

Advisory Group
Meeting I
PAPER 6-B



THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-
BUILDING
A Public-Private Sector Initiative

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The Advisory Group on APEC Financial System
Capacity Building
and
FMP Policy Initiatives Entrusted to ABAC
(APFIF, APIP and APFF)
2018 Work Plan

2018 WORK PLAN: **Underlying Concept**

- **Digital technology** and **cross-border supply chains** are two major forces shaping the new business landscape.
- Economies that succeed in enabling businesses to harness these forces are the ones most likely to prosper in the 21st century.
- To do so, economies must provide the **legal, policy, regulatory and institutional ecosystems** to enable financial services to modernize and enable businesses to meet new challenges and seize new opportunities.



2018 WORK PLAN: **Work Streams**

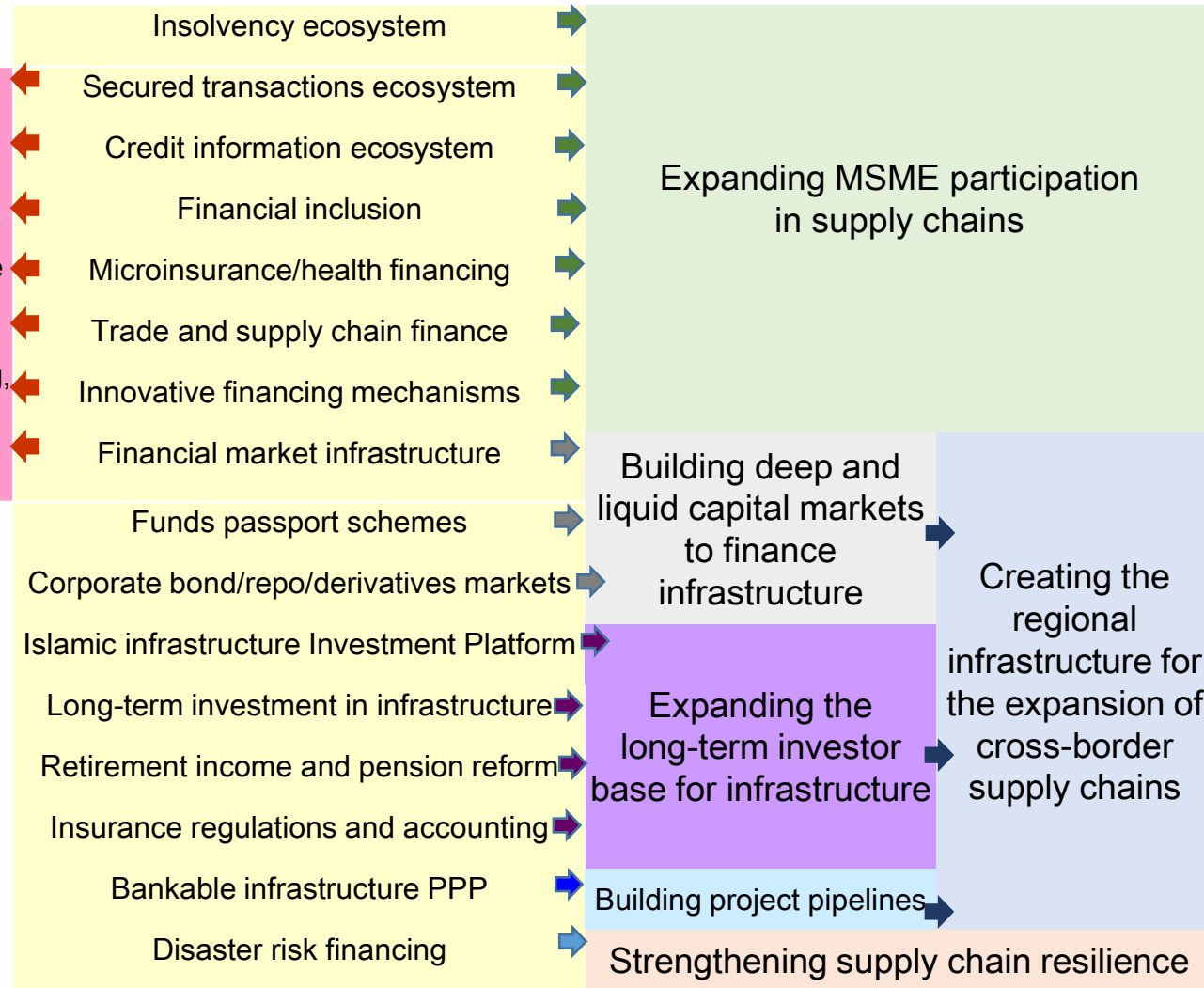
APFF, APFIF and APIP: Assisting economies to put in place the interconnected building blocks recommended by ABAC to create these modern ecosystems.

Using **DIGITAL TECHNOLOGY** to expand access to efficient financial services across all enterprises

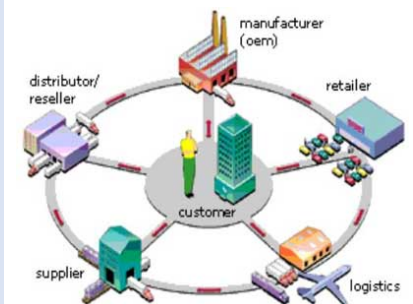


Creating a digital age credit infrastructure

Enabling the wider use of data and new business models for lending, trade financing, payment, clearing, settlement and risk management



Enabling businesses to participate and effectively compete in **CROSS-BORDER SUPPLY CHAINS**



2018 WORK PLAN: Long-Term Objectives

INTERCONNECTED BUILDING BLOCKS IN FINANCIAL SERVICES

Bringing
financial services
to the digital age

- Insolvency ecosystem →
- ← Secured transactions ecosystem →
- ← Credit information ecosystem →
- ← Financial inclusion →
- ← Microinsurance/health financing →
- ← Trade and supply chain finance →
- ← Innovative financing mechanisms →
- ← Financial market infrastructure →
- Funds passport schemes →
- Corporate bond/repo/derivatives markets →
- Islamic infrastructure Investment Platform →
- Long-term investment in infrastructure →
- Retirement income and pension reform →
- Insurance regulations and accounting →
- Bankable infrastructure PPP →
- Disaster risk financing →

Financing
MSMEs

Financing the
expansion of
Infrastructure

Strengthening financial resilience

2018 DELIVERABLES

Building on the body of completed and ongoing reform measures undertaken by economies since 2010 with their assistance, APFF, APFIF and APIP aim in 2018 to:

- collaborate with officials and regulators in **initiating / enacting** another batch of **concrete reforms** toward long-term objectives and
- initiate/obtain **APEC endorsement for roadmaps, work programs and best practices.**

Major activities planned for 2018 to achieve the deliverables are listed in the Annex to this presentation.

KEY 2018 DELIVERABLES

CHINA

- Design of draft regulation on resolution of distressed consumer debt
- New measures to rationalize credit reporting market

THAILAND

- Initiation of pilot project to establish structure for promoting health financing

VIETNAM

- Secured transactions-related decree or circular for new Civil Code
- Revision of decree on credit information to broaden data sources/enable cross-border information sharing
- Active stakeholder consensus to develop title transfer repo market
- Complete project preparation phase for benchmark PPP project in waste management

BRUNEI DARUSSALAM

- Implementation measures for the new secured transactions law
- Promulgation of new credit information law/guidance on cross-border data

INDONESIA

- Active stakeholder consensus to develop title transfer repo market
- Complete project preparation phase for benchmark PPP project in waste management

PHILIPPINES

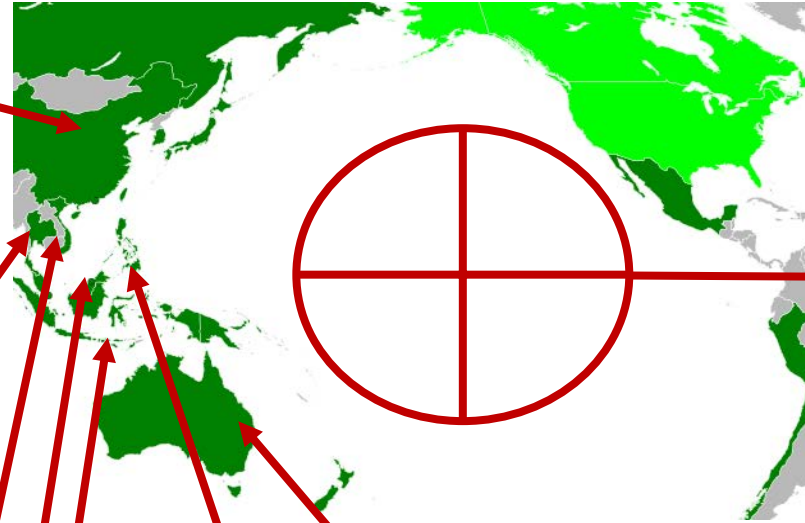
- Passage of new secured transactions law
- Passage of new warehouse receipts law
- Complete project preparation phase for benchmark PPP project in waste management

AUSTRALIA

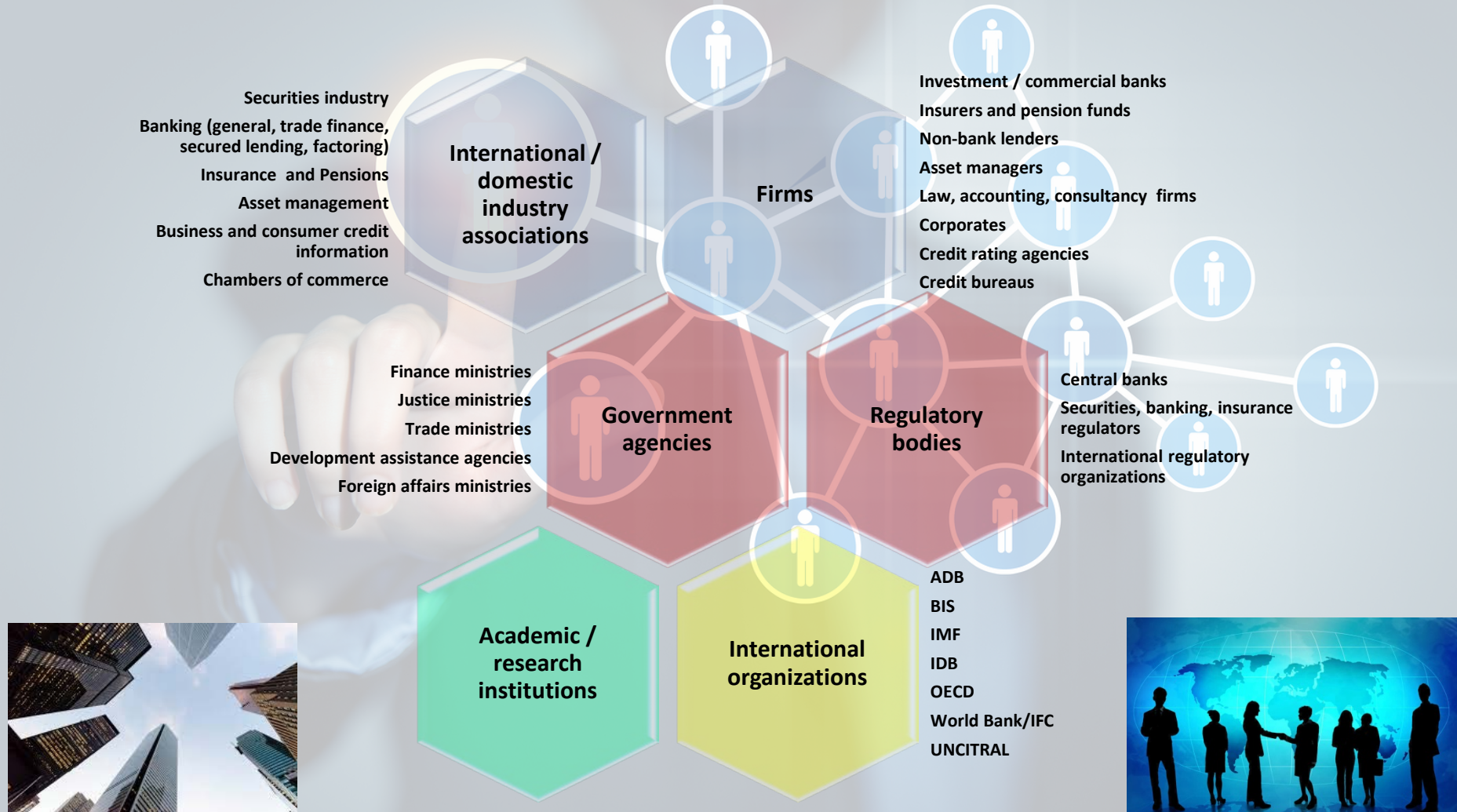
- Implementation of full-file credit reporting

REGIONAL

- Endorsement of Financial Market Infrastructure Roadmap
- Endorsement of Roadmap for Microinsurance
- Endorsement of I3P Work Program
- Draft roadmap for modernizing bankruptcy systems
- Draft roadmap for enabling data ecosystem for inclusive and efficient financial services
- Best practices for design of Pacific Alliance funds passport system inter-operable with ARFP
- Mekong region pilot project: Signing of first agreement between credit bureaus
- Initiation of Oceania pilot project: Preliminary agreement among credit bureaus with privacy commission support
- Complete baseline study on credit information in APEC
- Study on sustainable development of data analytics industry
- Action reports on financial inclusion and role of women in inclusive growth



The APFF Network



Over 200 organizations



Over 400 individual experts

Leadership Team

ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY BUILDING

Chair: Kobsak Duangdee, ABAC Thailand / Thai Bankers' Association

Co-Chair: Nobuhide Hayashi, ABAC Japan / Mizuho Bank, Ltd.

- *Advisory Group Coordinator*: J.C. Parrenas, Mizuho Bank, Ltd.

ASIA-PACIFIC FINANCIAL INCLUSION FORUM (APFIF)

Sherpas: Michelle Curry/Shawn Hunter, FDC

ASIA-PACIFIC INFRASTRUCTURE PARTNERSHIP (APIP)

Chair: Mark Johnson, Alinta Energy / Gresham Partners

- *APIP Coordinator*: J.C. Parrenas, Mizuho Bank, Ltd.

ASIA-PACIFIC FINANCIAL FORUM (APFF)

Chair: Kobsak Duangdee, ABAC Thailand / Thai Bankers' Association

Co-Chair: Nobuhide Hayashi, ABAC Japan / Mizuho Bank, Ltd.

- *APFF Coordinator*: J.C. Parrenas, Mizuho Bank, Ltd.

FINANCIAL MARKET INFRASTRUCTURE

• **Cross-Border Practices**

Sherpa: Ken Katayama, NRI

- Core Group: Beth Smits, Johns Hopkins University * Boon-Hiong Chan, Deutsche Bank * Rebecca Lentchner, BNY Mellon

• **FMI Fintech**

Sherpa: TBC

- Core Group: Catherine Simmons, Citi, * Matthew Gamser, IFC/WBG * Ivan Mortimer-Schutz, IFC/WBG * Laura Winwood, Citi * Boon-Hiong Chan, Deutsche Bank * Rebecca Lentchner, BNY Mellon * Quynh Do Nuh/Penny Burt, Visa * Peter Lovelock, TRPC

TRADE AND SUPPLY CHAIN FINANCE

- Sherpa: Boon-Hiong Chan, Deutsche Bank

CAPITAL MARKETS

• **Classic Repo Markets**

Sherpa: Mark Austen/Wayne Arnold/Patrick Pang, ASIFMA

• **Derivatives**

Sherpa: Keith Noyes/Melody Ma, ISDA

• **Asia Region Funds Passport**

Co-Sherpas: Steven Chan, State Street / Qiumei Yang and Bona Lee, ICI Global

Core Group: Boon-Hiong Chan, Deutsche Bank * Catherine Simmons, Citi *

Eugenie Shen, ASIFMA * Rebecca Lentchner, BNY Mellon

INSURANCE AND RETIREMENT INCOME

• **Overall Sherpa**: Makoto Okubo, Nippon Life

• **Retirement and Long-Term Investment**

Sherpa: Makoto Okubo, Nippon Life

Vice Sherpa: Paul Lynch, Prudential

- *Lead, Retirement Savings and Lifetime Retirement Income*: Vanessa Wang, Amundi * Josef Pilger, EY * Ana Sharp, APIC * Ka Shi Lau, BCT Group

- *Lead, Long-Term Investment*: Brian Murray, AIA

• **Disaster Risk Financing and Insurance**

Sherpa: Masaaki Nagamura, Tokio Marine

• **Microinsurance**

Co-Sherpas: Antonis Malagardis /Dante Portula, GIZ

FINANCIAL INFRASTRUCTURE DEVELOPMENT NETWORK

• **Credit Information**

Sherpas: Michael Turner/Patrick Walker, PERC * Jinchang Lai, IFC/WBG

- *Philippine pilot project coordinators*: Jinchang Lai/Griselda Santos, IFC

• **Secured Transactions**

Sherpas: Chris Wohlert, Wells Fargo * Jinchang Lai, IFC/WBG

• **Insolvency**

Core Group: Jinchang Lai, IFC/WBG * Shinjiro Takagi

• **Accounts Receivables Finance**

Sherpas: Boon-Hiong Chan, Deutsche Bank * Jinchang Lai, IFC/WBG

Next steps

- ABAC II: Short presentation to highlight real-world perspectives on how policy initiatives can enable digital finance to help MSMEs expand their roles in global value chains.
- ABAC II-IV:
 - Advisory Group meetings: Detailed reporting of progress and feedback
 - FEWG meetings: Brief reporting focusing on policy recommendations emerging from events, decision points for ABAC, new work undertaken since the last meeting and relevant high-level topics of interest to ABAC members
- Annual Progress Report: to be transmitted to Finance Ministers
 - Concise and streamlined, focusing on clear areas of progress and tangible accomplishments rather than descriptions of events
 - To include a 3- to 5-page Executive Summary intended for Finance Ministers
- FMP meetings: Reporting by Advisory Group/APFF Coordinator
- Finance Ministers' Meeting: Reporting by FEWG Chair and Advisory Group Chair

ANNEX: LIST OF PLANNED ACTIVITIES IN 2018

- **Feb 6-7, Beijing**: Senior Focus Group meeting on the topic of "Beyond Credit Reporting: Regulation and Supervision of Data/Analytics Industry"
- **Mar 15/16, Port Moresby**: Presentation and discussion of the FMI Roadmap at the APEC Finance and Central Bank Deputies' Meeting
- **Mar 15/16, Port Moresby**: Presentation and discussion of the Microinsurance Roadmap at the APEC Finance and Central Bank Deputies' Meeting
- **Mar 15 or 16, Port Moresby**: Presentation on the Islamic Infrastructure Investment Platform and discussion at the APEC Finance and Central Bank Deputies' Meeting
- **Mar, Tokyo**: Workshop on DRFI and Microinsurance Roadmap
- **1Q, Hanoi**: Meetings with the Drafting Committee to finalize the support for finalization of Vietnam's draft decree on credit information
- **1Q/2Q, Beijing**: Focus group meeting on China's draft Civil Code secured transactions chapter
- **1Q/2Q, Brunei Darussalam**: FIDN Capacity Building Workshop for Secured Transactions
- **1Q/2Q, Brunei Darussalam**: FIDN Capacity Building Workshop for Credit Information
- **1Q/2Q, Hanoi**: Workshop on Financial Consumer Protection and Credit Reporting
- **1Q-3Q, Venue TBD**: Roundtable discussions and meetings with regulators and credit bureau operators in Asia to promote cross border information sharing
- **1Q-4Q**: Research and drafting of baseline study on credit information sharing in APEC
- **April 24-25, Beijing**: Conference on the Development and Regulation of Data and Analytics Industry
- **May, Cambridge (Massachusetts)**: ABAC-Harvard Law School APFF Conference on Creating an Enabling Data Ecosystem for Inclusive and Efficient Financial Services in the Asia-Pacific Region
- **June 27-28, Tokyo**: 2018 Asia-Pacific Financial Inclusion Forum.
- **2Q, Bangkok**: APFF Workshop on Innovative and Sustainable Health Financing Mechanisms
- **2Q, Jakarta**: FIDN Conference on Credit Reporting and MSME Finance
- **2Q, China**: Conference on Logistics Industry Development and Supply Chain Finance
- **June (TBC), Singapore**: APFF Conference on Creating an Enabling Data Ecosystem for Inclusive and Efficient Financial Services in the Asia-Pacific Region
- **2Q/3Q, Australia**: Conference on Inclusive Ecosystem for Credit Information and Financial Data in the Digital Age
- **3Q, Beijing**: International Conference on Warehouse Finance and Collateral Management
- **3Q/4Q, Hanoi**: Focus group meeting on digital platforms for movables financing
- **3Q/4Q, Vietnam**: Conference on Supply Chain Finance and Collateral Management
- **3Q, Manila**: APIP Dialogue with Philippine Government
- **3Q, Hanoi**: APIP Dialogue with Vietnamese Government
- **3Q or 4Q, Jakarta**: APIP Dialogue with Indonesian Government
- **4Q, Manila**: FIDN Conference
- **Date TBD, Jakarta**: APFF Seminars on Netting Legislation and Repo Market Best Practices to Promote the Development of Deep and Liquid Capital Markets
- **Date TBD, Hanoi**: APFF Seminar on Netting Legislation and Repo Market Best Practices to Promote the Development of Deep and Liquid Capital Markets
- **Date and venue TBD**: Roundtable on the role of women in inclusive growth – opportunities to achieve greater inclusion
- **Date and venue TBD**: Dialogue/roundtable with ARFP Joint Committee
- **Date and venue TBD**: Dialogue/roundtable with Pacific Alliance on funds passporting