

**Update on Financial Regulation in Asia Project – February 2016****University of Melbourne Team:**

- Professor Kevin Davis (Finance)
- Dr Jikon Lai (International Relations)
- Professor Andrew Walter (International Relations)
- Professor Andrew Mitchell (Law)
- Professor Ian Ramsay (Law)
- Andrew Godwin (Law)

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**External partners include:**

- ANZ Bank
- The University of Hong Kong
- Osaka University of Economics
- The Australian APEC Study Centre
- The Fung Global Institute

**Objective of project** - to examine, from a multi-disciplinary perspective, the regional architecture for financial regulation in Asia and, in particular, on the various ways in which regional coordination and integration can be strengthened.

We have considered the issues by reference to a range of specific areas, including:

- Basel compliance and international standards relating to bank supervision;
- The Asia Region Funds Passport scheme;
- Shadow banking;
- Bank resolution regimes;
- OTC derivatives market reforms;
- Financial benchmarks;
- Trade in Services;
- Consumer Finance; and
- Deposit insurance.

Working papers and journal articles have been published and are available on the project website: <https://government.unimelb.edu.au/financial-regulation-in-asia>.

**Current areas of focus:**

- Andrew Walter and Jikon Lai (International Relations):
  - Asia's institutional architecture for financial regulation
  - Completing an Asia-heavy edited volume with Randall Henning on *Global Financial Governance Confronts the Rising Powers: Emerging Market Perspectives on the New G20*

- Applying to CIGI (Canada) with Henning for a grant to convene two conferences in Asia focusing on emerging country policymaker and researcher views on regional financial safety nets and global financial regulatory standards respectively
  - Writing paper on 'The Changing Politics of Regulating Systemically Important Banks' (global focus, but substantive Asian dimension)
  - Contributing to a joint paper on deposit insurance
- Kevin Davis (Finance):
    - Revising paper on 'Liquidity Regulation in Asia: the relevance of the Basel liquidity requirements'
    - Revising paper on 'ASEAN Banking Integration Framework and challenges posed by different approaches to Depositor Preference and Deposit Insurance'
    - Developing paper (with Mark Lawrence) on 'The Impact of Basel 3 and 4 on the Banking Industry', which will have some focus on Asia (following on from an existing paper which focused on Australia)
    - Preparing chapter on 'Central Banking and Prudential Banking' for a Handbook on Central Banking which will include some discussion of Asian models regarding allocation of regulatory responsibilities across agencies.
    - Contributing to a joint paper on deposit insurance
- Andrew Mitchell, Ian Ramsay and Andrew Godwin (Law):
    - Impact of the Trade in Services Agreement (TiSA)
    - Analysis of prudential provisions in international trade agreements
    - Regulatory coordination in the area of financial benchmark reforms
    - Regulatory coordination in the area of shadow banking
    - Regulatory coordination in the area of consumer finance
    - Contributing to a joint paper on deposit insurance

### **Conferences/Symposia:**

- November 2014 (Melbourne, hosted by ANZ)
- November 2015 (Hong Kong, hosted by the University of Hong Kong Law School)
- (in planning) roundtable with regulators in Australia to obtain insights into (a) what are the current and emerging topics of importance in harmonisation of financial regulation across Asia from the perspective of Australian regulators; (b) what types of issues arise in collaboration with regulatory agencies from Asia, including the use of bilateral memoranda of understanding and other arrangements; (c) reactions of Australian regulators to the hypotheses and themes of the topics that the research team is working on.