

Document: AGFSCB 39-009

Draft: **FIRST**

Date: 21 July 2019

Source: AGFSCB Chair

Meeting: Hangzhou, China



THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

Second Meeting 2019

22 July 2019

14:00-17:00

Shanghai Room, 1st Floor, InterContinental Hangzhou
Hangzhou, China

Agenda Item 2

**Report of the Meeting of the Advisory Group of 23
April 2019, Jakarta, Indonesia**

Office of the Advisory Group Chair



**THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM
CAPACITY-BUILDING**

A Public-Private Sector Initiative

First Meeting 2019

23 April 2019

15:00-18:00

Ballroom, A, 2nd Floor, Shangri-La Hotel
Jakarta, Indonesia

MEETING REPORT

Draft as of 15 July 2018

Welcome and Introduction

The meeting started at 15:00. Participants included ABAC members and staffers and representatives from various institutions collaborating with the Advisory Group on various initiatives.

The Advisory Group Coordinator, Dr. Julius Caesar Parrenas, presided over the meeting on behalf of the Advisory Group Chair, Mr. Kobsak Duangdee, who was unable to come to the meeting. In his opening remarks, the Coordinator thanked participants for joining the meeting and welcomed the guests. He thanked ABAC Indonesia for hosting the meeting facilities and outlined the agenda of the meeting. He noted that this meeting is important because the next three months will be critical. APFF, APFIF and APIP will be finalizing the Progress Report to Finance Ministers in late July at ABAC 3. This means most of the activities will be concentrated during the next three months, and their outcomes and recommendations will define the content of the progress report. This meeting will discuss how to ensure the quality of the work of the three initiatives and their 2019 progress report.

APFF Financial Infrastructure Development Network – Implementation of Credit Information Deliverables

Mr. Patrick Walker of PERC reported on the meeting of the International Council for Credit Reporting, to which APFF was invited. He also reported on the implementation of credit information deliverables of the Cebu Action Plan in the Philippines, Brunei and Thailand.

Mr. Alex Parle of NCAPEC and the Coordinator reported on the March 2 Atlanta Experts Roundtable on Data Ecosystem in Financial Services. The Roundtable discussions provided new inputs on data security and privacy recommendations for the ABAC Report to APEC Finance Ministers as well as the Data Ecosystem Roadmap.

The Coordinator spoke on the implementation of credit information deliverables in China through the session on developing data protection legislation and regulations for the new data and analytics industry, particularly in the use of unstructured data

APFF Financial Infrastructure Development Network – Implementation of Secured Transactions Deliverables.

Mr. Christopher Wohler of Wells Fargo discussed the implementation of secured transactions deliverables of the Cebu Action Plan. He reported on the significant progress achieved by the Philippines, Brunei, Vietnam, Thailand and China and the new focus of APFF, which is on building a modern ecosystem around legal frameworks and collateral registries, focusing on market development, digitalization and globalization.

Digitalization of Trade and Supply Chain Finance

Mr. Goh Beng Kim of ABAC Singapore reported on the April 22 Singapore APFF 2019 Trade and Supply Chain Finance Workshop. The workshop discussed how various stakeholders can promote convergence of the legal issues around digital documents and standardization to enable full trade digitalization.

ABAC Hong Kong, APFF and APIP Collaboration in Building the Circular Economy Infrastructure

Mr. David Dodwell of ABAC Hong Kong discussed the preparations for the Conference on Building the Infrastructure for the Circular Economy in APEC, which ABAC Hong Kong will be hosting in September. The Coordinator outlined the concept behind the Conference, which focuses on resource recovery management, building on earlier work by APIP and APFF on waste management PPPs. The conference will discuss current gaps and challenges, changing the narrative from waste management to resource recovery management, financing the infrastructure and catalyzing initiatives in individual economies. Mr. Makoto Okubo of Nippon Life discussed the role of insurance companies and ESG investors in promoting the circular economy infrastructure.

Catalyzing the APEC Market for Catastrophe Bonds

Ms. Joanne de Asis of ABAC Philippines updated participants on the work to promote issuances of catastrophe bonds, which involved a session with the World Bank Treasury sharing its experience with the Pacific Alliance catastrophe bond and lessons that Asia can learn. The case of the ongoing discussion between the World Bank and the Philippines regarding the potential issuance of a cat bond was mentioned. The Coordinator provided an overview of the structures and current market for cat bonds and the plan for the way forward in catalyzing a cat bond market in APEC.

Financial Inclusion

Mr. Andry Asmoro of Bank Mandiri/ABAC Indonesia reported on the discussions during the financial inclusion roundtable hosted by Bank Mandiri, which focused on expanding access to broader financial services including savings, insurance, pensions and payments. The conclusions of the discussions in these sessions were incorporated into the draft ABAC Report to APEC Finance Ministers.

Dr. Peter Lovelock of TRPC and Mr. Richard Lomas of Citi discussed their respective work on payments systems for the ABAC Report to APEC Finance Ministers, on behalf of ABAC Australia (alternative payment mechanisms) and ABAC USA (real-time inter-operable payment systems). The discussions concluded that the two streams of work are complementary and that they needed both top-down and bottom-up components to be able to provide practical recommendations.

Asia Region Funds Passport (ARFP)

The Coordinator reported on the progress of work on behalf of the joint sherpas for this work stream. The update focused on the varying state of readiness of current and potential members of the ARFP, the access for offshore funds across the region, comparison of the different funds passporting initiatives in the Asia-Pacific and prospects for advancing the ARFP.

Concluding remarks

There being no other matters to discuss, the Coordinator delivered brief concluding remarks and declared the meeting adjourned at 17:50.