APFF Financial Market Infrastructure Symposium
25 April 2017
FKI Conference Center
Seoul, Korea

Office of the Advisory Group Chair

Financial Market Infrastructure (FMI) Development Roadmap

- Cebu Action Plan Initiative under 3C (Capital market development): "development of a roadmap to improve regional financial infrastructure"
- Objective: To help member economies improve the region’s FMI, including promotion of cross-border portfolio investment through improved FMI connectivity and interoperability.
- Identifying issues related to settlement process (incl. counterparty risk), separation of onshore and offshore markets, FX funding, transparency to regulators (e.g., KYC, AML), transparency to tax authorities (beneficiaries), double taxation issues, potential risks arising from greater interconnectedness etc.
- Participants:
  - Financial intermediaries (Deutsche, BNY Mellon, Citi, Euroclear, JP Morgan, Banchile Inversiones, etc.) + broker-dealers and industry associations (ASIFMA, ICMA, ISDA, GFMA, PASLA)
  - Multilateral institutions (IMF, ADB)
  - Exchanges, CCPs and CSDs (Japan Exchange, Santiago Stock Exchange, Lima Stock Exchange, Hong Kong Exchange, DTCC, Korea Securities Depository)
  - Information services (Bloomberg, NRI, PayPal, SWIFT)
  - Financial regulators, central banks, finance ministries to be invited.
- 2017 activities
  - Conference calls with key stakeholders representing the broad industry
  - APFF Conference on FMI Roadmap, 25-26 April, Seoul, Republic of Korea (hosted by ABAC Korea) with industry, regulators, international organizations, academic experts
  - Discussions with regulators and industry at ABMF meeting (tentative: June 2017, Hanoi)
  - Development of draft FMI Development roadmap
## Issues for discussion

<table>
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<th>Key issues for fostering integration of markets</th>
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<td>Connectivity</td>
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| Today’s FMIs: (settlement, payments, clearing, CCPs, trade repositories etc) |
| Potential future FMIs: (Blockchain nodes, cloud server firms etc) |
| Soft infrastructure: Account structures and transparency, compliance, FX, liquidity/securities lending, payments and other market practices |

### Today’s FMIs:
- Settlement
- Payments
- Clearing
- CCPs
- Trade repositories

### Potential future FMIs:
- Blockchain nodes
- Cloud server firms

### Soft infrastructure:
- Account structures
- Transparency
- Compliance
- FX
- Liquidity/securities lending
- Payments
- Other market practices

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Data Management, Technology and Cyber-Security