ASIA PACIFIC FINANCIAL FORUM

An Overview of APFF Work Related to Retirement, Health and Long-term investments

Makoto Okubo, Nippon Life Insurance Company
Sherpa, APFF Insurance and Pension Group
Tokyo, 16 April 2018
The APFF Structure

APEC Finance Ministers Process (FMP)
APEC Business Advisory Council (ABAC)

Asia-Pacific Financial Forum (APFF)

APFF Work Streams

Financial Infrastructure Development Network
Trade / Supply Chain Finance
Capital Markets
Financial Market Infrastructure / Cross-Border Practices
Insurance / Retirement Income
Linkages / Structural Issues

Credit Information
Secured Transactions
Accounts Receivables Finance
Classic repo markets
Derivatives
Asia Region Funds Passport
Retirement / Health / Long-Term Investment
Disaster Risk Financing / Insurance
Microinsurance
Disaster Risk Financing
Pension/Protection - Work plan

- **End goals** (draft as of 2 April 2018)
  - By 2022: Expand the pension fund investor base by promoting adoption by relevant policy makers of best practices in: (a) designing mandatory provisions for retirement savings, (b) design and implementation of tax incentives for long-term savings products; and (c) product and distribution innovation and financial awareness.

- **2018 deliverables** (draft as of 2 April 2018)
  - Case studies/follow-ups on Chile, Hong Kong, Thailand
  - Toolbox to expand retirement savings and longevity solutions (i.e. mandatory provisions, tax incentives, government subsidies, longevity transfers, digital economy)

- **Major 2018 actions** (draft as of 2 April 2018)
  - December 2018, Beijing: APIC/APFF Regional Pension Funds and Social Security Systems Summit [Host: APIC]
  - Outreach and dialogue on channeling pension schemes and insurance company funds to infrastructure projects with multilateral development banks
  - Other roundtables/workshop meetings throughout the year in collaboration with OECD, APIC, etc.
Infrastructure/Investment  -  Work plan

- **End goals** (draft as of 2 April 2018)
  - By 2022: Promote expanded investment by insurance firms and pension funds in infrastructure through the development of innovative financing vehicles and regulatory changes to treat infrastructure as an asset class.

- **2018 deliverables** (draft as of 2 April 2018)
  - Work with Singapore and Hong Kong Regulators on reform of solvency regulations. New regulations to include special treatment of debt and equity investment related to infrastructure
  - Toolbox to facilitate infrastructure investment (i.e. financial vehicles, government incentives, PPP initiatives)

- **Major 2018 actions** (draft as of 2 April 2018)
  - December 2018, Beijing: APIC/APFF Regional Pension Funds and Social Security Systems Summit [Host: APIC]
  - Outreach and dialogue on infrastructure and investment to achieve agreement on definition of infrastructure drawing on existing EU, NAIC and World Bank definitions, and to identify specific areas where regulations can be amended to remove unnecessary barriers to investment (drawing on work of APIP).
  - Other roundtables/workshop meetings throughout the year in collaboration with APIP, SDIP, ASEAN, etc.
End goals (draft as of 2 April 2018)
- By 2025: Adoption of solvency and accounting regimes that do not discourage insurers from making long-term investment in infrastructure and capital markets

2018 deliverables (draft as of 2 April 2018)
- Work with Chile, Indonesia, Thai and Hong Kong Regulators on IFRS17 (and IFRS9) to mitigate unintended consequences on long-term business
- Achieve stakeholder consensus on incorporating growth in global regulatory discussions (i.e. discount rate)
- Checklist on implementation of IFRS17 including potential impact on financial reporting and solvency assessment and recommended adjustments

Major 2018 actions (draft as of 2 April 2018)
- 3Q or 4Q 2018, Hong Kong: APFF Dialogue/roundtable on insurance regulations and accounting [Host: Deloitte China (tbc)]
- Continuous outreach and dialogue with policymakers, regulators, standard setters and international and regional institutions
- Other roundtables/workshop meetings throughout the year in collaboration with OECD, NAIC, ASSAL, ADB, ASEAN, etc.
End goals (draft as of 2 April 2018)

- By 2022: Establishment of structures and adoption of best practices in APEC members to harness the private sector in creating innovative and sustainable health financing mechanisms

2018 deliverables (draft as of 2 April 2018)

- Initiate a pilot project in Thailand to establish and support a structure within the Thai Government that can lead efforts to develop innovative and sustainable health financing mechanisms.

Major 2018 actions (draft as of 2 April 2018)

- July 2018, Bangkok: APFF Workshop on Innovative and Sustainable Health Financing Mechanisms [Host: Thai Ministry of Finance, ABAC Thailand]
Asia Pacific Financial Forum (APFF)
An Overview of APFF Work Related to Retirement, Health and Long-term investments

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