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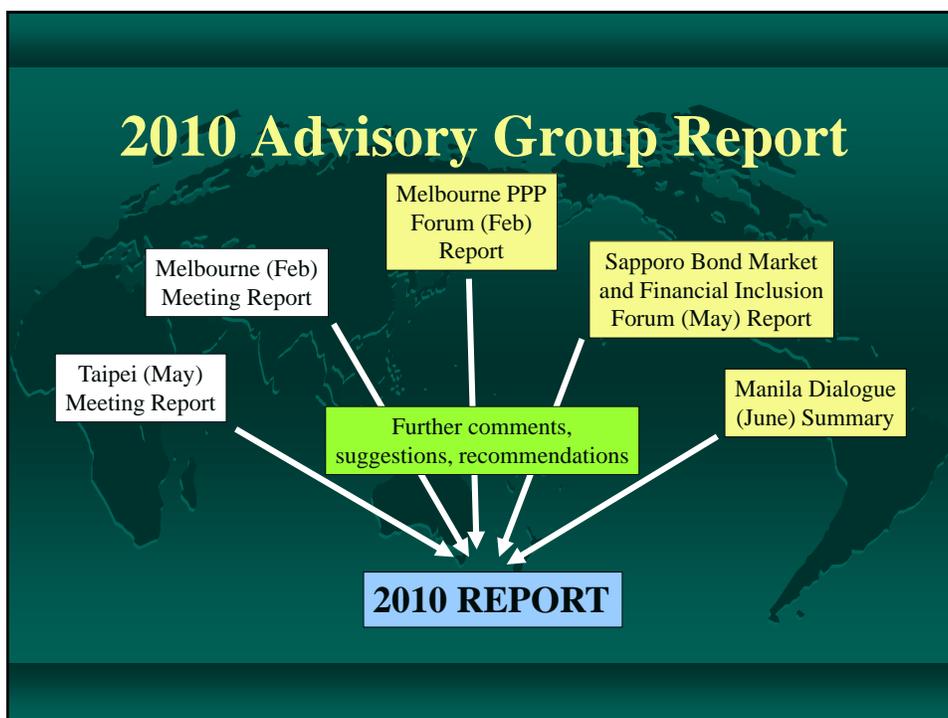
APEC Asia-Pacific
Economic Cooperation

**The Advisory Group on APEC Financial System
Capacity-Building**
A Public-Private Sector Initiative

Third Meeting 2010
26 August 2010
Ballroom 1, InterContinental Hotel Bangkok
Bangkok, Thailand

Meeting Paper 8-B
**2010 Report on Capacity-Building
Measures to Strengthen and Develop
Financial Systems**

Office of the Advisory Group Chair



Recommendations

FINANCIAL INCLUSION

- *The Advisory Group welcomes the launch of an APEC financial inclusion initiative under the APEC Finance Ministers' Process and calls on APEC member economies, multilateral institutions and the private sector to collaborate in the successful implementation of this initiative.*

Recommendations

SME FINANCE

- *The Advisory Group urges APEC to undertake an SME Finance Initiative that focuses on developing properly structured credit sharing information systems and improving legal infrastructure to promote SME finance.*

Recommendations

INFRASTRUCTURE PPP

- *The Advisory Group recommends that APEC undertake a pathfinder initiative in cooperation with ABAC and the Advisory Group and involving interested member economies, to promote an Asia-Pacific Infrastructure Partnership (APIP), bringing together public and private sectors and multilateral institutions.*

Recommendations

CAPITAL MARKETS

- *The Advisory Group recommends that APEC Finance Ministers and Senior Finance Officials undertake discussions with a view to compiling a package of measures to bring the development of the region's capital markets to the next level. We recommend that these discussions focus on (a) development of wholesale securities markets exclusively for professional investors; (b) regional public-private sector collaboration mechanisms to reduce barriers to cross-border settlement; (c) use of foreign securities as eligible collateral throughout the region; (d) ways to accelerate the region-wide convergence of accounting standards, disclosure regimes and corporate governance practices; and (e) establishment of a pathfinder initiative to introduce a regional funds passport scheme.*

Recommendations

REGULATORY REFORM CAPACITY (1)

- *The Advisory Group recommends that APEC Finance Ministers support capacity-building measures to help emerging markets in the region improve financial supervisory capacity, calibrate local conditions to global standards, promote the adoption of proven tools such as scorecards to strengthen corporate governance, and strengthen financial sector safety nets (including frameworks for liquidity support, sound crisis management policies and procedures and deposit insurance firms' governance and strategies).*

Recommendations

REGULATORY REFORM CAPACITY (2)

- *The Advisory Group proposes that APEC Finance Ministers support the development of a robust regional financial architecture, including a regional forum of financial regulatory authorities and the financial industry to address regulatory issues in light of the region's needs, review the relevance and impact of global reforms on the region, and ensure that development of global standards take into account market practices and market infrastructure in the region.*

Attachments

- CONFERENCE REPORT OF THE APEC PUBLIC-PRIVATE SECTOR FORUM ON THE DEVELOPMENT OF BOND MARKETS AND FINANCIAL INCLUSION, 31 MAY, SAPPORO, JAPAN
- CONFERENCE REPORT OF THE PUBLIC-PRIVATE PARTNERSHIPS FORUM, 9 FEBRUARY 2010, MELBOURNE, AUSTRALIA

