

ASIA PACIFIC FINANCIAL FORUM

An Overview of APFF Work Related to Retirement and Long-term investments

Makoto Okubo, Nippon Life Insurance Company

Sherpa, APFF Insurance and Retirement Income Work Stream
and APFF Retirement and Long-Term Investment WG

Lima, Peru, 14-16 November 2016

2016 APEC Joint Finance Ministerial Statement

- 2016 APEC JOINT FINANCE MINISTERIAL STATEMENT issued on 15 October 2016 in Lima includes the following paragraph, which is important to us.

"We commend ABAC for its contributions in 2016 for the implementation of the CAP, including the activities undertaken in the Asia-Pacific Financial Forum (APFF) and the Asia-Pacific Forum on Financial Inclusion.

We welcome ABAC's report and recommendations on access to finance, infrastructure investment, capital markets, and health and disaster risk financing.

We encourage relevant authorities to collaborate with the private sector in advancing them in 2017."



APFF Insurance and Retirement Income Work Stream

APFF Progress Report 2016

Expanding the Region's Long-Term Investor Base

1. Pension/Protection
2. Infrastructure/Investment
3. Regulatory/Accounting

Strengthening Financial Resilience

4. Disaster Risk Financing
5. Micro-Insurance

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Pension/Protection

1. Mandatory provisions and scalable retirements systems
2. Tax incentives to promote long-term saving products
3. Product innovation and financial awareness

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Infrastructure/investment

1. Promotion of infrastructure as a defined asset class
2. Increased fiscal spending on infrastructure projects
3. Adoption of financing vehicles within PPP framework

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Regulation/Accounting

Regulatory issues

1. Bank-centric regulations
2. Short-term oriented economic regime
3. "One-size-fits-all" model

Remaining key accounting issues

- *Unit of account*
- *Scope for "variable fee approach"*

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APFF Insurance and Retirement Income WS [Sherpa Makoto Okubo]		
CAP	4E Long - Term Investment in Infrastructure	3B Disaster Risk Financing and Insurance
WG	Retirement and Long-Term Investment Working Group [Sherpa Makoto Okubo / Vice Sherpa Paul F. Lynch]	Disaster risk financing and Insurance Working Group [Sherpa Masaaki Nagamura]
SG	Retirement Savings and Lifetime Retirement Income [led by Vanessa Wang]	Disaster Risk Financing [led by Masaaki Nagamura]
	Capital Market and Long-Term Investments [led by Brian Murray] in collaboration with APFF Capital Market WS	
	Regulation and Accounting [led by Makoto Okubo]	Micro-Insurance [led by Antonis Malagardis] in collaboration with Financial Inclusion Group
CG	Coordination Group [led by JC Parrenas, Anthony Nightingale, Sherpas]	

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Completed and Ongoing Work

- **Retirement/Protection:**
 - Case Study on selected APEC economies and examine gap on retirement income and longevity solutions
 - Review of potential solutions (tax incentives, government subsidy)
 - Participation to pension conferences (i.e. OECD, APIC)
- **Infrastructure/Investment:**
 - Discussion of restrictions and issues that could impede their ability to fund long-term investment.
 - Case study on selected APEC economies and examine possible improvements to attract pension and insurance long term investors.
 - Construction Period Guarantee (cf CGIF)
 - PPP Center (cf Philippines)

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Completed and Ongoing Work

- **Regulation/Accounting**

- Continued engagement with IASB/FASB, IAIS and Asian and Latin American insurance regulators, solvency frameworks for APEC emerging economies
- Participating in regional conferences/meetings to discuss regulatory/accounting issues (i.e. APEC/APFF, IAIS, OECD, ASEAN, ASSAL, IIF, NAIC, etc.)
- Continue a dialogue with regulators/supervisors/accounting standard setters to discuss relevant issues, and to coordinate with other stakeholders
 - Continuous dialogue with IASB
 - Continuous dialogue with IAIS
 - Comment letters on ICS Consultation (i.e. IIF/Geneva Association, GFIA, Japan FSA)

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2017 work plan on Retirement/Long-Term Investment

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- **Retirement/Protection:**

- Case Study on selected APEC economies and examine gap and potential solutions on retirement income and longevity solutions
- Coordination with pension industry (i.e. APIC) and dialogue with pension authorities

- **Infrastructure/Investment:**

- Case study on selected APEC economies and examine possible improvements to attract pension and insurance long term investors
- Coordination with global initiatives (i.e. GIH, IISS) and securities industry (i.e. ASIFMA) and dialogue with securities authorities
- Establish **Islamic Infrastructure Investment Platform (I3P)**

- **Regulation/Accounting**

- Case study on selected APEC economies and examine possible implementation support
- Continue a dialogue and participate in conferences with regulators/supervisors/accounting standard setters to discuss relevant issues, and to coordinate with other stakeholders

2016 seminars contributed by the APFF RLTIWG

- OECD/ADB Roundtable on Capital Market and Financial Reform, Tokyo, 22-23 March
- G20/OECD High-Level Roundtable on Institutional Investors and Long-Term Investment, Singapore, 25 April
- Workshop & Dialogue with Trade and Financial Officials & Experts on Islamic Infrastructure Investment Platform, Kuala Lumpur, 10 May
- Indonesia Infrastructure Finance Conference, Jakarta, 23-24 May
- Global Insurance Forum, Singapore, 12-15 June
- OECD/ADB Roundtable on Insurance and Retirement Saving, Tokyo, 22-23 June
- APFF Symposium, Shenzhen, 1-4 August
- NAIC Asia Pacific Conference, San Diego, 23-25 August
- APIC ASEAN+JAPAN Pension Funds and Social Security Systems Summit, Manila, 21 September
- APEC Executive Dialogue on Finance, Lima, 12-15 October
- IAIS Annual Conference, Asuncion, 10-11 November
- ASIFMA Annual Conference, Singapore, 17-18 November
- ASEAN Insurance Summit, Yogyakarta, 22-24 November

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Asia Pacific Financial Forum (APFF) Insurance and Retirement Income Work Stream

The screenshot shows the MackGlobe.com website. At the top, there is a navigation menu with links for Home, Insurance Forum, Language/Events, Travel/Photography, and Travel/Entertainment. Below the navigation is a large image of a person walking in a mountainous landscape. Underneath the image is a green banner with the headline: "ABAC submitted 2016 APFF Progress Report to the APEC Finance Ministers, August 31, 2016". Below the banner is a "Read more" button. To the left of the main content is a "Recent Posts" section with a list of articles. To the right is a "Members Only" section with a list of links. At the bottom of the screenshot, there is a "Resources" section with a list of links.

For more details on the APFF, visit mackglobe.com or email
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