



Asia-Pacific
Economic Cooperation



APEC Business Advisory Council

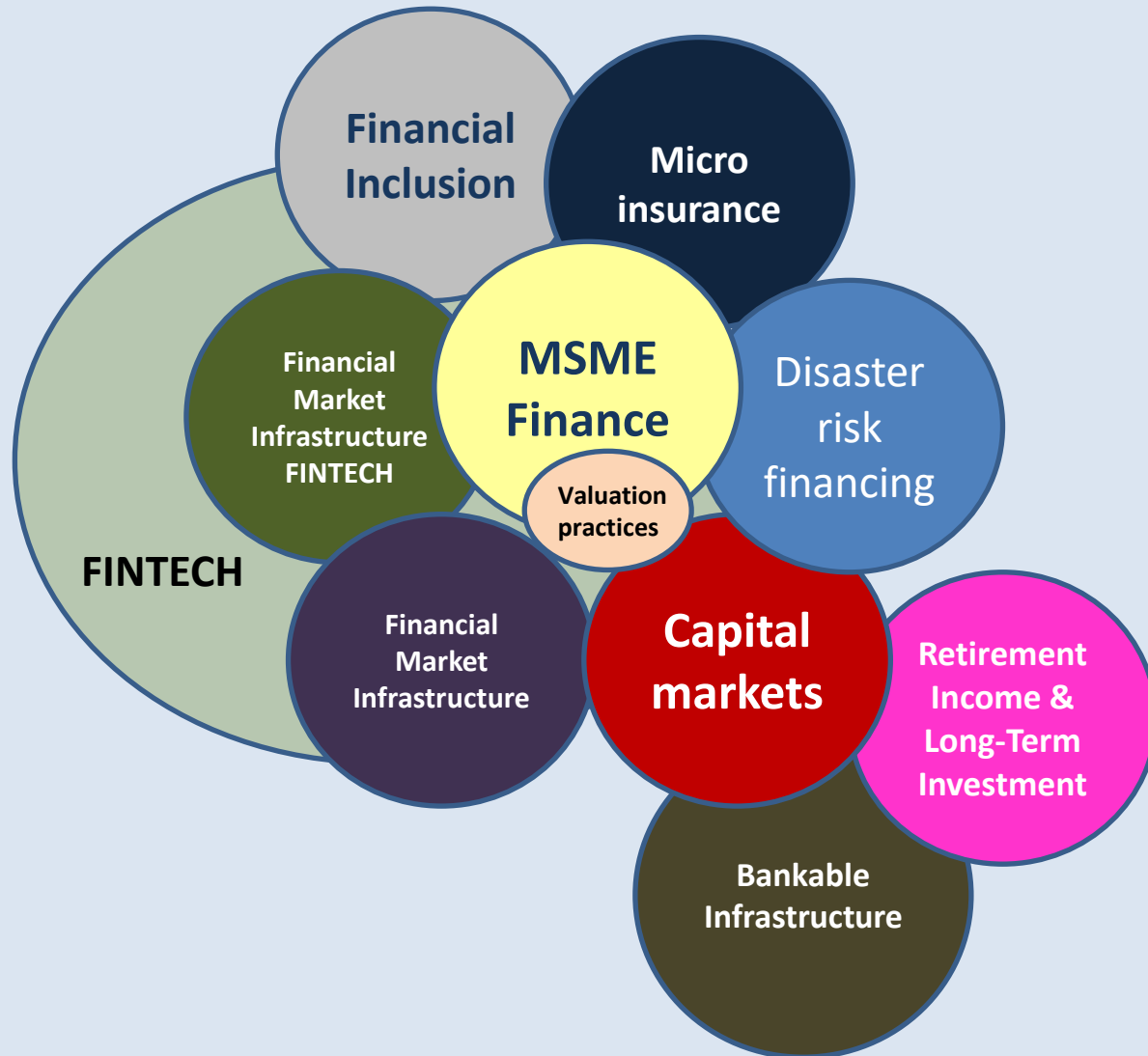
Report on 2017 Activities and Initiatives of APFF, APIP and Asia- Pacific Forum on Financial Inclusion

ABAC's Contribution to CAP Implementation

- FMP Policy Initiatives managed by ABAC to support CAP
 - **APFF**: financial markets and services
 - **APIP**: bankability of infrastructure projects
 - **Asia-Pacific Forum on Financial Inclusion**: access to finance
- Activities since 2016 AFMM: **28 workshops, dialogues, roundtables, conferences** (see Annex)

Contributions to Implementation of Cebu Action Plan

2017 THEMES



MSME FINANCE

MSME Finance

- Financial Infrastructure Development Network (FIDN) – accelerating reforms to develop:
 - Credit information systems
 - Secured transactions and insolvency systems
 - *Ongoing: Brunei, China, Philippines, Thailand, Vietnam*



MSME Finance

- Dialogues on how to address key factors that impact trade and supply chain finance
 - KYC / CDD / AML
 - Technology and innovation
 - Venues: Singapore, Thailand, Vietnam



Financial Inclusion

- 2017 Asia-Pacific Forum on Financial Inclusion, 10-11 July 2017, Hoi An, Vietnam
- Forum Report: Accelerating Inclusive Growth through Technology and Collaboration

[http://www2.abaonline.org/assets/2017/Financial Inclusion/2017 Asia-Pacific Forum on Financial Inclusion Summary Report.pdf](http://www2.abaonline.org/assets/2017/Financial%20Inclusion/2017%20Asia-Pacific%20Forum%20on%20Financial%20Inclusion%20Summary%20Report.pdf)



FINTECH

Harnessing FinTech to Expand Access to Finance

- Establishment of a regional platform
 - to bring together stakeholders from public and private sectors;
 - to identify ways to help economies harness FinTech to promote inclusive financial services
- Innovations in financial market infrastructure focused on key areas:
 - Cybersecurity
 - KYC
 - E-Payments
- *Venues: Philippines (ADB), Thailand*



CAPITAL MARKETS

Deepening Capital Markets

- Dialogues to discuss ARFP with regulators of member economies
- APFF workshops to accelerate reforms to develop classic repo and derivatives markets (key to increasing liquidity)
- Venues: China, Chinese Taipei, Thailand



Developing Financial Market Infrastructure (FMI)

- Completion of a proposed roadmap for developing the region's financial market infrastructure
- Venues: Korea, Philippines (ADB)



INFRASTRUCTURE

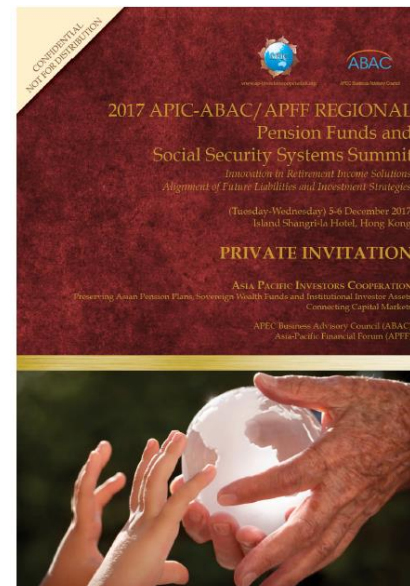
Promoting Bankable Infrastructure Projects

- APIP dialogues
 - [Venue: Vietnam](#)
- APIP/APFF sectoral dialogues and assistance in developing technical guidelines (current focus: waste management systems)
 - [Ongoing: Indonesia](#)
 - [Being prepared: Philippines, Vietnam](#)



Expanding the Long-Term Investor Base

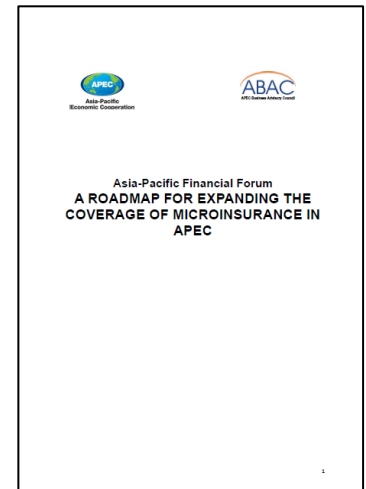
- Public-private dialogues to address barriers to long-term investment in infrastructure (focus on insurers, pension funds, Islamic financial institutions)
- Development of retirement income systems
- Dialogues to promote regulatory and accounting frameworks conducive to long-term investment
- Venues: Canada, Hong Kong (China), Malaysia, Thailand



FINANCIAL RESILIENCE

Enhancing Financial Resilience

- Microinsurance
 - Completion of draft roadmap for expanding microinsurance coverage in APEC
 - Venues: Vietnam, Peru
- Disaster Risk Financing and Insurance
 - Initiation of a roadmap for promoting private sector participation in DRFI
 - Venue: Japan@Bosai Forum (Sendai)



NEW CAP DELIVERABLES FOR 2018

Roadmap for Financial Market Infrastructure (FMI)

Objectives:

- Reducing costs and risks
- Increasing connectivity and interoperability of FMIs

Areas for collaboration:

- Securities markets: Post-trade ecosystem
- Non-Resident Accounts, Tax, Investor Identification and Transparency
- Increasing Market Efficiency: Issues Specific to Repo/Lending
- Increasing Market Efficiency: Issues Specific to Derivatives
- Fund services

Roadmap submitted as Appendix to 2017 APFF Progress Report

Welcomed by APEC Finance Ministers to be advanced by stakeholders

- **Cebu Action Plan Initiative 3C:** *“The development of a roadmap to improve regional financial infrastructure and assist APEC economies develop their capital markets”*
- **Active collaborators:**
 - International organizations: ABAC, ABMF/ASEAN+3, ADB, IMF, WBG
 - Regulators: ASIC, BoK, CB of Russia, JFSA, ASEAN+3 regulators
 - Industry organizations: ASIFMA, GFMA, ICMA, ISDA, KOFIA, PASLA, SWIFT
 - Firms: Bain & Co., Banco de Chile, Bloomberg, Bolsa de Santiago, BNY Mellon, Citi, Deutsche Bank, DTCC, Equichain, Euroclear, EY, HKEx, HSBC, JPM, JPX, KSD, NRI, O-Bank, PayPal, SET, Standard Chartered, Visa
- **Process:**
 - 2016/09-2017/05: Holding of 18 teleconferences
 - 2017/04: Symposium (Seoul, Korea)
 - 2017/07: Joint session with ABMF/ASEAN+3 regulators (ADB, Manila, Philippines)

Roadmap for Expanding the Coverage of Microinsurance

Objective:

- Expand coverage of microinsurance in developing member economies

Pillars:

- Policies and proportionate regulations for Inclusive insurance and microinsurance
- Scalable business models using fintech for inclusive insurance
- Inter-agency coordination, private-public coordination mechanism and support infra for inclusive insurance
- Financial literacy/consumer protection measures

Roadmap submitted as Appendix to 2017 APFF Progress Report

Welcomed by APEC Finance Ministers to be advanced by stakeholders

- **Cebu Action Plan Initiative 3B Deliverable:** *“Develop a roadmap and network of experts through the support of APFF for **expanding the coverage of microinsurance** and disaster risk finance in member economies”*
- **Active collaborators:**
 - International organizations: ABAC, Microinsurance Network, Mutual Exchange Forum on Inclusive Insurance Network (MEFIN) , ILO Impact Insurance
 - Regulators: Bank of Papua New Guinea, Insurance Supervisory Authority, Vietnam, Insurance Commission (Philippines), OJK Indonesia
 - Industry associations: Asociación Peruana de Empresas de Seguros (APESEG)
 - Firms/institutions: Allianz, Centre for Financial Regulation and Inclusion (CENFRI), GIZ, Munich Re Foundation, Microinsurance Center (USA), NRI, Tokio Marine, Vietnam National Reinsurance Corporation
- **Process:**
 - 2016/2017: Conference calls
 - 2017/03: Workshop (Hanoi, Viet Nam)
 - 2017/07: Discussion session (Hoi An, Vietnam)
 - 2017/11: Workshop (Lima, Peru)

Work Program for the Islamic Infrastructure Investment Platform (I3P)

Objective:

- Address obstacles to cross-border investment of Islamic financial institutions in infrastructure

Areas for collaboration:

- Aligning Sharia compliance definitions and practices across jurisdictions
- Islamic hedging instruments
- Develop financial instruments suitable for Islamic pension funds and insurance
- Tax neutrality issues
- Project preparation tools for attracting investment from Islamic FIs

- **Cebu Action Plan Initiative 4E Deliverable:** *“Exchange experiences through existing public and private sector forums, including APFF, for facilitating long-term investment in infrastructure.”*
- **Active collaborators:**
 - International organizations: ABAC, ADB, CGIF, ICD, Islamic Development Bank (IDB), WBG
 - Regulators/Agencies: AMBD, BNM, JBIC, MOF Brunei, MOF Malaysia, MOF Thailand, SC Malaysia
 - Industry associations: AIBIM, ISDA, Malaysia Investment Banking Association, Thai Bankers’ Association
 - Firms/institutions: AIA, Alkhair, Amanie, AmBank, Ashurst, BAG Network, Bank Islam Malaysia, BIBD, BLP, BNP Paribas, BTMU, CIMB, Etiqa, GIH, Harvard University, INCEIF, Islamic Bank of Thailand, Kenanga, Labuan IBFC, Lee & Ko, Maybank, Mizuho, Nomura, NRI, Prudential, PwC, RHB Investment Bank, SIF, State Street, Tokio Marine, UOB, ZICO Law
- **Process:**
 - 2015/10: Brunei workshop
 - 2016/05: Kuala Lumpur workshop
 - 2017/02: Bangkok meeting
 - 2017/10: Kuala Lumpur conference

ANNEX A:

Activities Undertaken under ABAC Initiatives for FMP

October 2016 - October 2017

1. 2016/10/27, Ho Chi Minh City, Vietnam: APFF Supply Chain/Trade Finance Symposium
2. 2016/11/21, Hanoi, Vietnam: Vietnam-INSOL-WB-ABAC Forum for Asian Insolvency Reform
3. 2016/12/07-08, Makati City, Philippines: FIDN Conference
4. 2017/01/16, Manila, Philippines: Valuation Roundtable (Manila)
5. 2017/02/20, Bangkok, Thailand: MSME Finance Seminar
6. 2017/02/21, Bangkok, Thailand: APFF I3P Meeting
7. 2017/02/21, Bangkok, Thailand: Workshop on Repo+Derivatives for the Government of Thailand
8. 2017/03/14, Jakarta, Indonesia: APIP/APFF Waste Mgt PPP Dialogue with the Government of Indonesia
9. 2017/03/16, Hanoi, Viet Nam: APFF Microinsurance Roadmap Workshop
10. 2017/03/16, Beijing, China: APFF Workshop on Repo/Derivatives/Corporate Bonds in China
11. 2017/04/07, Singapore: APFF Trade/Supply Chain Finance Workshop
12. 2017/04/20-21, Beijing, China: FIDN Symposium on Personal Data Protection/Cross-Border Credit Information
13. 2017/04/25-26, Seoul, Korea: APFF Financial Market Infrastructure Conference
14. 2017/05/16, Ninh Binh, Viet Nam: APEC FMP-ABAC-IFC International Cross-border Credit Information Exchange Seminar
15. 2017/07/04, Manila, Philippines: APFF Joint Session with ABMF and ADB on FMI Roadmap
16. 2017/07/05, Manila, Philippines: ABAC-ADB APFF Fintech Workshop
17. 2017/07/10-11, Hoi An, Viet Nam: 2017 Asia-Pacific Forum on Financial Inclusion
18. 2017/07/11, Hoi An, Viet Nam: APFF Microinsurance Roadmap Session
19. 2017/07/12, Hoi An, Viet Nam: FIDN Conference
20. 2017/07/13, Hoi An, Viet Nam: FIDN Meeting on Credit Reporting Collaboration of Mekong Economies
21. 2017/07/25, Toronto, Canada: APFF Roundtable on Long-Term Investment in Infrastructure
22. 2017/09/06, Taipei, Chinese Taipei: APFF Informal Dialogue with Chinese Taipei FSC on ARFP
23. 2017/09/11, HCM City, Viet Nam: APEC Vietnam/ABAC/WBG MSME Finance Forum
24. 2017/09/26-27, Beijing, China: ABAC-IFC-CAWD Warehouse Finance/Collateral Mgt Conference
25. 2017/10/10, Kuala Lumpur, Malaysia: AFF I3P Conference
26. 2017/10/17, Bangkok, Thailand: APFF Trade and Supply Chain Workshop
27. 2017/10/18, Bangkok, Thailand: APFF FMI Fintech Workshop
28. 2017/10/31, Hong Kong, China: APFF Roundtable on Insurance Regulations and Accounting

ANNEX B:

Upcoming 2017 Activities

- 2017/11/07, Lima, Peru:
Microinsurance Roadmap Roundtable Meeting with Latin American Stakeholders
- 2017/11/26-27, Sendai, Japan:
World Bosai Forum with APFF session on DRFI
- 2017/11/29, Manila, Philippines: FIDN Conference
- 2017/12/05-06, Hong Kong, China: APIC-ABAC APFF Regional Pension Funds and Social Security Systems Summit



