Asia-Pacific Financial Forum
2016 Progress Report to the APEC Finance Ministers

MSME Finance

• Work with Financial Infrastructure Development Network (FIDN) to develop:
  – Credit information systems
  – Secured transactions systems

• Dialogues on how to address key factors that impact trade and supply chain finance
  – Capital and liquidity standards (regional consistency of implementation)
  – KYC / CDD / AML
  – Technology and innovation
  – Wider use of regional currencies
Disaster Risk Financing/Insurance

• Steps in 2017 to implement the CAP:
  – Identify economies and perils of priority (step toward private disaster insurance schemes)
  – Complete stocktaking on availability of risk exposure data (step toward a regional risk sharing mechanism)
  – Initiate drafting of the Roadmap for DRFI

Microinsurance

• Call to complete in 2017 the Roadmap for expanding microinsurance coverage in APEC
• Roadmap should include:
  – Toolkit to help insurers develop products for MSMEs
  – Policy frameworks for establishing risk pools
  – Legal basis for mandatory insurance coverage to MSMEs
  – Capacity building for stakeholders
  – Data on catastrophic events
  – Central business registries with hazard mapping and catastrophe coverage for businesses
  – Proportionate regulation
  – Public-private dialogue mechanisms
  – Implementation, financing, coordination
Expanding the Long-Term Investor Base

- Mandatory and scalable retirement systems to accumulate savings in long-term institutional investor base
- Promote infrastructure investment as a defined asset class (for holistic regulatory treatment to encourage more private sector investment)
- Supportive accounting, solvency, investment and securities standards to encourage insurers and pension funds to undertake long-term business and investments
- Public-private dialogues to address barriers to long-term investment

Mobilizing Islamic Finance for Infrastructure Investment

- Establish **Islamic Infrastructure Investment Platform (I3P)** as a platform for public-private collaboration
- Proposed work streams:
  - Harmonize definitions of Sharia compliance
  - Develop Islamic hedging instruments
  - Develop financial instruments suitable for Islamic pension funds and insurance (takaful) to invest in infrastructure
  - Identify/address discriminatory tax policies
  - Virtual center for coordination
  - Collaboration with International Infrastructure Support System (IISS) to develop project preparation tools geared toward Islamic FIs’ investment in infrastructure
Deepening Capital Markets

- More economies to join Asia Region Funds Passport (ARFP) to expand membership
- More economies to collaborate with APFF through workshops on developing classic repo and derivatives markets
  - (Currently collaborating: Philippines, Indonesia)
- More economies to collaborate with APFF on using the self-assessment templates to provide more information to capital market investors
- Complete a roadmap for improving the regional financial market infrastructure for cross-border investment through a regional symposium
  - Symposium currently being discussed with Korean Ministry of Strategy and Finance to take place in Korea in 2017

Innovation in Financial Market Infrastructure

- Invite relevant policy makers and regulators to participate in APFF workshops focused on key areas:
  - Cybersecurity
  - KYC
  - E-Payments
Harnessing FinTech to Accelerate Development of Financial Markets

• Establish a regional platform
  – to bring together stakeholders from public and private sectors;
  – to address key issues arising from the development of FinTech; and
  – identify concrete ways to help member economies harness FinTech to build bigger, robust, inclusive and integrated financial markets

Dialogue and Research on Financial Regulation

• Encourage policy makers’ and regulators’ participation in dialogues and programs
• Welcome the APFF’s work on definitions of infrastructure and real assets in the context of investment by Islamic institutions in infrastructure