond market has experienced a significant contraction in recent years**. This contraction is largely driven by a high-interest-rate environment that has pushed top-tier corporate issuers back toward the loan market, where they can negotiate more flexible terms with banks.
- **The market is characterised by a strong concentration in Banking and Real Estate**, highlighting a structural barrier. Also, the issuance is heavily skewed toward short- and medium-term maturities, limiting the market's capacity to fund long-term infrastructure.
- However, **the sustainable bond market remains the most developed segment of sustainable finance** in the Philippines, driven by the country's advancement in the energy transition. As of end of 2025, outstanding sustainable bonds reached USD 16 billion, growing 42% YoY, coming from both public (47%) and private (53%) sectors.

02 2.1 Philippines – Investor Landscape

The equity market is largely held by family conglomerates; foreign investors drive trading flow despite small ownership

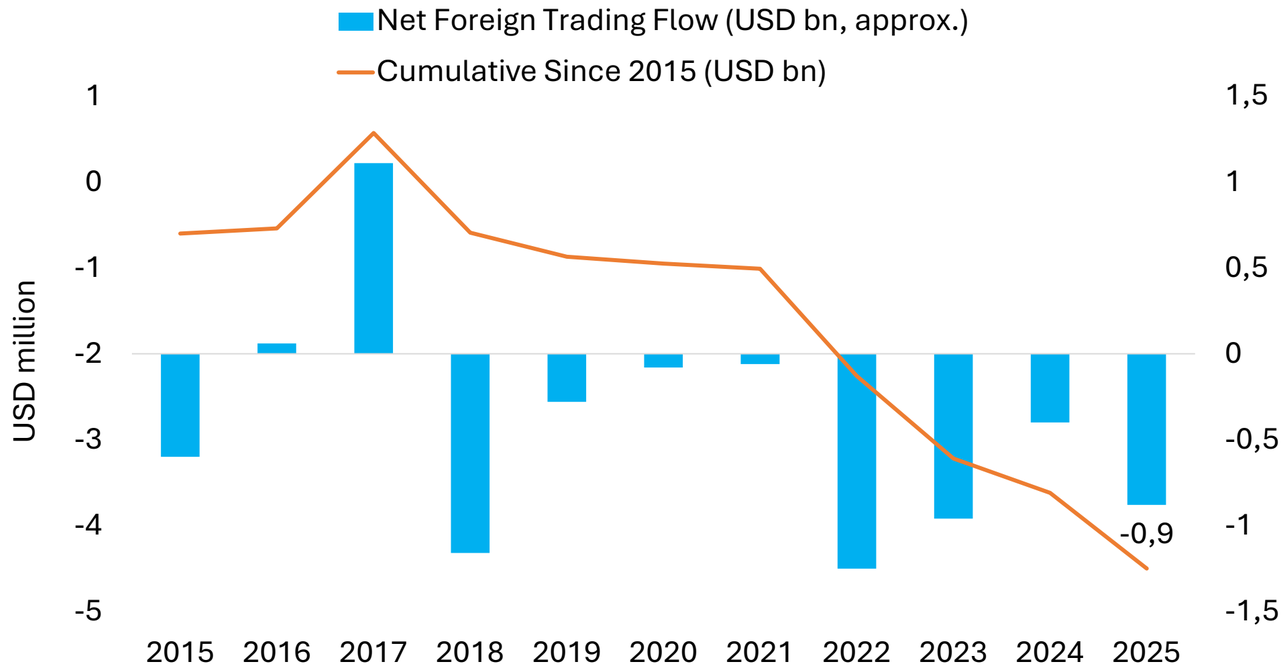
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Chart 24: Ownership structure on Philippine equity market (2024)



Source: OECD Capital Market Review of the Philippines (2024), Ipsos Analysis

Chart 25: Net Foreign Capital Flow on PSE



Source: Philippine Stock Exchange, Ipsos Analysis

- The Philippines has virtually no listed SOEs, despite the significant economic footprint of government-owned corporations.
- “Others” is overwhelmingly closely held by Family-controlled conglomerate corporate holdings with a buy-and-hold orientation alongside strategic individual / family owners and domestic free-float.

02

2.2 Philippines – Investor Landscape

Institutions are structurally conservative and predominantly allocated to G-bonds and deposits

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Chart 26: PH Institutional investors' profiles

	Size/Allocation	Key constraints	Effective market role
Commercial banks	• USD130bn investments • 73% gov't securities • Limited corporate bond/equity allocation	• Basel III capital adequacy requirements • Single Borrower Limit (SBL) on conglomerates • LCR/liquidity rules incentivize gov't/BSP securities	• Strong credit underwriting & fixed-income expertise • Main providers of corporate financing • Active in gov't/high-grade bonds • Limited appetite for equity and lower-rated corporate bonds
Pension funds (SSS/GSIS)	• SSS: USD12.1bn • GSIS: USD18.7bn • Portfolios concentrated in gov't bonds	• Mandatory allocation to gov't securities • Equity caps & strict eligibility criteria • Preference for investment-grade issuers with strong financials	• Sophisticated institutional investors with strong ALM capability • Long-term investment horizon • Conservative deployment into equities/corporate bonds • Focus on large, established issuers
Insurance companies	• USD35bn invested assets • Mainly long-duration gov't bonds, deposits, selective corporate bonds	• Minimum G-bond holding requirements • Exposure limits to issuers/assets • Risk-based capital and liability-matching rules	• Strong fixed-income and cash-flow matching expertise • Natural long-term investors • Preference for liquid, high-grade assets • Limited risk tolerance for equities/high-yield bonds
Trust entities (UITFs)	• USD11.5bn AUM • 60% money market funds • Smaller equity/bond fund segments	• Investment limited to prescribed instruments • 15% single-entity exposure cap • High liquidity requirements	• Strong short-term liquidity and retail fund management capability • Conservative allocation bias • Limited long-term capital market impact due to MM fund dominance
Mutual funds	• USD5.4bn AUM • More balanced mix across equity, bond, and MM funds	• Diversification and liquidity/redemption requirements • Need to maintain liquid portfolios	• More flexible investment mandates than other institutions • Professional portfolio management capability • Retail-driven and relatively small asset base constrains market influence

Source: Bangko Sentral ng Pilipinas, Insurance Commission, SSS and GSIS Annual Reports, Stakeholder & Expert Interviews, Ipsos Analysis

01

2.3 Philippines – Intermediaries and Market Infrastructure

Intermediary landscape is concentrated with bank-affiliated underwriters prioritising conglomerates

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Chart 27: Intermediaries' profiles

	Brokers	Underwriters	Research Providers	Credit Rating Agencies
Top Players	• 132 PSE Trading Participants. • Top 10 represent majority of turnover. • UBS Securities, Macquarie Capital Securities, BPI Securities are all Bank-Affiliated and lead institutional flow. • COL Financial leads retail volume but has smaller deal capacity.	• Largest underwriters (BDO Capital, BPI Capital, First Metro Securities) are all owned by universal banks. • The Maynilad 2025 IPO syndicate (the largest PH IPO since 2021) included China Bank Capital, SB Capital, Security Bank Capital, HSBC, UBS, and Morgan Stanley.	• Top players also bank-affiliated: BPI Capital, First Metro Securities. • Coverage anchored to large-cap / PSEi constituents.	• PhilRatings is the sole domestic CRA (since 2015 lineup unchanged). • Moody's, S&P, Fitch for sovereign and large-cap cross-border issuance.
Capacity & Expertise	Solid domestic corporate access for blue-chips and local institutions. International brokers + largest domestic houses provide reasonable engagement support for issuers and institutional investors.	• Strong in structuring, regulatory execution, documentation, distribution for domestic C-bonds and follow-on equity. • Capability built through repeat issuance by conglomerates, banks, and quasi-sovereigns. • English-language as a standard means low friction for foreign issuers.	• Adequate equity research capacity for large-caps and index names. • Strong relationships with listed conglomerates and FIs. • English-language as a standard means low friction for foreign issuers.	PhilRatings has decades of local-market expertise; strong on PH sovereign / bank / corporate credit risk, regulatory frameworks, conglomerate structures, peso-denominated instruments.
Constraints	• Small institutional investor base, low liquidity and infrequent large-cap deals make diverse institutional participation hard. • Roadshow / non-deal infrastructure shallow vs regional peers. • Market-makers cannot short bonds; unhedged inventory risk forces dealers out during volatility.	• Skills development limited in large/complex/growth IPOs and structured products (narrow institutional base, shallow secondaries). • Structural conflict as bank-affiliated IBs prioritize bank loans over capital-market solutions for parent-bank clients, focusing on Blue Chip issuers that fit parent risk appetite; mid-cap issuance pipeline weakens.	• Coverage heavily skewed to large-caps; mid- and small-caps largely uncovered leading to information asymmetry, deterring institutional capital, weakening price discovery. • Corporate-bond research is thin leading to limited price transparency and infrequent issuance. Prevents robust credit curves or continuous spread analysis.	• "High-quality bias" as domestic ratings cluster at top of scale; narrow spreads even within AAA tier. • Mid-sized firms locked out because insurers/pensions face stiff capital charges for sub-AAA paper. • Limited capacity for complex instruments (project bonds, securitization, blended finance). • No mandatory rating regime for private bonds → DFIs forced into bespoke due diligence.

Source: Stakeholder interviews, intermediaries' reports

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2.3 Philippines – Intermediaries and Market Infrastructure

Core infrastructure works for current volumes, key building blocks for short selling, derivatives are absent

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Chart 28: The Philippines' Capital Market Infrastructure

Component	Capacity	Constraints
Trading Platform, Equity *(PSE)*	• PSE on Nasdaq X-stream, supporting current volumes. 2025 upgrade to Nasdaq Eqlipse announced; improves resilience, pre-trade risk management, and advanced functionality. • PSE-PDS Group consolidation (2023) integrated equity and fixed-income under one operator.	• Liquidity thin outside blue-chips. Short selling, SBL, and derivatives development slow due to regulatory conservatism. • PH is the only ASEAN peer without exchange-traded derivatives; PSEi Index Future targeted via HKEX 2025/26 as interim.
Trading Platform, Fixed Income *(PDEx)*	• PDEx is centralised FI trading + listing for government and corporate bonds. • Electronic order-matching with continuous dealer quotation. • Bond Forward Programme in development; multi-currency framework expanding (AMBIF-eligible PHP issuances).	• Active issuers down 67 → 49 (2019 → FY2025). • Min deal size PHP 3–5B (~USD 55–90M) locks out mid-caps. • Secondary market shallow; most holders buy-and-hold. • Private placement residual (USD 0.9B vs USD 4.7B in 2015).
Settlement & Clearing *(SCCP, PDTC)*	• SCCP is CCP for equity (PSE subsidiary). • Stable and fit for current volumes, multi-currency settlement live. • PDTC as central depository for both equity and FI.	• Conservative by design; limited support for SBL, short selling, advanced post-trade. • SBL regulatorily live (52 names) but operationally frozen by BIR per-trade tax-cert delays. • Centralised SBL agency (Taiwan/Korea model) targeted 2026 to bypass BIR friction.
Data, Disclosure & Information *(PSE EDGE, EIP)*	• PSE EDGE is centralised disclosure portal; advanced vs frontier peers. • EIP delivers real-time + historical prices, disclosures, indices, issuer data. Reliable for regulatory-grade information.	• PSE EDGE only 2-yr search window. • Limited intraday/order-book depth; institutions rely on Bloomberg / Refinitiv. • Private-placement C-bond data only deal-by-deal (no aggregation). • No consolidated credit-rating coverage; investors fall back on internal models.

Source: Philippine Stock Exchange Group (PSE, PDEx, SCCP), Ipsos Analysis

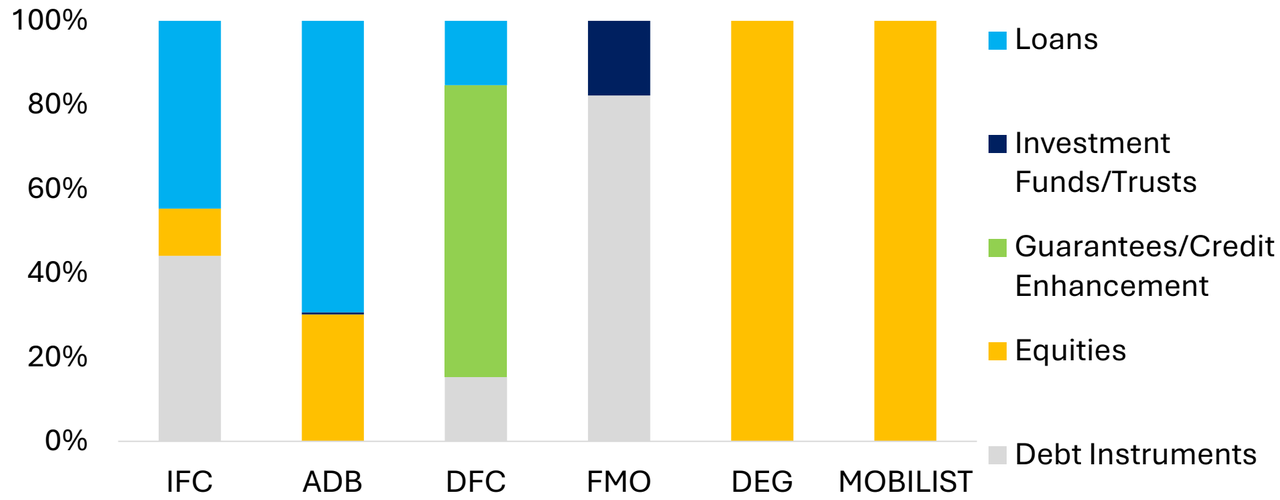
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2.4 Philippines - Synthesis of DFI Interventions

Characterised by large-ticket investment in FIs and renewable energy, skewed towards large corps

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Chart 29: : Composition of DFI-Recorded Deals in the Philippines by Product Type, 2022 - 2025



Unit: USD Mil	IFC	ADB	DFC	FMO	DEG	MOBILIST
Loans	561.1	422.2	20.0	--	--	--
Investment Funds/Trusts	--	3.0	--	5.5	--	--
Guarantee/ Credit Enhancement	--	--	90.5	--	--	--
Equities	141.3	183.8	--	--	27.2	12.5
Debt Instruments	554.4	--	20.0	22.5	--	--

Source: IPSOS' compilation. Note: Excludes investments made via private equity funds with multi-countries mandates.

Gaps:

- **Limited Institutional Structures.** No blended-finance / project bonds; infra trapped in bank loans under SBL caps.
- **"Dry" Exits.** Only 3–4 IPOs/year; DFI exits forced into strategic sales or buybacks.
- **No Derivatives / FX Hedging.** No exchange-traded futures; no long-dated FX hedging beyond short-term NDFs.
- **Rating Blind Spots.** No mandatory ratings for private bonds; DFIs locked to top-tier conglomerates.

Opportunities:

- **ADB Energy Transition Mechanism (ETM).** PH is a pilot country; concessional capital to retire coal, fund renewables.
- **REIT Exit Route.** 8 listed REITs provide liquid exit path for real estate, energy, and infra assets.
- **Conglomerate Capital Needs.** Generational transition + balance-sheet optimisation open pre-IPO, cornerstone, and minority-stake entry points.

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04 Comparative Analysis

Vietnam is in a high-growth phase, while Philippines & Indonesia represent more mature EMs

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Chart 48: Comparison of Vietnam, Indonesia and Philippines capital markets

Category	Vietnam	Indonesia	Philippines	Comparative analysis
Depth & size				
Market capitalisation (% of GDP)	71.5%	56.9%	66.0%	Vietnam's high depth-to-GDP suggests a market ready for institutional transition, while the Phillipines's shallow bond market represents a major untapped opportunities for DFIs to build scale. Indonesia has the lowest MarCap among three, dominated by SOEs in major indices.
Number of listed companies	Main boards: 706 Secondary board: 869	956	Main board: 271 SME board: 10	
Outstanding C-bond size (% of GDP)	10.4%	4.9%	2.1%	
Investor base & Composition				
Share of foreign investors (% of equity trading value)	11.6%	45.7%	46.3%	Indonesia and the Phillipines has a more mature investor base acting as a long-term stablilising force. Vietnam remains retail-driven, though the 2026 FTSE upgrade and roadmap to MSCI EM status are designed to pivot this towards institutions for Vietnam.
Share of retail investors (% of equity trading value)	54.1%	18.3%	16% (2024)	
Institutional share of bond holdings	~ 85% (2024)	82% (2024)	70-80%	
AUM of investment funds (% of GDP)	6.3%	~4.5%	~4.0%	
Liquidity & free-float				
Turnover ratio	67.3%	30.3%	13.0%	Vietnam market possesses strong liquidity and rapid development as it approaches the EM status, while the Phillippines's low liquidity and turnover can create "liquidity trap" where large entries/exits cause massive price slippage. Indonesia's recent increase of free-float requirements signals a national push to further improve market investability. Vietnam's higher free float reflects relatively broader retail participation, which increases the proportion of shares available for trading. In contrast, Indonesia and the Philippines end to have more concentrated ownership structures, often dominated by family conglomerates or strategic shareholders, resulting in a lower proportion of shares in public hands.
Average daily trading value (USD million) on the equity market	1,127	1,094	130	
Minimum free-float ratio for listing	10%	15% (recently increased from 7.5%)	12-33% (depending on size)	
Average free float ratio	43%	28%	Around 30%	
Average daily trading value (USD million) on the C-bond market	222	260	~ 1.5 – 2.5	

Source: ABO, FiinProX, exchanges and interviews. Note: Data are 2025 full year, unless otherwise noted

04 Comparative Analysis

Indonesian market is generally deeper, while Vietnam is advancing through ESG adoption & integration

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1 ESG Frameworks

Indonesia has the most mature and structured ESG framework among the three, with mandatory sustainability reporting and a national green taxonomy, and repeated sovereign green sukuk issuances anchoring market credibility.

The Philippines has sovereign sustainability issuances that support market development, but its disclosure regime remains less prescriptive.

Vietnam is progressing rapidly with the introduction of a green taxonomy and growing green and sustainability-linked issuances, yet implementation remains largely voluntary, with data transparency and standardised reporting still developing.

2 SOE Listing Potential

Indonesia has the most established presence of listed SOEs among the three markets, with state-owned banks and infrastructure firms forming a meaningful share of market capitalisation and liquidity.

The Philippines, by contrast, has virtually no listed SOEs, despite the significant economic footprint of government-owned corporations—highlighting a large untapped source of quality supply for its equity market.

Vietnam sits in between: SOE-related stocks already play an important role in market performance, and policy direction increasingly supports equitisation, but the actual pipeline is thin due to the structural constraints.

3 Regional Integration

Indonesia has a relatively developed capital market and has taken steps toward regional integration, including cross-border investment frameworks.

The Philippines' capital markets remain largely domestic-focused, with limited cross-border activity, reflecting regulatory restrictions and lower market depth.

Vietnam is increasingly opening its capital markets to foreign investors and aligning regulations with international standards, but actual cross-border investment volumes are still modest compared with its potential.

4 MSCI Classification

Indonesia is a long-standing MSCI EM facing a near-term governance-related review. The recent focus on ownership structures and trading patterns underscores a shift toward prioritising transparency and free-float reliability.

The Philippines maintains EM inclusion but with a limited index footprint, creating a liquidity trap for mid-sized firms that fail the high MSCI hurdles.

Vietnam presents a unique paradox, with broad breadth and higher retail liquidity than its EM peers but lacks the "institutional anchor" of a formal EM status. The FTSE upgrade remains the near-term catalyst for institutional re-rating ahead of a potential MSCI transition.

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Philippines – Actionable Recommendations

Aim to strengthen issuer readiness and market infrastructure through targeted regulatory and DFI support

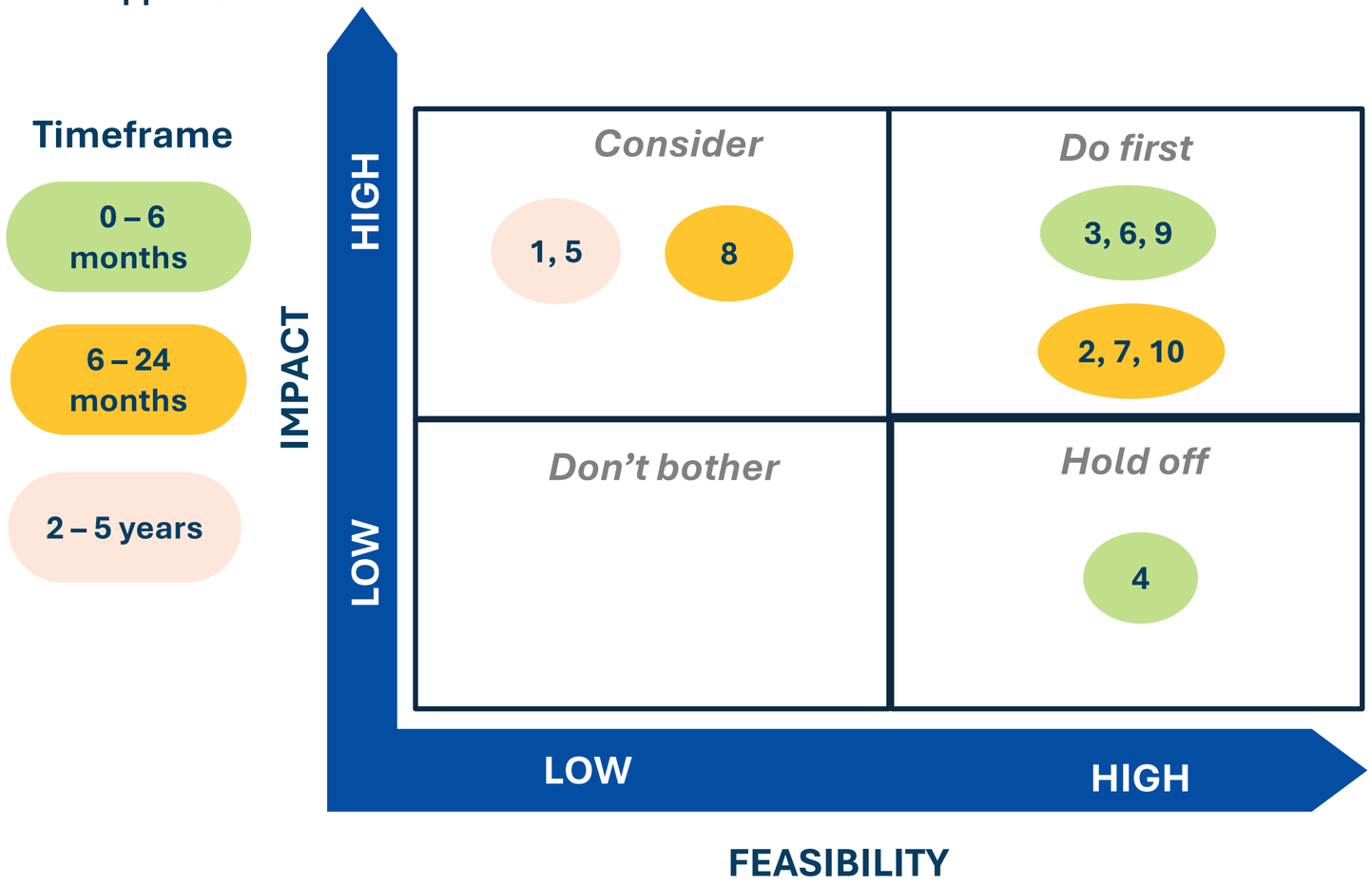
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Constraints	Actionable Recommendations	Stakeholder responsibility		
		Regulators	DFIs /Mobilist (*)	Others
Limited risk sharing	1. Establish a listed vehicle that provides Credit Guarantees for mid-cap bonds. This "wraps" the bond, lowering the risk weight for insurers and allowing them to invest.		✖ (*)	
Need for market signaling & crowding-in effect	2. Act as a cornerstone investor for 1-2 high-profile conglomerate spinoffs or non-property REITs (e.g., Energy/Infra REITs). MOBILIST participation validates the valuation, encouraging families to list assets rather than privatise them.		✖ (*)	
	3. Establish a cornerstone investor facility (e.g., via MOBILIST/DFIs) to underwrite a portion of the public float for large-cap IPOs under the tiered regime, reducing execution risk and supporting successful price discovery.		✖ (*)	
Limited issuer pipeline & IPO readiness	4. Fund a centralised "pre-IPO" incubator (TA) that aggregates advisory, underwriting, and legal prep for potential issuers. This reduces the high upfront cost and complexity of going public, addressing the "cumbersome" listing process cited by PSE.	✖		
	5. Policy work to encourage banks to package infrastructure loans into securitised listings (securitisation). This frees up bank balance sheets (currently hoarding loans) and creates new listed assets for the market.	✖		
Information asymmetry & limited coverage	6. Fund a "Research Subsidy Scheme" (modeled after SGX) that pays independent research firms to cover mid-cap and ESG-focused listed firms, improving price discovery and visibility for foreign investors.		✖	
	7. Provide TA to transfer proprietary actuarial models and climate risk datasets to local insurers. This removes the "unquantifiable risk" barrier that currently prevents insurers from backing agricultural or climate-adaptation listings.		✖	
Missing risk management tools	8. DFIs to provide TA on the development of clearing rules and risk frameworks for a derivatives market. This allows foreign investors to hedge currency/market risk onshore.		✖	
	9. Deploy a specialised TA team to facilitate a "Tax Tech" solution between BIR and PSE. The goal is to digitise the tax exemption certificate for Securities Borrowing and Lending (SBL), unlocking the "frozen" short-selling market.	✖		
ESG standard & verification gaps	10. Deploy TA to establish a market-wide term sheet convention – modeled on international standards but with binding contractural teeth, to standardise step-up coupon triggers, ESG KPI definitions, and third-party verification requirements at issuance; act as a cornerstone investor in 1-2 pilot issuance to force the market convention into existence by example.		✖ (*)	

05 Philippines – Actionable Recommendations

Combine near-term, highly feasible market-enhancement measures with longer-term structural reforms

Chart 50: Impact – Feasibility matrix for the actionable recommendations for the Philippines



Note: Recommendations in the same quadrant do not differ in terms of impact and feasibility

- **Several initiatives**, including cornerstone investor facilities, independent research support, ESG covenant standardisation, and tax process digitisation for securities borrowing and lending, **are considered highly feasible** because they can leverage existing institutional frameworks and require relatively limited regulatory reform. In particular, DFIs and MOBILIST can play a catalytic role by anchoring early transactions, validating market standards, and reducing execution risks for both issuers and investors.
- At the same time, **more ambitious structural reforms,** such as securitisation frameworks, climate risk data integration for insurers, and derivatives market development, **offer potentially transformative long-term impact but face greater institutional, technical, and regulatory complexity**. These initiatives require substantial technical assistance, market infrastructure upgrades, regulatory coordination, and capacity building across both public and private sector stakeholders. As such, phased implementation, pilot transactions, and strong coordination between regulators, DFIs, exchanges, and private sector institutions will be critical to ensuring adoption, market confidence, and long-term sustainability.