

Document: AGFSCB 34-046A
Draft: **FIRST**
Source: AGFSCB Chair
Date: 4 November 2014
Meeting: Beijing, China

APFF Overview

1. Linkages and Structural Issues

- Future directions for financial regulation
- Interplay between cross-border investment in financial services and connectivity of financial markets
- Understanding macroeconomic imbalances and systemic risk, which are critical for policy makers and regulators as they respond to the region's changing needs and financial landscape.

2. Insurance, longevity: regulatory and accounting issues

- ***Objective: Deeper understanding of regulation and accounting issues affecting the insurance industry and demand and supply side issues in retirement income (intended to help insurance and pension regulators to undertake supporting measures and to develop useful insights that can be shared with relevant international bodies)***
- Workshops
- Workshop with ASEAN regulators and industry (November 26, Brunei)
- Participation in Microinsurance sessions of Asia-Pacific Forum on Financial Inclusion (March 16-18, Tagaytay City)
- Workshop with Latin American regulators and industry (May 2015: Mexico City, Mexico – in conjunction with ABAC II)
- Workshop with Northeast Asian regulators and industry? Tokyo, Seoul or Beijing?

3. Insurance and retirement income: Promoting long-term investment

- Participation in APEC FMP workshops on infrastructure, PPP Experts Advisory Panel, APIP Dialogues and relevant activities (to be specified).
- Participation in APIP Dialogue with Indonesia (November 24, Jakarta)
- Participation in APEC PPP Experts Advisory Panel Meeting (Feb 9-10, Clark SEZ)
- Participation in FMP Infrastructure Financing Seminar (July 23-24, Legazpi City)

4. Information for Capital Market Investors

- ***Objective: Help interested economies identify and promote availability of relevant information needed by capital market investors.***
- Finalize (a) self-assessment templates and (b) how-to-guide to employ them. Hold dialogues/workshops.

5. Credit information systems

- ***Objective: Launch Pathfinder Initiative – Full file comprehensive reporting systems – to be announced in September 2015 at the AFMM***
- Discussions to (a) recruit pathfinders; (b) identify needs of individual pathfinders; (c) identify activities to address needs; (d) identify elements of pathfinder initiative; (e) agree to launch pathfinder initiative in September 2015.
- Financial Inclusion Forum (March 2015: Tagaytay, Philippines) – China, Indonesia, Philippines, Thailand, Vietnam
- Latin American Workshop (May 2015: Mexico City, Mexico) – Chile, Mexico, Peru

6. Secured Transactions

- **Objective: Launch Pathfinder Initiative – to be announced in September 2015 at the AFMM**
- Discussions to (a) recruit pathfinders; (b) identify needs of individual pathfinders; (c) identify activities to address needs; (d) identify elements of pathfinder initiative; (e) agree to launch pathfinder initiative in September 2015.
- Financial Inclusion Forum (March 2015: Tagaytay, Philippines) – China, Indonesia, Philippines, Vietnam
- Workshop in Tokyo
- Active participation in the Third Conference on Warehousing and Collateral Management in Beijing in 2015, sponsored by the China Banking Association (CBA), the China Association of Warehouses and Storage (CAWS) and IFC, and involving senior officials from PBOC (central bank), CBRC (banking regulator) and MOC (Ministry of Commerce).
- Active participation in the International Conference on Electronic Movables Financing Platforms to be held in either Beijing or Tianjin sponsored by PBOC and IFC to promote exchanges of experience, to be attended by government officials.

7. Trade/supply chain finance: regulatory issues

- **Objective: Deeper understanding by banking regulators of implication of relevant Basel III rules, KYC, CDD and AML (intended to facilitate appropriate and consistent implementation across jurisdictions and to develop useful insights that can be shared with relevant international bodies)**
- Workshop for Asia I (February 2015: Hong Kong, in conjunction with ABAC I)
- Workshop for Asia II (1st quarter 2015: Indonesia to be hosted by Indonesia MOF and ABAC Indonesia)
- Workshop for Latin America (May 2015: Mexico City, Mexico in conjunction with ABAC II)

8. Trade/supply chain finance facilitators

- ***Objective: Greater awareness by relevant market participants and regulators of three facilitators: (a) e-supply chain platforms; (b) BPO; and (c) RMB settlement (intended to promote their use and to identify supporting regulatory reforms).***
- Audience – government, lenders, exporters and firms; business organizations.
- Workshop in Hong Kong (February 2015: Hong Kong, in conjunction with ABAC I)
- Workshop in Singapore for ASEAN (to be scheduled)
- Workshop in Philippines (in conjunction with APEC MRT?)

9. Support for ARFP

- ***Objective: Provide private sector support to participating jurisdictions in successfully launching the ARFP.***
- • Possible discussions with key regulators after ARFP Working Group meeting in Manila in mid-November (TBD); a test case on future collaborations ARFP regulators and APFF.
- • Possible event/outreach activity with targeted jurisdictions on the sidelines of the ABAC meeting in Hong Kong in January.
- • Since no further details on the ARFP arrangement, focus on enlargement and outreach to economies mentioned above, soliciting support from the APEC Secretariat and country specific ABAC and working with local associations/industry groups.
- • As needed, organize/engage in specific discussions/briefings for ARFP regulators (operational issues, taxes, etc.).

10. Classic repo markets

- **Objective: Launch Pathfinder Initiative – to be announced in September 2015 at the AFMM**
- a. Launch of the Repo Best Practices Guide and rollout of Repo workshops in conjunction with ISDA and US Treasury as they bring together regulators for training. Aim to invite the Philippines to join the pathfinder initiative.
- b. Outreach: Workshops on KYC solutions organized by ASIFMA on Nov 3-6 and on repo markets on Nov 5-6; presentations on repo markets in NeMa Asia Event (Singapore, Nov 12). meeting with Chinese officials in Beijing as part of AmCham HK annual doorknock on Nov 16-19; meeting with ASEAN Secretariat, OJK and Bank Indonesia on repo markets; APFF breakfast for industry and regulators in Hong Kong at AFF January 2015.

11. Legal Infrastructure for Capital Markets

- **Objective: Deepen understanding by relevant regulators and policy makers of issues related to (a) netting infrastructure; (b) collateral infrastructure; and (c) implementation of BCBS-IOSCO Mandatory Margining of Non-Cleared Swaps (intended to facilitate introduction of supporting legislative/regulatory reforms).**
- Focus on activities in China, Indonesia and the Philippines in 2015.
- China: Organize a dialogue with key officials from CBRC, CSRC, PBOC, Legal Department of State Council, NAFMII and the Shanghai Clearing House. netting enforceability to be included in the “Financial Institution Bankruptcy Guidelines”; China: Organize a one-day seminar on collateral issues with PBOC and NDRC
- Indonesia: Organize a half-day seminar on modern financial concepts and the contract law that supports netting and collateral rights, for the judiciary and regulators. Organize a 1- to 2-hour seminar on the Working Group on Margining Requirements (WGMR)
- Philippines: Organize a half-day forum on WGMR and target central bank and securities regulator.

12. Securities investment ecosystem (FMIs and cross-border practices)

- ***Objective: Identify market practices and domestic FMI issues that hinder cross-border portfolio investment and measures to address these issues (intended to help regulators, policy makers and market participants create an enabling securities investment ecosystem).***
- a. Outreach: Speak on T+2 at the NeMa Asia Event in Singapore on Nov 12, discuss FMI and cross-border practices with Chinese officials during the AmCham HK annual doorknock in Beijing on Nov 16-19, discuss T+2 with ASEAN Secretariat, OJK and Bank Indonesia in Jakarta on Nov 25, presentation to ASIFMA Regional Market Practice Group (securities market professionals) on FMI harmonization, discuss with industry and regulators at AFF in HK in January 2015.