

# THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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## Fourth Meeting 2014

5 November 2014

8:00 AM – 11:00 AM

Waldorf Ballroom, 2<sup>nd</sup> Floor, Waldorf Astoria Beijing  
Beijing, People's Republic of China

## Meeting Paper 4-B APFF ROUNDTABLE ON FINANCIAL REGULATIONS January 27, 2015, Hong Kong Draft Concept and Agenda

Office of the APFF Chair

- PURPOSE** For consideration.
- ISSUE** Draft concept paper and agenda for the APFF Roundtable on Financial Regulations on January 27, 2015 in Hong Kong
- BACKGROUND** The Asia-Pacific Financial Forum (APFF), a platform for public-private collaboration to develop robust and integrated financial markets in the region, was proposed by the APEC Business Advisory Council (ABAC) and adopted by the APEC Finance Ministers at their 2013 annual meeting in Bali. In its 2014 Interim Report to the APEC Finance Ministers, the APFF identified undertakings to advance development in key areas of financial markets that are critical to the region's economic aspirations. These areas are: (a) lending infrastructure; (b) trade and supply chain finance; (c) insurance and retirement income; (d) financial market infrastructure and cross-border practices; (e) capital markets; and (f) linkages and cross-border issues.
- PROPOSAL** For the APFF, a discussion of the changing global regulatory landscape and its impact on financial markets and services is a necessary starting point in advancing its work in the key areas previously mentioned. This roundtable, which involves market participants, policy makers, regulators and experts from key global and regional institutions engaged in the shaping of financial

regulatory standards and practices and capacity building of institutions that implement them, is designed to provide this opportunity. It seeks to generate an overview of the most important global regulatory initiatives and regulations being adopted in major financial centers, including the timelines for their implementation and their combined impact across Asia-Pacific financial markets and services.

***DECISION  
POINT***

Endorse the draft concept and agenda.

**CONCEPT PAPER**  
**APFF ROUNDTABLE ON FINANCIAL REGULATIONS**  
**The Changing Global Regulatory Landscape:**  
**Implications for Asia-Pacific Financial Markets and the APFF Agenda**

27 January 2015

Room S428, Hong Kong Convention and Exhibition Centre  
Hong Kong, People's Republic of China

The Asia-Pacific Financial Forum (APFF), a platform for public-private collaboration to develop robust and integrated financial markets in the region, was proposed by the APEC Business Advisory Council (ABAC) and adopted by the APEC Finance Ministers at their 2013 annual meeting in Bali. In its 2014 Interim Report to the APEC Finance Ministers, the APFF identified undertakings to advance development in key areas of financial markets that are critical to the region's economic aspirations. These areas are: (a) lending infrastructure; (b) trade and supply chain finance; (c) insurance and retirement income; (d) financial market infrastructure and cross-border practices; (e) capital markets; and (f) linkages and cross-border issues.

Given the important role of global capital flows to Asia-Pacific economies, the policy and regulatory frameworks governing financial markets and services in the region cannot be properly developed independently of global standards, even as their implementation takes account of markets' diversity. Asia-Pacific policy makers will also need to take rules being adopted in major markets into consideration, as they impact providers of financial services in the region that are regulated in these markets. The consistency of regulatory evolution across markets is important to ensure adequate financing for the region's continued growth, including the development of infrastructure, small enterprises, consumer demand and trade, as well as the stability, integrity and efficiency of the entire global financial system.

For the APFF, a discussion of the changing global regulatory landscape and its impact on financial markets and services is a necessary starting point in advancing its work in the key areas previously mentioned. This roundtable, which involves market participants, policy makers, regulators and experts from key global and regional institutions engaged in the shaping of financial regulatory standards and practices and capacity building of institutions that implement them, is designed to provide this opportunity. It seeks to generate an overview of the most important global regulatory initiatives and regulations being adopted in major financial centers, including the timelines for their implementation and their combined impact across Asia-Pacific financial markets and services.

The outcomes of this roundtable will serve as a consideration for subsequent APFF discussions in 2015 on measures consistent with stability, integrity and efficiency of global financial markets that policy makers and regulators need to undertake to facilitate more inclusive lending practices for the benefit of small enterprises and a broader consumer base, improve trade and supply chain finance, develop deeper and more liquid capital markets, expand cross-border capital flows across Asia-Pacific markets and promote increased investment in long-term assets by insurers and pension funds in the region. Where discussions identify any potential requirement for adjustment of global rules, the roundtable will refer these to relevant responsible bodies for consideration.

The conference is envisioned as follows:

- Date and time: 27 January 2015 (prior to ABAC I); 1330-1830
- Venue: Hong Kong Convention and Exhibition Centre (HKCEC)
- Participants: Around 100 people composed of APFF work stream sherpas and collaborators, representatives from interested finance ministries and financial regulatory bodies, multilaterals and relevant international organizations, interested ABAC members and staffers, leading financial sector and academic experts, sponsors' representatives.
- Funding: Coordinated by ABAC Hong Kong. Participants expected to pay their own travel and accommodation.
- Responsibilities: ABAC Hong Kong to handle hosting logistics; Advisory Group Chair, Coordinator and a representative of ABAC Hong Kong to jointly handle conference program development and selection and invitation of participants.
- Conference agenda outline:
  - 1330-1400: Welcome and opening session
    - Welcome remarks by ABAC HK
    - Opening remarks by ABAC Chair
    - Remarks by FEWG/APFF Chair
    - Survey of the Regulatory Landscape (key takeaways from the 5<sup>th</sup> Pan-Asian Regulatory Summit)
  - 1400-1500: Session 1: An Overview of Financial Regulatory Issues involved in APFF Undertakings
    - Sherpas for Trade Finance, Capital Markets, FMI, Insurance/Retirement Income and Linkages
    - Open Forum
  - 1500-1630: Session 2: A Survey of Key Selected Global Regulatory Initiatives and their Implications on Asia-Pacific Financial Markets and the APFF Agenda
    - Representatives from relevant international organizations and financial industry
    - Open Forum
  - 1630-1700: Tea break
  - 1700-1820: Session 3: Regulatory Initiatives in the USA and EU, Impact on Financial Firms' Activities in Asia-Pacific Markets and Implications for the APFF Agenda
    - Representatives from the US and Europe and financial industry
    - Open Forum
  - 1820-1830: Concluding Session
    - Closing remarks by FEWG/APFF Chair and ABAC HK