

ACCELERATING ASIA-PACIFIC CAPITAL MARKET DEVELOPMENT AND INTEGRATION

Over the past decades, many Asia-Pacific economies have experienced rapid growth in the wake of unprecedented expansion of regional trade and investment flows. As they move to the next stage of development, financial systems are acquiring a greater importance, especially in the funding of infrastructure, investment by enterprises, consumption and retirement needs of aging populations, as well as ensuring economic stability and competitiveness and providing more efficient, safe and profitable ways to channel the region's huge savings to finance its needs. Modernizing Asia-Pacific financial systems is thus a key issue in sustaining growth and avoiding the middle-income trap.

The development of the region's capital markets, including their integration, forms a central component of this strategy. Mindful of this need, governments and related institutions in the region have in recent years launched a number of initiatives that are producing tangible results. Given its significant capacity to harness expertise of international organizations and the private sector, particularly through the Asia-Pacific Financial Forum (APFF), the APEC Finance Ministers' Process (FMP) has considerable potential to help accelerate the development and integration of the region's capital markets. This seminar seeks to identify the key challenges where this capacity can be brought to bear, and to develop a strategy for leveraging the APEC FMP as a knowledge platform for public-private collaboration to achieve this purpose.

AGENDA

0830-0900	OPENING SESSION
0900-0905	<i>Welcome remarks</i> TBC
0905-0910	<i>Opening remarks</i> TBC
0910-0930	<i>Keynote address: The Importance of Capital Markets for Achieving Stronger, More Sustainable and More Balanced Growth in the Asia-Pacific Region</i> TBC
0900-1030	<u>SESSION 1: OVERVIEW OF CAPITAL MARKET DEVELOPMENT AND INTEGRATION IN THE ASIA-PACIFIC REGION</u> A number of initiatives are being undertaken within the region by individual economies as well as by regional groupings and international organizations. Various important gaps are being addressed by these initiatives; however, it is clear that a number of key issues need to be given more attention. This session seeks to provide a stock-take of efforts to promote capital market development and integration in the region and identify areas where the FMP can play a role in accelerating the process by harnessing collaboration among agencies, international organizations and

	the private sector, especially through the APFF. <i>Session Chair:</i> TBC, ABAC
0900-0905	Introduction by Session Chair
0905-0920	<i>Recent policy reforms and the development of capital markets in emerging Asia-Pacific economies</i> Ms. Yuko Kinoshita, Deputy Head, Regional Office for Asia and the Pacific, IMF (or Jay Peiris, Resident Representative in the Philippines, IMF)
0920-0935	<i>Regional capital market integration: Current situation and future prospects</i> Ms. Olga Sulla, Senior Financial Sector Specialist, Finance and Private Sector Development Department, The World Bank
0935-0940	<i>Commentary</i> TBC, ADB
0940-0945	<i>Commentary</i> TBC, OECD
0945-0950	<i>Commentary</i> HSBC
0950-1025	Open Forum
1025-1030	Concluding remarks by Session Chair
1030-1100	Break
1100-1230	SESSION 2: IMPROVING THE DEPTH AND LIQUIDITY OF ASIA-PACIFIC CAPITAL MARKETS With relatively small and fragmented markets, lack of depth and liquidity is a key challenge that emerging Asia-Pacific economies face in developing their capital markets. Aside from expanding investor activity (which will be dealt with in Session 3) and promoting cross-border portfolio investment (dealt with in Session 4), promoting greater diversity of the investor and issuer base and enabling the effective use of hedging tools by market participants are widely seen as key steps toward deeper and more liquid capital markets in the region. In this context, expanding the role of long-term institutional investors such as insurers and pension funds and addressing obstacles to development of repo and derivatives markets (especially in light of the impact of regulatory changes) are among the most important issues that this session will seek to discuss. <i>Session Chair:</i> Mr. Nicholas de Boursac, Chief Executive Officer, Pennridge
1100-1105	Introduction by Session Chair
1105-1120	<i>Expanding the role of pension funds and insurers as investors in Asia-Pacific capital markets: Challenges and the way forward</i>

	TBC, OECD
1120-1135	<i>Developing effective repo markets to enhance liquidity in primary and secondary bond markets</i> Mr. Mark Austen, Chief Executive Officer, Asia Securities Industry & Financial Markets Association (ASIFMA)
1135-1150	<i>Improving legal and policy frameworks to enable effective risk mitigation in capital markets</i> Mr. Keith Noyes, Regional Director – Asia-Pacific, International Swaps and Derivatives Association, Inc. (ISDA)
1150-1155	<i>Commentary</i> TBC, US Treasury
1155-1200	<i>Commentary</i> Mr. Hirofumi Kasai, Senior Vice President and Head of Investment, Tokio Marine Asia Pte. Ltd.
1200-1205	<i>Commentary</i> Ms. Vanessa Wang, Managing Director and Head of Pension Services – Asia-Pacific, Citi
1205-1225	Open Forum
1225-1230	Concluding remarks by Session Chair
1230-1400	Lunch
1400-1500	<u>SESSION 3: PROMOTING INVESTMENT THROUGH ENHANCED TRANSPARENCY IN ASIA-PACIFIC CAPITAL MARKETS</u> Deepening the region’s capital markets will require greater domestic and cross-border investor activity in these markets. A key challenge that many economies face in attracting portfolio investments is the insufficient availability and quality of information that investors typically need, especially with respect to the disclosure of issuer information, how particular investments perform over time and the rights of investors in cases of insolvency. This challenge is further exacerbated by the wide diversity of practices in providing such information across the region’s markets, making it difficult for investors to develop regional strategies. This session will discuss the types of information that are critical to investors, their availability and quality, where resources may be shifted from providing non-critical to providing critical information, and how a regional approach to enhancing transparency in capital markets may be developed. <i>Session Chair:</i> Mr. Manuel Gaité, Commissioner, Securities and Exchange Commission, Republic of the Philippines
1400-1405	Introduction by Session Chair
1405-1420	<i>Improving the availability of information for capital market investors</i> Dr. Michael Taylor, Managing Director and Chief Credit Officer APAC,

	Moody's Asia-Pacific Limited
1420-1425	Commentary Mr. Stephen Taylor, Partner, Deloitte China and Leader, Deloitte Asia Pacific IFRS Centre of Excellence
1425-1430	Commentary Mr. Nguyen Anh Duong, Deputy Director, Ministry of Planning and Investment, Vietnam
1430-1435	Commentary Ms. Christina Ellerker, Office of Government Affairs, Goldman Sachs (Asia) LLC
1435-1455	Open Forum
1455-1500	Concluding remarks by Session Chair
1500-1630	<p>SESSION 4: ADDRESSING KEY ISSUES IN FINANCIAL MARKET INFRASTRUCTURE AND CROSS-BORDER PRACTICES TO PROMOTE INTRA-REGIONAL PORTFOLIO INVESTMENT</p> <p>Deepening regional financial market integration through expanded cross-border portfolio investment requires the development of market practices, standards and platforms that can selectively harmonize market access and repatriation practices, improve the inter-operability, liquidity and connectivity of domestic and cross-border financial markets and reduce systemic risks. As global financial centers move toward shorter settlement cycles, it becomes even more important for the region's heterogeneous markets to understand the impact of this development on a host of factors such as costs, back-to-back trades, portfolio rebalancing, payments systems, foreign exchange funding and hedging, clearing and margining, among others. This session discusses how to address key pain points related to cross-border market practices and standards, harmonization of market practices and cross-border connectivity among FMIs to promote expanding portfolio investment flows across the region.</p> <p>Session Chair: Ms. Beth Smits-Kruchko, Johns Hopkins University School of Advanced International Studies</p>
1500-1505	Introduction by Session Chair
1505-1520	<i>Developing the infrastructure for cross-border bond transactions: Insights from the work of the ASEAN+3 Bond Market Forum</i> TBC, ADB
1520-1535	<i>Developing an enabling Asia-Pacific securities investment ecosystem</i> Mr. Boon-Hiong Chan, Director and Head - Market Advocacy APAC, MENA, Deutsche Bank
1535-1540	Commentary Mr. Jay Peiris, Resident Representative in the Philippines, IMF
1540-1545	Commentary Mr. Masayuki Tagai, Managing Director and Industry Issues Executive,

	Asia, JP Morgan Chase
1545-1550	Commentary TBC, Bank of Thailand
1550-1625	Open Forum
1625-1630	Concluding remarks by Session Chair
1630-1700	Break
1700-1800	<p><u>SESSION 5: THE ASIA REGION FUNDS PASSPORT (ARFP)</u></p> <p>The Asia Region Funds Passport could have very significant impact on intra-regional capital flows, capital market liquidity and efficiency, investor choice and protection, diversification, return on investment, financial sector development, and ultimately the financing of economic growth in the region. This session seeks to discuss ways to support the launch of a successful ARFP, including through wider participation of APEC jurisdictions and the development of a regional platform for regulators, policy makers, and experts from the private sector and multilateral and academic institutions to identify approaches to issues such as taxation, legal and regulatory requirements, fee structures and related issues to facilitate broad market participation in the ARFP.</p> <p><i>Session Chair:</i> Ms. Qiumei Sophie Yang, Chief Executive Officer, ICI Global Asia-Pacific</p>
1700-1705	Introduction by Session Chair
1705-1720	<i>ARFP: Update and way forward</i> TBC, Australian Treasury
1720-1735	<i>Strategies to promote broad market participation in the ARFP</i> Mr. Hon Cheung, Regional Director – Asia, State Street Global Advisors
1735-1755	Open Forum
1755-1800	Concluding remarks by Session Chair
1800-1815	CONCLUDING SESSION
1800-1815	Closing Remarks TBC