



**Advisory Group
Meeting I
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**APEC Business Advisory Council
The Foundation for Development Cooperation
Asian Development Bank Institute**

2016 Asia-Pacific Forum on Financial Inclusion

Financial Inclusion in a Digital Age

In partnership with:

Citi Foundation



**7-8 April 2016
Asian Development Bank Institute
Tokyo, Japan**

Forum collaborators:

TRPC
GE Capital
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International Finance Corporation (IFC)
Consultative Group to Assist the Poor (CGAP)
Japan International Cooperation Agency (JICA)
Policy and Economic Research Council (PERC)
World Savings Bank Institute (WSBI)
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Introduction

The 2016 Asia-Pacific Forum on Financial Inclusion is hosted by the Asian Development Bank Institute (ADBI) and co-organized by the APEC Business Advisory Council (ABAC), and the Foundation for Development Cooperation (FDC), in partnership with the Citi Foundation. The Forum brings together participants from the public and private sectors, including financial regulators and policy makers, multilateral institutions, financial institutions and related market players, microfinance institutions, financial inclusion experts, industry organizations and private foundations. By providing a platform for high-level dialogue amongst policy makers and regulators across the region, the Forum aims to strengthen their capacity as well as provide specific points of advice for policy related issues impacting financial inclusion in the region.

2016 Asia-Pacific Forum on Financial Inclusion

7-8 April 2016
Asian Development Bank Institute (ADBI)
Tokyo, Japan

DAY ONE	Thursday 8 April
08:30 – 09:00	REGISTRATION
09:00 – 09:30	OPENING SESSION
	<p>Session Chair:</p> <p>Opening Remarks: Dr. Naoyuki Yoshino, Dean, Asian Development Bank Institute (ADBI)</p> <p>Welcome Remarks: Mr. Hiroyuki Suzuki, Chair, ABAC Finance and Economics Working Group; and Director and Board Member, Nomura Holdings Inc.</p> <p>Welcome Remarks: Japan Ministry of Finance (TBC)</p>
09:30 – 09:45	PHOTO SESSION
09:45 – 11:15	SESSION 1: Credit Bureaus and Credit Information Systems
	<p><i>Quality information on the credit risk of borrowers is vital for financial institutions in making lending decisions. Credit bureaus provide a critical function in providing such information. In addition, the analysis of aggregated credit information from banks on the results of their lending activities can offer a value source of information and advice to financial institutions in developing their lending strategies. Policymakers can encourage the establishment and regulation of such institutions and activities.</i></p> <p>Session Chair: Dr. Bokhwan Yu, Deputy Dean, Asian Development Bank Institute (ADBI)</p>
09:45 – 09:50	Session Chair's opening remarks
09:50 – 10:05	Presentation 1: Mr. Jaime Garchitorena, President and CEO, Credit Information Corporation (CIC)
10:05 – 10:20	Presentation 2:
10:20 – 10:35	Presentation 3:
10:35 – 11:05	Open forum
11:05 – 11:15	Session Chair's closing remarks
11:15 – 11:30	BREAK
11:30 – 13:00	SESSION 2: Insurance as the foundation of economic growth in the APEC region: What is the cutting edge?
	<p><i>Insurance is often the forgotten partner of financial inclusion efforts. Yet, effective risk management strategies, especially for low income people, are crucial for developing economies. Yet, the efforts towards inclusive insurance have required a paradigm shift for regulators, insurers, and others in the insurance value chain. This session will look at some of the major new efforts in expanding inclusive insurance, and the key considerations and solutions for the issues that emerge from them. These will include: mobile insurance, disaster risk management, public private partnerships.</i></p> <p>Session Chair: Mr. Michael McCord, President, Microinsurance Network</p>
11:30 – 11:35	Session Chair's opening remarks

11:35 – 11:50	Presentation 1: GSMA (TBC)
11:50 – 12:05	Presentation 2: Mr. Antonis Malagardis, Program Manager, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
12:05 – 12:20	Presentation 3: Joan Lamm-Tenant, Global Chief Economist, Guy Carpenter
12:20 – 12:50	Open forum
12:50 – 13:00	Session Chair's closing remarks
13:00 – 14:30	LUNCH
14:30 – 16:00	SESSION 3: Unlocking Cross-Border Opportunities for the Bottom-of-the-Pyramid and beyond
	<p><i>Much progress has been made in improving cross-border payments, including remittances and B2B settlements, in recent years. The global average cost for sending money has fallen from more than 9% in 2010 to 7.5% in 2014 (to transfer USD200 cross border). In addition to the number of rapidly growing mobile phone-based services, new business models using new technologies based on blockchain or data analytics continue to emerge. Countries throughout the region are looking into the introduction of proportionate regulatory approaches or tiered bank account structures, using biometric identification systems, and so on, so as to expand financial services for the poor.</i></p> <p><i>Yet more can be – and needs to be – done to improve the intrinsic inefficiencies in cross-border payments. These include differences in data residency regulations which impact the ability of banks and Money Transfer Operators (MTOs) to exchange data; variations in the practice of regulations such as KYC/AML, determining if a fund can flow from an origination country to a receiving one. As a result any payments services provider wanting to expand its remittance services overseas needs to navigate through a host of different licensing requirements.</i></p> <p><i>Against this background, this session will focus on beyond-the-border policies and regulations that inadvertently drive up the cost of operation for banks, financial institutions and MTOs, and which are eventually passed on to end-customers. The session will also look to introduce case studies about emerging services that circumvent current inefficiencies in the system and are succeeding in making the remittances and cross-border payments work for the poor and the MSMEs.</i></p>
	Session Chair:
14:30 – 14:35	Session Chair's opening remarks
14:35 – 14:50	Presentation 1:
14:50 – 15:05	Presentation 2:
15:05 – 15:20	Presentation 3:
15:20 – 15:50	Open forum
15:50 – 16:00	Session Chair's closing remarks
16:00 – 16:30	BREAK
16:30 – 18:00	SESSION 4: Promoting Savings via Formal Channels: Challenges and Opportunities
	<p><i>High levels of household saving can contribute to national infrastructure building, business expansion and other investments as well as reducing reliance on foreign investment. What national policies should governments adopt to improve savings rates and what are the roles of different stakeholders? How to cultivate a savings habit in particular among the young generation?</i></p>

	<p><i>In developing countries, household savings may not be captured fully by formal channels, particularly in rural areas. So how can we draw savings from informal savings vehicles to formal financial service providers?</i></p> <p><i>Agents appointed by formal financial service providers and agents of mobile money operators are key distribution channels to collect savings in remote rural areas. But how are such deposit-taking institutions and agents supervised and is there an adequate level of client information and protection? It is critical to address the need to develop of deposit-taking institutions and agents, on the basis of the existing framework developed for the supervision of banking institutions. Policymakers should establish clear rules regarding the responsibilities of different actors and the types of activities the agents are allowed to perform (i.e. collecting deposits) and develop an appropriate regulatory framework which establishes a level playing field but also an enabling environment to encourage the general population to integrate into the formal banking system, also for savings.</i></p>
	Session Chair:
16:30 – 16:35	Session Chair’s opening remarks
16:35 – 16:50	Presentation 1:
16:50 – 17:05	Presentation 2:
17:05 – 17:20	Presentation 3:
17:20 – 17:50	Open forum
17:50 – 18:00	Session Chair’s closing remarks
18:15 – 20:30	DINNER
DAY TWO	Friday 8 April
09:00 – 09:30	DAY 2 OPENING SESSION
	<p>Session Chair:</p> <p>Speaker 1: Mr. Hisashi Ono, Vice Commissioner for Policy Coordination, Japan Financial Services Authority</p> <p>Speaker 2:</p>
09:30 – 11:00	SESSION 5: Digital Financial Infrastructure for Digital Finance: Extending Reach to MSMEs
	<p><i>With the progress in Internet, mobile and cloud technologies, financial services have become increasingly digital. A broad spectrum of innovative digital financial solutions for MSMEs has emerged in recent years, expanding access beyond the conventional reach. These range from mobile money, digital payments, online lending, electronic supply chain finance platforms, to data-driven finance, Internet-based cash and liquidity management, and crowd funding, etc. Financial infrastructure (secured transactions and movable asset finance regime, credit reporting system, and insolvency framework) has been a critical element of the growing eco-system for digital finance. The infrastructure services providers have developed, for example, batch registration, online credit reporting solutions, anti-fraud applications, and the digital systems for speedy and transparent resolution of insolvency cases, etc. How should financial infrastructure progress further and adapt to the digital finance environment? What are the demands of digital finance operators for financial infrastructure services? How the future shape of financial infrastructure will look like? What more can be done to support greater, efficient and safer financial services to MSMEs in digital ways? This</i></p>

	<i>session will bring together both digital finance players and financial infrastructure practitioners to discuss these issues.</i>
	Session Chair: Mr. Jinchang Lai, Principal Operations Officer and Lead for Financial Infrastructure, Finance and Markets, East Asia and Pacific, World Bank Group
09:30 – 09:35	Session Chair's opening remarks
09:35 – 09:50	Presentation 1:
09:50 – 10:05	Presentation 2: Mr. Patrick Yao, CEO, Qunxing Financial Service. Inc
10:05 – 10:20	Presentation 3: Ms. Catherine Simmons, Managing Director, Head of Government Affairs, Asia Pacific, Citi
10:20 – 10:50	Open forum
10:50 – 11:00	Session Chair's closing remarks
11:00 – 11:30	BREAK
11:30 – 13:00	SESSION 6: Financial Literacy through Education
	<i>To foster access and make best use of financial services, it is critical that individuals, households, and small enterprise owners understand financial concepts, transaction procedures, risks, and liabilities. This need is heightened by recent developments in digital finance which provide an opportunity to increase access among the financially excluded. The session will discuss approaches that can be supported by government to deliver financial education as a means to increase financial literacy.</i>
	Session Chair: Mr. Peter Morgan, Senior Consultant for Research, Asian Development Bank Institute (ADB)
11:30 – 11:35	Session Chair's opening remarks
11:35 – 11:50	Presentation 1:
11:50 – 12:05	Presentation 2:
12:05 – 12:20	Presentation 3:
12:20 – 12:50	Open forum
12:50 – 13:00	Session Chair's closing remarks
13:00 – 14:30	LUNCH
14:30 – 16:00	SESSION 7: Digital Finance and Consumer Protection
	<i>Digital finance has been expanding in many parts of the world, including APEC economies, and has substantially contributed to promoting financial inclusion for the unbanked poor although its potential has not been fully exploited. In parallel with its success, various consumer risks, especially to the poor and vulnerable, have been researched. CGAP identified seven risk areas, which were 1) inability to transact due to network/service downtime, 2) insufficient agent liquidity or float, which also affects ability to transact, 3) user interfaces that many find complex and confusing, 4) poor customer recourse, 5) nontransparent fees and other terms, 6) fraud that targets customers, and 7) inadequate data privacy and protection. Without proper mitigation measures against these risks, digital financial services will not be fully benefit the poor in terms of access, usage and services' quality. This session discusses lesson learnt on consumer protection measures in relation with digital finance, as well as challenges ahead. It will look at the implications for customers, digital finance providers and policy makers more specifically.</i>
	Session Chair: Mr. Kazuto Tsuji, Visiting Senior Advisor, Japan International Cooperation Agency (JICA)/ Professor, Saitama University, Japan/The Executive Committee Chair, CGAP

14:30 – 14:35	Session Chair’s opening remarks
14:35 – 14:50	Presentation 1: National Bank of Cambodia (NBC) (TBC)
14:50 – 15:05	Presentation 2: Ms. Kate McKee, Senior Advisor, CGAP (TBC)
15:05 – 15:20	Presentation 3: Mr. Raymond Estioko, Manager, Bangko Sentral ng Pilipinas (BSP) (TBC)
15:20 – 15:50	Open forum
15:50 – 16:00	Session Chair’s closing remarks
16:00 – 16:30	BREAK
16:30 – 18:00	SESSION 8: Insolvency: Moving Beyond Stability
	<i>15 years after the Asian Financial Crisis, which spurred the international community towards an organized and concerted effort to tackle issues of corporate insolvency, do we have a better understanding of the role that sound insolvency systems play in the financial sector? Specifically, where the Crisis prompted a focus on the link between insolvency and financial stability, do we now have a better understanding of the role that sound insolvency systems play in access to finance, growth and entrepreneurship? Moreover, with the commitment by the G20 Group of countries in Antalya in 2015 to focus on insolvency reform as a key driver promoting SME finance, specialized SME insolvency regimes are popping up around the world, including most recently in South Korea. We will look at the specific issues that arise in this context and the need for personal insolvency regimes that respond to growing financial inclusion.</i>
	Session Chair: Mr. Mahesh Uttamchandani, Global Lead, Credit Infrastructure, World Bank Group
16:30 – 16:35	Session Chair’s opening remarks
16:35 – 16:50	Presentation 1: Dr. Shinjiro Takagi, Special Advisor, Frontier Management Inc.
16:50 – 17:05	Presentation 2: Mr. JR Smith, Partner, Hunton & Williams LLP
17:05 – 17:20	Presentation 3:
17:20 – 17:50	Open Forum
17:50 – 18:00	Session Chair’s closing remarks
18:00 – 18:10	CLOSING REMARKS:
	Remarks: