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

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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 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

Pension/Protection

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

**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”
**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)
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)

2017 work plan on Retirement/Long-Term Investment

- **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/ADBI 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/ADBI 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

For more details on the APFF, visit mackglobe.com or email Makoto Okubo (m-okubo@nipponlifeglobal.com)