

**Asia-Pacific Financial Forum
Interim Report to the APEC Finance Ministers**

**ANNEX C
Agenda for Classic Repo Markets Roadshow**

ASIFMA Repo Markets Road Show

Day 1

12:30-12:35	Welcome Address
12:35-13:35	Luncheon
13:35-14:05	Presentation: ABCs of Repo Markets <ul style="list-style-type: none">• Benefits and usefulness of repos• Major market participants• Overview of economic and operational construction of repo transactions• Similarities and differences between secured financing transactions and repos• Size and depth of Asian repo markets compared to other regions
14:05-14:35	Presentation: Why Repos Matter to the Real Economy <ul style="list-style-type: none">• Deepen liquidity in primary and secondary bond markets• Establish a benchmark yield curve which improves price transparency across long- and short-term securities• Facilitate pricing and valuation of corporate and infrastructure bonds• Help support access to capital market financing for large corporates and SMEs• Enhance investor participation in long term investments such as infrastructure• Contribute to risk management by providing hedging tools to market participants• Integrate regional bond markets which improves liquidity mobility and keeps Asian savings and investment in the region• Help mobilize needed collateral to counter the adverse effects of increased asset encumbrance driven by regulatory change (such as Basel III, new asset segregation rules, and central clearing mandates, among others)• Reduce Asian dependence on U.S. dollar funding
14:35-15:05	Presentation: Roadmap Towards a Deep, Liquid Cross-Border Repo Market in Asia <ul style="list-style-type: none">• Why “classic” repos are a critical component of capital market development• Evolution of Asia’s repo markets: Where are we and where are we heading?• What lessons can Asia derive from “model markets,” such as the U.S. and New Zealand?• Necessary conditions to develop an efficient cross-border repo market in Asia
15:05-16:00	Panel Discussion: Meeting the Liquidity Challenge: Improving the Depth of Regional Local Currency Bond and Repo Markets <ul style="list-style-type: none">• What role do repos play in local currency (LCY) bond market development?• What is the current state of LCY bond market liquidity and price transparency?• Examining potential market impediments:<ul style="list-style-type: none">○ Are there limitations for financial institutions to utilize bond holdings in the repo market?○ What proportion of bond securities are ‘held to maturity’ compared to those that are ‘available for sale’? How may these market conventions unintentionally encumber assets and reduce the development of a deep, liquid repo market?○ How active are domestic and international investors in local bond and repo markets? How can policymakers induce institutional investor (foreign and domestic) in these markets?○ How may restrictions on foreign investor participation, currency convertibility and repatriation impede the development of cross-border repo markets?• Benefits of developing cross-border repo markets: Diversifying investor base, unlocking liquidity and collateral pools, and reinforcing long-term investment
16:00-17:00	Cocktail hour

ASIFMA Repo Markets Road Show

Day 2

9:00-9:05	Welcome Address
9:05-9:35	Presentation: Importance of Developing a Deep, Liquid Cross-Border Repo Market in Asia <ul style="list-style-type: none">• Significance to capital market development and local currency (LCY) bond market development• Repo markets contributions to the real economy• Policy instruments to enhance liquidity and investor participation in LCY bond and repo markets• Basic requirements to develop an efficient cross-border repo market in Asia
9:35-10:20	Panel discussion: Enhancing Market Infrastructures to Support Efficient Cross-Border Pricing, Trading, Clearing and Settling of Repo Transactions <ul style="list-style-type: none">• How integrating regional bond markets through market infrastructures improves liquidity mobility and keeps Asian savings and investment in the region• Role of price feeds and exchanges in improving price transparency and facilitating valuation of and investment in long-and short-term securities• How can linkages and interoperability between securities depositories and settlement systems across the region improve transparency and asset mobility across ASEAN + 3 markets?• What are the key operational challenges to effective cross-border clearing and settlement?
10:20-11:05	Panel Discussion: Adopting Operational Best Practices in Cross-Border Repo Markets <ul style="list-style-type: none">• What is the current state of market infrastructures that support repo transactions in Asian jurisdictions?• How may the efficiency of electronic price discovery, trading, clearing and settlement platforms improve?• Strategies to maximize capital efficiency and enable cross-border mobilization of assets• Improving interoperability of key market infrastructures, such as ICSDs, CSDs, and Securities Settlement Systems• Weighing the pros and cons of moving towards a tri-party repo structure• Enhancing settlement efficiency through Straight Through Processing (STP)• Establishing common rules on data standards, message formats, and transaction identifiers to ensure accurate, efficient cross-border settlement
11:05-11:30	Tea and coffee break
11:30-12:15	Panel discussion: Risk Management in Repo Transactions <ul style="list-style-type: none">• Progress of repo market reform post-GFC: Reducing intra-day credit dependence, improving repo market structures, and addressing remaining risks in repo markets• Risk management best practices: Collateral valuation, initial margining and mark-to-market conventions• Dealing with 'fails' and 'events of default': Insolvency triggers, netting and close-out rights, and partial deliveries• Importance of repo documentation to minimize legal risks• Protections afforded in GMRA• Risk management in tri-party platforms: Analyzing agent's credit risk profile as well as asset segregation and portability policies

12:15-13:00	<p>Panel Discussion: Collateral Management in the New Regulatory Landscape</p> <ul style="list-style-type: none"> • Role of collateral in repo transactions • What role does collateral play in hedging credit and liquidity exposures? • How may the new regulatory environment fuel demand for collateral and contribute to institutional investor participation in repo markets? • What are the implications of Basel III liquidity ratios on asset eligibility and repo market funding? • How may repo markets enable market participants to meet these new liquidity requirements?
13:00-14:00	<p>Lunch</p>
14:00-14:45	<p>Panel Discussion: The Importance of the Legal Architecture of Repo Transactions</p> <ul style="list-style-type: none"> • What are the key differences between legal constructions of “classic,” “buy and sell back,” “pledge,” and “borrow and lend” repo transactions? • What is the underlying legal construction of repo transactions in Asian jurisdictions? • What are the necessary components of the legal frameworks and infrastructural components necessary to support the development of a “classic” repo model in Asian jurisdictions? • Legal issues with the Global Master Repurchase Agreement (GMRA) and national repo agreements • How are repos treated under bankruptcy and insolvency regimes in Asian markets? • What legal certainty do investors have that their rights to the title of assets and netting rights will be protected in the event of counterparty default? • What are creditors’ rights to close-out netting in the event of insolvency? • What are the key legal and regulatory roadblocks in Asian jurisdictions and how can they be addressed?
14:45-15:30	<p>Panel Discussion: Examining the Impact of the Tax and Accounting Regimes on Repo Market Activity</p> <ul style="list-style-type: none"> • How do tax and accounting treatments in Asian jurisdictions compare to “model markets”? • How may the financial transaction tax and stamp duties constrain the growth of the repo market? • What are the real implications of withholding taxes for foreign and domestic repo market participants?
15:30-16:15	<p>Panel Discussion: Priorities and Recommendations to Develop a Cross-Border Repo Market in ASEAN + 3</p> <ul style="list-style-type: none"> • Instilling market confidence by ensuring creditors’ rights during bankruptcy or insolvency proceedings are protected in the legal architecture • Enabling cross-border settlement and delivery by improving interoperability of key market infrastructures, such as linking onshore and offshore repo markets at ICSDs, CSDs, and SSSs • Unlocking liquidity pools across the region by liberalizing currency convertibility and repatriation policies, and improving market access for foreign investors • Improving transparency by improving price feeds and establishing regional pricing benchmarks • Benefits of cross-border repo market integration: Reinforces LCY bond market development, diversifies investor base, decreases volatility, and reduces transaction and investment costs
16:15-16:20	<p>Closing Remarks</p>