

**Advisory Group
Meeting II
PAPER 2-A**

Document: AGFSCB 36-014

Draft: **FIRST**

Date: 15 April 2016

Source: AGFSCB Chair

Meeting: Port Moresby, Papua New Guinea



THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

Second Meeting 2016

25 April 2016

3:00 PM – 5:00 PM

Mirigini Room, Ground Floor, International Conference Center
Port Moresby, Papua New Guinea

Meeting Paper 2-A

**Report of the Meeting of the Advisory Group of 25
February 2016, San Francisco, USA**

Office of the Advisory Group Chair

PURPOSE	For consideration.
ISSUE	N.A.
BACKGROUND	N.A.
PROPOSAL	N.A.
DECISION POINT	Endorse the meeting report

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

First Meeting 2016

25 February 2016

3:15 PM – 5:15 PM

Telegraph Hill Room, 4th Floor, Intercontinental San Francisco Hotel
San Francisco, California, USA

MEETING REPORT

Draft as of 17 March 2016

Welcome and Introduction

The meeting started at 3:15 PM. Participants included ABAC members and staffers and representatives from various institutions collaborating with the Advisory Group on various initiatives. Among these were the sherpas and coordinators of these initiatives: Ms. Amy Auster (Australian Centre for Financial Studies), Mr. Douglas Barnert (Barnert Global Ltd), Ms. Kimberley Claman (Citi), Dr. Matthew Gamser (International Finance Corporation, World Bank Group), Mr. Nicholas Brooke (International Valuation Standards Council), Mr. Makoto Okubo (Nippon Life Insurance Company), Dr. Michael Turner (Policy and Economic Research Council), Mr. Shawn Hunter (Foundation for Development Cooperation), Dr. Peter Lovelock (TRPC Pte. Ltd), Ambassador Charles Lawrence Greenwood, Jr. (Center for Strategic and International Studies), Mr. Patrick Walker (PERC), and Mr. James Hajime Kojima (Royal Institution of Chartered Surveyors).

The Advisory Group Chair, Mr. Hiroyuki Suzuki, presided over the meeting. In his opening remarks, he gave an overview of the agenda items for discussion and thanked participants from the public and private sectors for attending the meeting.

Review of the Fourth 2015 Advisory Group Meeting in Manila

The Advisory Group Coordinator, Dr. J.C. Parreñas, presented the draft Report of the Advisory Group Meeting of 13 November 2015 held in Manila, Philippines.

The Advisory Group approved the Meeting Report.

Financial Inclusion

Mr. Hunter of FDC briefed participants on the preparations and agenda for the 2016 Asia-Pacific Forum on Financial Inclusion, to be held on 7-8 April in Tokyo. The forum will be 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, TRPC, GE Capital, Barnert Global, Ltd, Australian Centre for Financial Studies, World Bank Group/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), and the Australian APEC Study Centre.

Mr. Hunter reported that the Forum will bring 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 among 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. Following are the various sessions:

- credit bureaus and credit information systems
- insurance as the foundation of economic growth in the APEC region
- unlocking cross-border opportunities for the bottom-of-the-pyramid and beyond
- promoting savings via formal channels
- digital financial infrastructure for digital finance: extending reach to MSMEs
- Financial literacy through education
- Insolvency: moving beyond stability to growth

Ms. Auster of the Australian Centre for Financial Studies presented to participants the key messages from the report on the progress and impact of the Financial Inclusion Initiative through the years since 2011. Key messages are as follows:

- The first Asia-Pacific Forum on Financial Inclusion was convened in Sapporo, Japan in May 2010 by the APEC Business Advisory Council (ABAC) in cooperation with the Ministry of Finance of Japan. Following this event, the APEC Finance Ministers noted in their Kyoto Report on Growth Strategy and Finance the outcomes of the Forum and consequently mandated ABAC to hold subsequent forums as a policy initiative under the APEC Finance Ministers' Process (FMP). Since then the Forum has been held annually in Tokyo, Japan (2011), Shanghai, China (2012 and 2014), Batam Island, Indonesia (2013) and most recently in Tagaytay, Philippines (2015). Each Forum was organized by ABAC in partnership with the Foundation for Development Cooperation (FDC) and has been hosted by several key financial inclusion stakeholders in the region including the Asian Development Bank Institute (ADBI), the Asia-Pacific Finance and Development Institute (AFDI), the Indonesian Ministry of Finance and the Philippine Department of Finance.
- Over the years, the Forum has been supported by experts representing several stakeholder groups including the Asian Development Bank (ADB), GE Capital, the International Finance Corporation (IFC), the Consultative Group to Assist the Poor (CGAP), the Japan International Cooperation Agency (JICA), the Policy and Economic Research Council (PERC), the Banking with the Poor Network (BWTP), the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), the Asia-Pacific Credit Coalition (APCC), the China Association of Microfinance (CAM), the Institute for International Monetary Affairs (IIMA), the Organization for Economic Co-operation and Development (OECD), Barnert Global and the Australian APEC Study Centre.
- The Forum has received sponsorship support from the Citi Foundation and is coordinated through the Advisory Group on APEC Financial System Capacity Building. The report looked back on the past five years of the Asia-Pacific Forum on Financial Inclusion, to evaluate the progress and impact of ABAC's financial inclusion initiative and its objective to strengthen policy and regulation within APEC member economies in support of greater financial inclusion. The review included an assessment of the extent to which recommendations produced by the annual Forum have been adopted and implemented within APEC member economies.
- In reviewing the past five years of the Asia-Pacific Forum on Financial Inclusion, the authors engaged with dozens of stakeholders who provided ideas and feedback on areas of work to take forward within the group. This feedback has been collated and is also provided in this report as suggested recommendations for next steps to be considered to progress ABAC's financial inclusion initiative. The findings are as follows:
 - The Asia-Pacific Forum on Financial Inclusion has succeeded in achieving many of its founding objectives. The Forum itself has grown as a platform for dialogue on new channels to serve the financial needs of the unbanked and underserved, and has promoted knowledge sharing and dissemination on financial inclusion within the APEC economies.

- Substantial progress has been made on two specific issues of credit information and legal frameworks for secured lending that were identified in 2010. There has also been growing awareness around domestic level financial inclusion strategies, financial literacy and remittances. Out of the 23 initiatives listed in the APEC Finance Ministers' Cebu Action Plan and Roadmap, 5 initiatives have been part of ABAC's financial inclusion agenda since 2010.
- More than 70% of respondents to the survey issued to delegates at the 2015 Asia-Pacific Forum on Financial Inclusion in Tagaytay, Philippines were aware of the Forum's work across all areas of recommendations, and more than 30% rated progress on key issues as "excellent" over the past 5 years.
- In a subsequent online survey to financial inclusion experts and practitioners, more than half of the respondents said that ABAC played a role in advancing improvements within their own member economies within the Forum's areas of policy focus. Just under 70% of the respondents indicated that ABAC had played either a significant or some role in addressing financial education and its impacts.
- In addition to asking for input on the outcomes of the Asia-Pacific Forum on Financial Inclusion over the past five years, this study also sought feedback on what topics, issues or initiatives Forum participants thought should be added to ABAC's financial inclusion agenda in order to advance financial inclusion within APEC member economies over the coming years. Based on feedback from respondents, the report recommends the following for consideration by ABAC to further progress its work on financial inclusion:
 - Continue to support the Asia-Pacific Forum on Financial Inclusion as the core platform within ABAC to promote knowledge sharing and best practice on financial inclusion across APEC member economies. Although there is substantial variation in the degree of financial inclusion across APEC and the forms that it takes, each member economy has identified issues to address and areas for improvement.
 - Identify and adopt a standard definition for financial inclusion for APEC member economies. More than 75% of respondents to this study's survey supported this idea, with respondents commenting that to do so would build a common objective across APEC and concrete targets to achieve. More than 90% of respondents also thought APEC member economies should adopt a stated policy objective for financial inclusion. At the same time, each APEC member economy would retain its own emphasis and approach, taking into account its own circumstances.
 - Develop a model code or framework for a domestic financial inclusion strategy to be considered by APEC member economies. Respondents unanimously stated "yes" when asked in a survey if it would be useful for APEC member economies to adopt a model code or framework. This code may be modelled on those drafted by expert organisations, such as the Alliance for Financial Inclusion.
 - Incorporate digital finance into ABAC's work on financial inclusion, including through the addition of identified experts on this emerging industry to the ABAC's financial inclusion caucus. Digital finance has emerged as a rapidly increasing channel for delivery of financial services by both traditional and alternative financial service providers. More than 85% of respondents believed that APEC should investigate how the emergence of digital finance can support broader financial inclusion within APEC economies.

In the ensuing discussions, participants touched on the World Bank Group/IFC's reorganization, the work of the SME Finance Forum and its work on financial inclusion strategies in collaboration with this year G20 Chair. The incorporation of microinsurance in future surveys of the Advisory Group's work on financial inclusion was also discussed.

The Advisory Group endorsed the program for the 2016 Asia-Pacific Financial Inclusion Forum and the report on the progress and impact of the Financial Inclusion Initiative.

Infrastructure

Mr. Waller of AASC referred to the APIP work plan presented at the previous meeting in Manila, which envisaged that APIP aim to develop a pipeline of dialogues with APEC economies. He reported that Vietnam has advised its interest in hosting a dialogue and arrangements are under discussion, and that ABAC Peru and ABAC Thailand have been approached by APIP to host dialogues and their responses are being awaited. He also encouraged other economies interested in hosting an APIP dialogue in 2016 or 2017 to come forward.

Mr. Waller also reported that AASC has commissioned a research paper on Successful PPP Programs in the Philippines, which detailed the following success factors: (a) a comprehensive program of improvements and reforms; (b) getting the policy framework right and continually improving it; (c) a whole of government approach; (d) properly resourced; (e) government capacity to comprehensively monitor PPPs; (f) close engagement with the private sector; and (g) comprehensive communications strategy for the project. He noted that challenges remain, particularly the need for improvements in the financing environment.

He also reported that the APIP Secretariat met recently with the G20 Global Infrastructure Hub, which provided an update on the development of their knowledge sharing network (the GIH Guide to Infrastructure Resources - a single database on infrastructure projects and financing information) that is available to APEC and non-G20 economies. A specific project database is also being constructed, and Mr. Robert Milliner of ABAC Australia will continue to link APEC/ABAC and G20 to minimize duplication. Mr. Waller noted that APIP is supporting the G20 initiative with the provision of materials and resources.

In the ensuing discussions, participants encouraged Peru to host an APIP dialogue. ABAC Thailand also expressed interest in hosting a dialogue. Participants underscored the importance of continuing the work on promoting long-term investment in infrastructure, including the impact of regulations on incentives for insurance companies to undertake such investments.

The Advisory Group endorsed the work program and way forward as discussed.

Improving Valuation Practices in APEC

Mr. Brooke of IVSC introduced Mr. James Kojima of the Royal Institution of Chartered Surveyors as a new core group member in the initiative on improving valuation practices. Following points were made:

- Valuations are central to decision making in the global economy and impact the public interest, economic growth and development of financial systems in a multitude of ways. This underscores the importance of high quality valuation practices and a credible valuation profession in all the APEC economies. In 2014, upon recommendation of ABAC, Finance Ministers endorsed collaboration among relevant stakeholders to promote high quality valuation practices and professionals across member economies.
- In response, an ABAC/IVSC cross stakeholder Working Group was established to explore the valuation landscape in Asia Pacific economies; discuss model valuation architecture, associated best practice, the role of commonly accepted valuations standards and of VPOs; record strengths, weaknesses and impediments to improving valuation practices and identify where there is need to develop and/or reinforce valuation infrastructure; prioritize opportunities to enhance existing landscape and implementation challenges; and outline development process for member economies that lack valuation infrastructure.
- The initial tasks assigned to the Working Group included: (a) preparing an audit (a full description of the valuation landscape of all 21 APEC economies, covering all asset classes); (b) preparing a template of best practices (describes various options for establishing various best practice landscapes for the valuation practices in various economies); and identifying and starting the planning of several roundtables for various APEC economies to assist those economies which would benefit most from adopting best practices as outlined in the template.

- The audit/stocktaking of the valuation landscape in all 21 APEC economies is now largely complete, subject to detailed verification when in-economy roundtables are held. Similarly, the template of best practices is now largely complete and has been shared with senior members of the valuation profession who consider it to be a very helpful guide for those looking to enhance their in-economy best practice landscape.
- The Working Group has moved ahead to engage at an economy level, with the first roundtable being held in Malaysia in January this year. It was attended by stakeholders from 12 economies, VPOs and valuation practitioners. It included a frank interchange when each economy briefed those present on the state of the profession and the challenges it was facing and there were requests from Japan, Papua New Guinea, the Philippines and Thailand to host roundtables. The Working Group now plans to hold roundtables in these economies over the coming months, as well as respond to a request that has been received from Vietnam. The Working Group will next be preparing a Valuation Roundtable to be held in the wings of the next ABAC meeting in Port Moresby.
- Work also continues with the China Appraisal Society and the Chinese Ministry of Finance on the organization of a Symposium to coincide with the Society's annual conference in Beijing, which will focus on "Valuation and its Contribution to Economic Growth", where valuation experts and other key stakeholders will share experiences of how robust valuation practices can contribute to economic growth.
- From a planning and resource perspective the Working Group believes that it is realistic to target four to six roundtables each year, plus one major awareness-raising event such as the Symposium in Beijing. On this basis, the Working Group is looking at a three year delivery program, subject to sponsorship and other potential means of funding. In addition, the Working Group will seek to contribute to other work streams, including those focused on bankability of PPPs, fintech, microfinance and various financial instruments.

In the ensuing discussions, participants called attention to the recently completed survey of International Association of Insurance Supervisors (IAIS) members on Insurance Core Principle 14 (ICP 14), which establishes valuation requirements when assets and liabilities are measured to determine solvency, and the upcoming consultation beginning in July that is being held with a view to rewriting the core principle. It was noted that this provides an opportunity for collaboration with the insurance industry.

The Advisory Group endorsed the way forward as discussed.

Financial Innovation

The Coordinator presented a preliminary summary of the outcomes of the APFF Roundtable on Financial Innovation hosted by PayPal at its Corporate Campus in San Jose on 24 February 2016. Following points were highlighted:

- The emergence of FinTech and growing use of mobile money, shared ledger technology (including block chain), big data, artificial intelligence, electronic platforms, advanced analytics and automated processes, among others, are challenging established business models. New players are entering markets long dominated by traditional financial service providers, even as the latter are now embracing new technologies to help them face the threat of disintermediation by new competitors across business lines.
- Innovations such as mobile and agent banking and peer-to-peer lending have already demonstrated the power of technology to help unbanked individuals and small businesses gain access to finance. New applications are enhancing business processes such as clearing and settlement, compliance, risk management and fund administration. Technologies such as block chain and artificial intelligence have potential applications that could revolutionize financial service firms' efficiency and responsiveness to customer needs.
- Policy makers and regulators will inevitably respond to these developments, in compliance with mandates to promote financial stability, protect consumers and privacy and maintain the integrity

of financial systems. However, for the APEC Leaders' and Finance Ministers' aspirations to make financial systems more inclusive, efficient and responsive to the region's vast financing needs to be met, a balanced and coherent approach that maximizes the benefits of innovation while adequately addressing emerging risks and concerns will be required.

- Various factors have conspired to render many traditional financial institutions unable to serve the financing needs of large numbers of businesses and individuals across the region. Technological developments began to spur innovations that were harnessed to serve these needs, resulting in innovations that have powered the rise of companies like Kabbage (which provides a platform for automated loan applications and approval), PayPal (which has created a payments platform that makes it easier and cheaper for households and businesses to make and receive payments) and Xoom (which facilitates international money transfers).
- The FinTech landscape, however, is a very large and complex one that is affecting financial services across payments, insurance, deposit-taking, lending, capital raising, investment management and financial market infrastructure. It also represents an extensive digital realm where traditional financial institutions, start-ups, e-commerce, ICT companies, market infrastructure players, investors, accelerators, incubators, and consumers intersect with each other.
- Technologies are emerging that enable financial market players to respond more effectively to regulatory requirements. Participants discussed the incorporation of regulatory requirements into technology protocols that is promoting the automation of the regulatory process, the evolution of regulatory models and how industry, policy makers and all relevant regulators can collaborate to build a robust and coherent ecosystem for inclusive financial innovation.
- As innovation gives rise to a new ecosystem of financial institutions, services and market infrastructure, policies and regulations will also need to evolve. In addition to ensuring that critical regulatory goals such as financial stability, cyber security, data privacy, consumer protection and the fight against crime and terrorism will continue to be met, they will also need to promote a coherent policy and regulatory environment that allows the financial sector to support broader goals, including financial inclusion, continued innovation and the growth of trade and investment across the region.
- The advent of FinTech has also spurred many governments to consider ways of promoting innovations within their jurisdictions to facilitate the development of their financial services sector. Several entities in the region have undertaken concrete initiatives in this direction. Participants discussed important enablers of a strong FinTech ecosystem, which include: (a) early stage funding for FinTech start-ups and a strong pipeline of opportunities for investors/VC funds; (b) depth of financial services and technology talent and close proximity of these talent pools to each other; (c) a robust financial services industry, with a vibrant technology start-up community with mentoring, networking and high visibility; (d) government commitment and regulatory support; and (e) business backing for a FinTech hub, with high levels of collaboration and a strong culture of knowledge-sharing and entrepreneurship.
- The discussions underscored the importance of creating a regional platform to bring together stakeholders from the public and private sectors to address in close collaboration with each other key issues arising from the development of FinTech. ABAC will convene another Roundtable this coming July in Hong Kong in collaboration with interested institutions, and will formulate recommendations to APEC on structures and processes to help member economies harness financial innovation to build bigger, robust and inclusive financial markets.

In the ensuing discussions, participants strongly endorsed the active engagement of Asian economies. The Chair also underscored the important dual role of regulators as guardians and facilitators and the need to help them play these roles effectively. He also expressed his thanks to PayPal for hosting and sponsoring the Roundtable, and the institutions that have actively collaborated to put together an excellent panel of speakers.

The Advisory Group endorsed the way forward as discussed.

Asia-Pacific Financial Forum (APFF)

The Coordinator summarized the outcomes of the discussions at the recently held APFF Caucus Meeting of 24 February on the 2016 APFF Work Program. There are two major clusters around which action plans have been developed.

The first is expanding MSME access to finance, which included the following action plans:

- developing credit information systems;
- improving the legal and institutional architecture for security interest creation, perfection and enforcement and related workshop;
- dialogues on regulatory issues in trade and supply chain finance; and
- workshops on emerging facilitators of trade and supply chain finance.

The second is the development of capital markets and long-term investment, which included the following:

- developing classic repo markets;
- improving legal and documentation infrastructure for the development of OTC derivatives markets;
- self-assessment templates on information for capital market investors: development and workshop series;
- supporting the successful launch of the Asia Region Funds Passport (ARFP)
- developing an enabling Asia-Pacific securities investment ecosystem;
- regulation and accounting issues impacting the long-term business of the insurance industry in Asia-Pacific economies and longevity solutions;
- promoting long-term investment, including infrastructure; and
- a conference and workshop series on linkages and structural issues.

In particular, he drew attention to the following upcoming activities focused on MSMEs, and supply chain finance/financial inclusion:

- 2016 Mar 14-15, Manila – FIDN Workshop for Philippines
- 2016 Apr 7-8, Japan – Asia-Pacific Financial Inclusion Forum (collaboration with ADBI)
- 2016 May, China (Nanjing) - Conference on Secured Transactions Legislative Reform (collaboration with IFC/WBG)
- 2016 May, Peru – Collaboration with FMP Financial Inclusion Workshop
- 2016 2nd Semester, China - Symposium on SME Credit Reporting (collaboration with IFC/WBG)
- 2016 2nd Semester, Vietnam - Symposium on Supply Chain Finance (collaboration with IFC/WBG)
- 2016 September, Peru – Forum on MSME Financing (collaboration with APEC SME Working Group)
- 2016 (under discussion), various locations – Cebu Action Plan FIDN workshops on credit information and secured transactions (collaboration with IFC, APEC Economic Committee and USAID)

The Coordinator also outlined the following activities being planned to promote the development of capital markets and long-term investment:

- 2015-2016 Ongoing – APFF Tax Task Force compiling Matrix of Quantitative Tax Factors for ARFP Home/Host Jurisdictions
- 2016 Feb 13-14, Peru – Collaboration with FMP DRF workshops
- 2016 Mar 23, Sydney – APFF Progress on the ARFP and Regional Financial Market Integration - Industry/Regulator Dialogue
- 2016 19/20 April, Indonesia – Cebu Action Plan workshop for Indonesian stakeholders on repo market development (collaboration with ADB, IMF)
- 2016 10 May, Malaysia – Conference on Platform for Islamic Investment in Infrastructure
- 2016 (TBC), Canada – APFF Roundtable on Pensions and Insurance Investment in Asian Infrastructure
- 2016 June, Seoul – Financial Market Infrastructure event (TBC)

- 2016 3rd or 4th quarter, Chinese Taipei – Workshop for Chinese Taipei FSC on ARFP
- 2016 (under discussion), various locations: Cebu Action Plan country-specific workshops with interested regulators on repo and derivatives market development, information for capital market investors (issuer disclosure, bond market data, investor rights in insolvency), financial market infrastructure, ARFP (collaboration with various multilateral and public sector stakeholders)

Finally, he mentioned the following activities that will discuss cross-cutting issues:

- 2016 24 February, San Jose – Roundtable on Financial Innovation
- 2016 July, Hong Kong – Asian Roundtable on Financial Innovation
- 2016 August, Shenzhen – APFF Symposium

The Advisory Group endorsed the proposed APFF work program.

Proposed 2016 Advisory Group Work Program

Based on the previous agenda item discussions, the Coordinator presented an outline of the proposed 2016 Advisory Group Work Program, as follows:

- Financial inclusion: (a) 2016 Financial Inclusion Forum (7-8 April, Tokyo) – Convening of forum and publication of report; (b) Publication of report on progress and impact of 2011-2015 Financial Inclusion Forums; and (c) Other activities: Collaboration with Peru Ministry of Economy and Finance – FMP Financial Inclusion Seminar (May 2016, Trujillo)
- MSME finance (APFF): (a) APFF FIDN: Working with public sector to accelerate development of credit information and secured transaction systems; (b) Collaboration with APEC fora (FMP, EC, SMEWG), IFC, ADB, WB, OECD, IDB, governments, industry associations; (c) Planned workshops: Philippines, China, Vietnam; (d) APFF Trade and Supply Chain Finance: (KYC/AML compliance standards, derisking, cross-border e-commerce, digital trade finance, e-payments in the context of TPP); and (e) workshops currently being planned in collaboration with interested public, private and multilateral hosts and sponsors.
- Capital markets (APFF): (a) Collaboration with regulators to accelerate reforms in key areas of capital markets - repo and derivatives and information for capital market investors; (b) Roadmap for Financial Market Infrastructure Development (in collaboration with industry associations and firms, Korea Ministry of Strategy and Finance, other APEC finance ministries); and (c) support successful launch of ARFP through workshops to promote new members and study of tax implications of ARFP for participating regulators.
- Insurance and retirement income (APFF): (a) Insurance (regulation and accounting: continued engagement with IASB/FASB, IAIS and Asian and Latin American insurance regulators, solvency frameworks for APEC emerging economies); (b) Long-term investment: proposals on financial instruments for pension and insurance investment in infrastructure; (c) Retirement income reform (review of codified pension system purpose/goals in APEC and study/review of pension system features in APEC economies); (d) Disaster risk financing: roadmap for private disaster insurance schemes; regional risk sharing measures; framework for disaster risk database; network of experts; and dialogue with officials and regulators; and (e) Microinsurance (Roadmap for expanding microinsurance coverage in APEC economies).
- Linkages and structural issues (APFF): (a) Research on patient capital (Islamic long-term investment); financial regulation in Asia (Melbourne University); and (b) industry/regulator dialogue (23 March 2016, Sydney) in collaboration with APFF Capital Markets and FMI work streams.
- Infrastructure: (a) APIP Dialogues (being discussed with Vietnam, Peru and Thailand); (b) Report on Success Factors; (c) Cebu Action Plan Pillar 4 activities (including collaboration with Global Infrastructure Hub); and (d) Islamic Infrastructure Investment Platform (May 10, Kuala Lumpur Workshop).
- Improving valuation practices: (a) Establish Core Working Group; (b) Audit of 21 APEC economies covering all asset classes; (c) Template of best practice; (d) Roundtables and

awareness-raising (January 2016 in Malaysia; planned in Japan, Philippines, Thailand, Vietnam; Autumn 2016 in Beijing)

- Financial innovation: (a) Roundtables (24 Feb 2016, San Jose; July 2016, Hong Kong); (b) Discuss conclusions of roundtables and identify next steps

In the ensuing discussions, it was noted that progress of the Urban Infrastructure Network will also be reported to the Advisory Group in the later part of the year. Participants also discussed the desirability of seeing dialogues between finance and other relevant ministries on issues such as the impact of health issues on public finance.

The Advisory Group endorsed the 2016 Work Program.

Chair's Closing Remarks

The Chair delivered his closing remarks and expressed his thanks to all participants from collaborating institutions as well as ABAC members and staffers. He encouraged participants to strongly support and diligently undertake the activities agreed upon as part of the 2016 work program. He announced that the next meeting of the Advisory Group will be hosted by ABAC PNG in late April in Port Moresby, and reminded participants to also attend the ABAC Finance and Economics Working Group that will be held on the following day.

Adjournment

There being no other matters to discuss, the Chair declared the meeting adjourned at 5:15 PM.