

🔍 IUT AMRO

# AMRO AND THE CMIM

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## Overview of the CMIM

In response to the Asian Financial Crisis, ASEAN+3 member authorities decided in 2000 to strengthen their financial cooperation through the establishment of the Chiang Mai Initiative (CMI), comprising a network of bilateral swap agreements among members. The CMI was multilateralised into a single contractual agreement called the Chiang Mai Initiative Multilateralisation (CMIM) Agreement, which came into effect on 24 March 2010.

The CMIM is a multilateral currency swap arrangement for liquidity support among ASEAN+3 members, established at USD120 billion. Its core objectives are to: (i) address balance of payment and/or short-term liquidity difficulties in the ASEAN+3 region, and (ii) supplement existing international financial arrangements. The evolution of the CMI into the CMIM marked an important milestone, exemplifying the members' strong commitment to continuously improving and promoting financial stability in the region.

The contracting parties to the CMIM Agreement comprise the finance ministries and central banks of ASEAN+3 countries (Brunei Darussalam, Cambodia, China, Indonesia, Japan, Korea, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam), and the Hong Kong Monetary Authority.

The CMIM was further strengthened in 2014 by doubling the size of the facility to USD240 billion, increasing the CMIM-International Monetary Fund (IMF) De-linked Portion to 30 percent, and extending the maturity and supporting periods. A crisis prevention facility – the CMIM Precautionary Line – was also introduced, in addition to the existing CMIM Stability Facility; the latter of which is for crisis resolution.

In March 2021, members amended the CMIM Agreement to increase the IMF De-linked Portion to 40 percent from 30 percent of each members' maximum arrangement amount, and to institutionalize the use of local currencies, in addition to the U.S. dollar, for CMIM financing on a voluntary and demand-driven basis.

CMIM members have repeatedly affirmed their commitment to further strengthening the CMIM as part of the regional financial safety net. The CMIM has also been enhanced through, for instance, test runs, revisions of the Operational Guidelines, and periodic reviews.



### Total size and contribution

The total size of the CMIM is USD240 billion.

VIEW  
CONTRIBUTION &  
VOTING POWERS



### Governance and decision making

Two coordinating countries +

Decision making +



### Financing facilities

CMIM Stability Facility (CMIM-SF) for crisis resolution +

CMIM Precautionary Line (CMIM-PL) for crisis prevention +

Relationship between CMIM-SF and CMIM-PL +



### Conditions precedents and covenants

Read More +



### CMIM's coordination with other financial facilities

Read More +

## Support to the CMIM

Supporting the implementation of the CMIM is one of AMRO's core functions. AMRO's effort has centered on providing support to members on the following aspects to enhance the CMIM's operational readiness.

Operational Guidelines +

Test runs +

Peacetime checklist +

Economic Review and Policy Dialogue (ERPD) Matrix +

Periodic review +

Intellectual and administrative support +

[2000 - 2009](#) +[2010 - 2021](#) +

## Regional Financing Arrangements

Regional Financial Arrangements (RFAs) are mechanisms or agreements through which groups of countries mutually pledge financial support to countries experiencing financial difficulties in their regions. There are multiple active RFAs globally, with CMIM/AMRO providing a financial safety net for the ASEAN+3 region.

Other forms of financial safeguards comprise national foreign exchange reserves, bilateral swap lines, as well as financial assistance from the IMF.

RFAs were typically set up in response to different types of crises, such as those related to currency, sovereign debt or bank runs. Cooperation between RFAs – and between RFAs and the IMF – is crucial to limit the worst effects of the next financial crisis. The first High-Level Dialogue on the role of RFAs was held in 2016 in Washington, D.C., where participants agreed to hold a Joint RFA Research Seminar on an annual basis. The most recent seminar jointly organized by AMRO, the European Stability Mechanism, and the Fondo Latinoamericano de Reservas, was virtually held in December 2020.

Several joint research and other initiatives have been put in place to enhance the capacities of RFAs, as well as strengthen cooperation among RFAs, and between RFAs and the IMF.

### References:

- RFA High-level Dialogue: [2021](#) | [2020](#) | [2019](#) | [2018](#) | [2017](#) | [2016](#)
- RFA Research Seminar: [2021](#) | [2020](#) | [2019](#) | [2018](#) | [2017](#)
- Blogs: [2021](#) | [2020](#) | [2019](#) | [2018](#) | [2017](#)