Key Takeaways from the 5th Pan Asian Regulatory Summit

Asia-Pacific Financial Forum Roundtable on Financial Regulation
Hong Kong

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# 5th Pan Asian Regulatory Summit (29 & 30 Oct 2014)

## Topics

<table>
<thead>
<tr>
<th>Topics</th>
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<tbody>
<tr>
<td>What does the future hold for the global regulatory landscape?</td>
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<td>Regulatory risk management across Asia</td>
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<td>Supervision &amp; enforcement trends</td>
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<td>Personal data protection &amp; cyber threats to financial institutions</td>
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<td>Financial crime, AML &amp; transaction monitoring</td>
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<td>OTC derivatives reform implementation including Basel III capital &amp; liquidity reforms</td>
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<td>A better connected China – opportunities &amp; challenges</td>
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<td>Bank resolution &amp; recovery regimes</td>
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<td>Electronic trading platforms, dark pools and high-frequency trading</td>
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<td>Corporate &amp; risk governance</td>
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<td>Measuring risk culture &amp; conduct – manage, measure &amp; embed employee behaviour</td>
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Not all global regulatory reforms are relevant to the Asia Pacific
Implement some global reforms to maintain high international standards
Region focusing on developing markets with new products and services
Increased efforts at regional cooperation and harmonization

US/EU need to be made aware of negative impact of regulation
Region is increasingly being heard globally
Asian regulator’s form coalitions on issues
Speaking with a consistent voice

Information sharing between regulators is increasing
Focus on enhanced supervision and enforcement
Seeking to address cross border activities
Trying to resolve cross-border regulatory issues
Key Regional Issues

Management of Data
- Privacy and security of data an area of focus
- Allowing cross-border flows important
- Mandatory on-shoring not recommended
- Regional and global data centers important

Anti-Money Laundering and Terrorist Financing
- Difficulty ensuring compliance with complex rules
- Challenges implementing global rules in Asia Pacific countries
- Differences in individual Asia Pacific countries increases complexity
- Greater harmonization in the region would be beneficial to all

RMB Internationalization
- Hong Kong-Shanghai-Shenzhen Stock Connect
- PRC-Hong Kong Mutual Fund Recognition Scheme
- Free Trade Zones (Shanghai, Guangdong, Tianjin, Fujian)
- QFII / RQFII / QDII
Key Global Issues

Central Reporting and Clearing of Derivatives
- Reporting regimes are being introduced
- Clearing is next area of focus
- Concern about concentration of risk
- Difficult cross border issues still to resolve

Capital and Liquidity Requirements
- Different requirements in individual countries
- Additional local requirements in region
- Disincentives to engage in some activities
- Concerns about overall shortages

Resolution and Recovery Regimes
- Management of global firms
- Ring Fencing and subsidiarization
- Pre-positioning capital overseas
- Regulators need for clearer authority