Second Meeting 2008
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The Atrium
Hotel Baltschug Kempinski
Moscow, Russian Federation

Meeting Paper 8-A
DRAFT PAPER ON THE 4TH
SEACEN/ABAC/ABA/PECC PUBLIC-
PRIVATE SECTOR DIALOGUE ON BASEL
II IMPLEMENTATION AND
STRENGTHENING BANKING SYSTEMS

Prepared by the South East Asian Central Banks (SEACEN)
Research and Training Centre
Description

This Dialogue will once again be held in conjunction with the SEACEN Directors of Supervision Conference and Meeting; and the fourth collaboration with ABAC, ABA and PECC. The main aim for this event is to review the progress on the issues that were previously raised in the 3rd Dialogue as well as to discuss major issues relating to the implementation of Basel II in the region’s banking system. As in the previous Dialogues, private sector organisations including commercial banks and financial institutions will be invited, in order to provide an ideal forum on such issues.

Proposed topics/themes from SEACEN members/ABAC/ABA/PECC

1. Challenges and issues in the financial environment and their implications for macroeconomic policy:
   - Broad review of the robustness of regional banking systems in handling the current liquidity and credit constraints now facing global banking systems
   - Measures to achieve/maintain financial stability, including improving financial information to enhance regulators’ capabilities to monitor short-term capital flows and to strengthen investor confidence in markets

2. Toward international best practices in implementing Basel II:
   - Frameworks for prudential supervisory policy in developing economies
   - Approaches to self-assessment of objectives and performance by banking regulatory agencies
   - Improving governance in banking and making boards and regulatory agencies more responsive and effective
   - Facilitating culture change in banking organizations
   - The economic capital concept, its application and challenges

3. Enhancing regulatory coordination and response to cross-border challenges in implementing Basel II:
   - Promoting regulatory coordination in implementing Basel II in the region
   - The robustness of the cross-border banking frameworks and principles

4. Basel II Pillar 3 and IFRS:
   - Sharing of disclosure standards
   - Improving financial information; transparency, disclosure and convergence of data requirements and reporting standards, including standards that would help convergence of credit rating practices and credit assessment
   - Privacy laws and information flows.
   - Supervisory implications of the implementation of IFRS 7 and IAS 32, 39.

5. Corporate Governance:
   - The role of corporate governance in bank safety and financial stability.
   - Corporate social responsibility.
6. Promoting robust credit reporting standards
   ▪ The role of credit bureaus
   ▪ Privacy issues
   ▪ Capacity-building to develop best practices
   ▪ Toward an Asia-Pacific regional framework

7. Financial Inclusion/Microfinance
   ▪ Promoting a conducive legal, policy and regulatory framework
   ▪ Regional cooperation
   ▪ The impact of Basel II on microfinance.

8. Capacity building and public-private partnership:
   ▪ Strengthening and developing corporate bond markets
   ▪ Promoting creditor rights, informal work-outs
   ▪ Protection of consumer interests.
   ▪ Infrastructure public-private partnership