



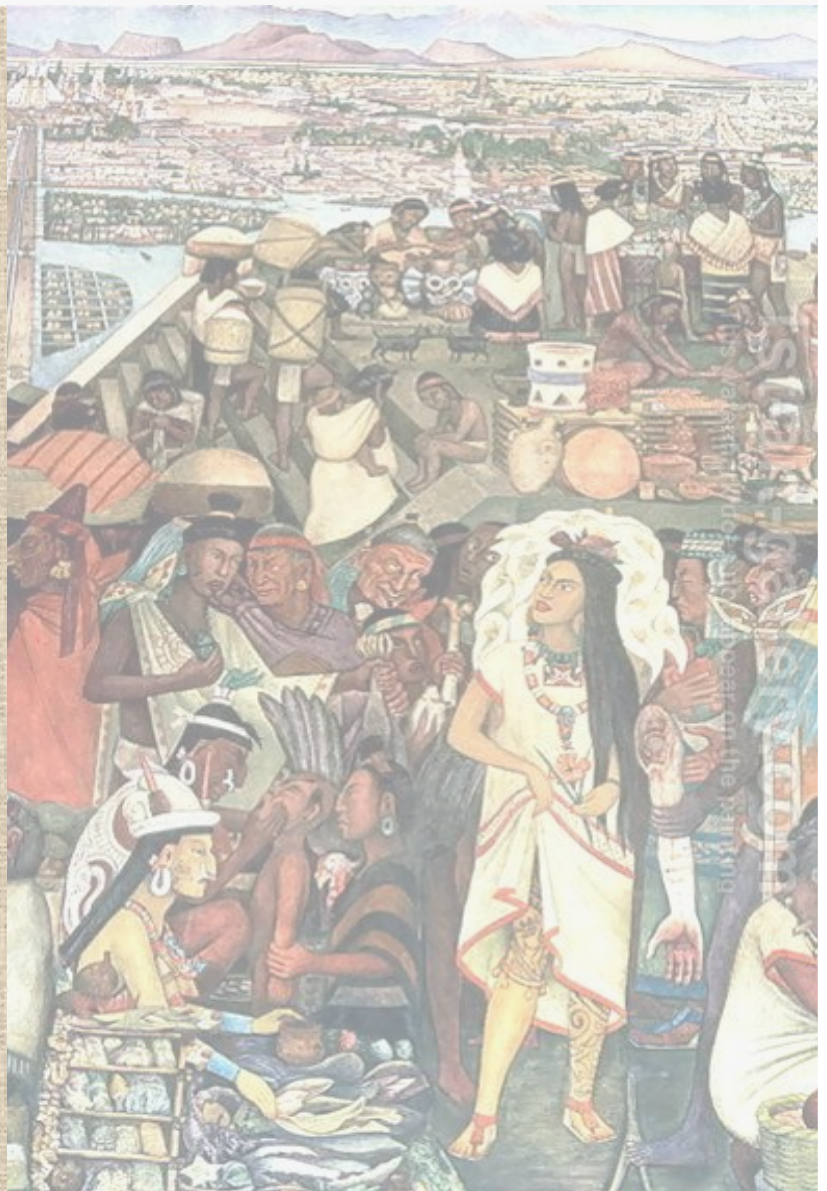
APFF

Asia-Pacific Financial Forum

Roundtable on Financing Micro-, Small and Medium Enterprises in the Asia-Pacific Region

April 20, 2015
Chapultepec B Ballroom
Hotel Camino Real Polanco
Mexico City, Mexico

Organized by
APEC Business Advisory Council
SME Finance Forum
International Finance Corporation
A Member of the World Bank Group



ABOUT ABAC AND APFF

The **APEC Business Advisory Council (ABAC)** was created by the APEC Economic Leaders in November 1995 to provide advice on the implementation of the Osaka Action Agenda and on other specific business sector priorities, and to respond when the various APEC fora request information about business-related issues or to provide the business perspective on specific areas of cooperation. In 2012, ABAC proposed the **Asia-Pacific Financial Forum (APFF)**, a platform for regional public-private collaboration to help accelerate the development of integrated financial markets and services in the region. In 2013, the APEC Finance Ministers adopted the APFF as one of their official policy initiatives and entrusted its management to ABAC. In 2014, the Ministers endorsed the APFF's Interim Report, which drew from the work of more than 270 senior representatives and experts from 137 major private and public institutions.

The Interim Report recommended concrete undertakings across the broad financial sector that can yield tangible results within two or three years. These undertakings, encapsulated in 12 action plans, are clustered around two major issues: (a) the development of deep, liquid and integrated capital markets and the region's long-term investor base; and (b) expanded access of enterprises and individuals to financial services. These action plans are as follows:

- a pathfinder initiative to develop credit information sharing systems;
- a pathfinder initiative to improve the legal and institutional architecture for security interest creation, perfection and enforcement and related workshops;
- dialogues on regulatory issues in trade and supply chain finance;
- workshops on emerging facilitators of trade and supply chain finance;
- a pathfinder initiative to develop classic repo markets;
- workshops to develop strategies to improve legal and documentation infrastructure for the development of OTC derivatives markets;
- self-assessment templates on information for capital market investors: development and workshop series;
- ARFP Support Initiative;
- workshop series to develop an enabling Asia-Pacific securities investment ecosystem;
- dialogue series on regulation and accounting issues impacting the long-term business of the insurance industry in Asia-Pacific economies and longevity solutions;
- collaboration with APEC Finance Ministers' Process in promoting long-term investment, including infrastructure; and
- conference and workshop series on linkages and structural issues.

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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.¹

The Asia-Pacific region needs inclusive financial systems to enable more households and enterprises to participate in economic activities and create broad-based economies that can ensure sustained growth. Action plans contained in the APFF Interim Report to help address this challenge are designed to pursue the following objectives:

- Enabling enterprises and individuals to use reputational collateral through the *development of credit information sharing systems*, which require capacity of regulators and lenders to effectively use them, development of private credit bureaus and reforms of domestic and cross-border data regulation, consumer rights, and bureau licensing, ownership, oversight and regulation.
- Facilitating the use by SMEs of movable assets as collateral through the development of robust and regionally consistent *legal and institutional architecture for asset-based lending and factoring* in the areas of security interest creation, perfection and enforcement, strengthening of collateral registries, and clear and predictable rules around priority, enforceability and assignability of claims.
- Expanding availability and efficiency of financing for SMEs in supply chains through improved and regionally consistent *regulatory capacity to implement relevant banking standards and regulations* based on deep understanding of their impact on trade and supply chain finance, as well as through the promotion of proper and wider *use of working capital management tools, emerging market currencies, collateral management services and innovative electronic platforms* that facilitate financing of supply chains.

A related initiative being developed is a review of *policy and regulatory reforms needed to support the growth of innovative financing mechanisms* such as microfinance, angel and seed investments, internet trade financing, venture capital, crowd funding and junior/venture exchanges. Based on the *APEC Framework for Innovative SMME Financing Mechanisms* report, this seeks to address especially the needs of enterprises in the initial stages of their life cycle, where innovative and alternative mechanisms offer more suitable financing avenues than traditional bank financing.²

¹ The full APFF Interim Report can be downloaded from <https://www.abaconline.org/v4/download.php?ContentID=22611921>.

² This report may be downloaded from <https://www.abaconline.org/v4/download.php?ContentID=22611926>.

In pursuit of these objectives, a large number of major financial industry firms and associations, as well as multilateral organizations, academic institutions and public sector bodies have committed to collaborate in undertaking pathfinder initiatives, dialogues and workshops. This pooling of considerable talent and resources from both public and private sectors using the APFF platform provides an opportunity to achieve concrete progress in key areas that will complement ongoing public sector initiatives. The success of these undertakings will depend on active participation and engagement of the public sector, in particular those responsible for adoption and introduction of relevant legal, policy and regulatory measures. In their 2014 Joint Statement, the APEC Finance Ministers encouraged “relevant authorities to collaborate with APFF in developing capital markets, SME finance and long-term investments”.

This roundtable seeks to advance this process by providing a platform for the private and public sectors, including experts from multilateral institutions, to discuss the way forward for collaborating in these concrete undertakings to accelerate the expansion of MSME finance in Latin America. Its key objectives are as follows:

- To deepen understanding of the financing challenges faced by SMMEs in the region, and particularly in Latin America, and how APFF initiatives can contribute to helping them meet these challenges.
- To highlight ongoing or planned efforts by policy makers in the region in these areas, especially with respect to credit information, secured transactions/movables finance, trade and supply chain finance and innovative financing mechanisms, and to identify the potential for collaboration with APFF, ABAC and the SME Finance Forum.

ROUNDTABLE AGENDA

14:00-14:30 WELCOME AND OPENING SESSION

Welcome Remarks

Mr. Mauricio Millan, ABAC Mexico Member and Vice President, Coraza Corporación Azteca S.A. de C.V.

Mme. Doris Ho, ABAC Chair and President & CEO, A. Magsaysay Inc.

Opening Remarks

Mr. Hiroyuki Suzuki, APFF Chair, ABAC Finance and Economics Working Group Chair and Director/Member of the Board, Nomura Holdings, Inc.

Keynote Address

Hon. Dr. Fernando Aportela Rodríguez, Deputy Minister of Finance and Public Credit, Mexico

14:30-16:00 SESSION 1 CHALLENGES FOR MSME FINANCE IN LATIN AMERICA AND THE APEC AND APFF AGENDA

Key topics for discussion:

- The evolving APEC agenda for MSMEs
- The landscape for MSME finance in Chile, Mexico and Peru, including the achievements and challenges
- How ABAC's and the APFF's initiatives in promoting credit information systems, secured transactions, trade and supply chain finance and innovative financing mechanisms can help Latin America improve MSMEs' access to finance

14:30 Introductory Remarks by Session Moderator

Dr. Michael Turner, President, Policy and Economic Research Council

14:35 The APEC Agenda for MSMEs

Hon. John Andersen, Chair, APEC SME Working Group and Principal Deputy Assistant Secretary for Global Markets, U.S. Department of Commerce

14:50 Overview: Challenges for MSME Finance in Latin American APEC Economies

Mr. Ary Naim, Country Head for Mexico, International Finance Corporation

14:05 Comments by Panel Discussants

Dr. Robin Varghese, Vice President, Policy and Economic Research Council

Dr. Matthew Gamser, Chief Executive Officer, Small and Medium Enterprise Finance Forum

15:25 Open Forum

15:40 Concluding Remarks by Session Moderator

15:45-16:00 Tea Break

16:00-17:50 SESSION 2 PANEL DISCUSSION: COMPLETED, ONGOING AND PLANNED POLICY MEASURES TO PROMOTE MSME FINANCE IN LATIN AMERICA

In this highly interactive moderated panel discussion, each panelist will be asked to give 10-minute summaries providing the highlights of key policy measures that have been or are being or planned to be undertaken to promote MSME finance. These will be followed by questions to panelists posed by the moderator focusing on how panelists view the potential

for synergy with the ABAC/APFF's work as described in the previous session, in terms of sharing Latin American economies' experiences with or learning from other APEC economies, and what concrete collaboration mechanisms can be established for Latin American economies to fully benefit from the APFF in pursuing these initiatives.

- 16:00 **Introductory Remarks by Session Moderator**
Mr. Wayne Kenneth Golding, Co-Chair, ABAC Finance and Economics Working Group and Executive Co-Chairman, 2G Development Co. Limited
- 16:05 **Moderated Panel Discussions**
Panel Discussants
Dr. José Luis Negrín Muñoz, Director of Financial Service Evaluation, Financial System Issues, Banco de Mexico

Mr. Luis Felipe Oliva Díaz, Manager of Investment and Finance, Production Development Corporation (CORFO), Chile

Mr. John Wilson, Senior Operations Officer, Panama, International Finance Corporation

Mrs. Rebeca Pizano, Deputy General Director of Development, Nacional Financiera (NAFIN)
- 16:45 **Open Forum**
- 17:45 **Concluding Remarks by Session Moderator**
- 17:50-18:00 **CLOSING SESSION**
- 17:50 **Closing Remarks**
Mr. Hiroyuki Suzuki, APFF Chair, ABAC Finance and Economics Working Group Chair and Director/Member of the Board, Nomura Holdings, Inc.
- 18:00 **END**
- 18:30-21:00 **WELCOME RECEPTION**
Toy Garden, Hotel Camino Real Polanco

Master of Ceremonies: Dr. Julius Caesar Parreñas, APFF Coordinator and Senior Advisor, Nomura Securities Co. Ltd.