



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

### Roundtable

## CREATING INCLUSIVE AND INTER-OPERABLE PAYMENT SYSTEMS IN APEC: THE WAY FORWARD IN IMPLEMENTING ABAC'S RECOMMENDATIONS

12 February 2020

8:00 AM – 11:00 AM

Studio 1 & 2, Level 2, Four Seasons Hotel  
Sydney, Australia

The Advisory Group on APEC Financial System Capacity Building is the mechanism through which the APEC Business Advisory Council (ABAC) provides direction and feedback to the work of the three public-private sector policy initiatives under the APEC Finance Ministers' Process – the Asia-Pacific Financial Forum (APFF), the Asia-Pacific Financial Inclusion Forum (APFIF) and the Asia-Pacific Infrastructure Partnership (APIP) – in implementing ABAC's recommendations that have been endorsed by the Finance Ministers. For its first meeting this year in Sydney, the Advisory Group will hold a Roundtable focused on promoting the implementation of two ABAC recommendations that were among those endorsed by APEC Finance Ministers in 2019.

The first is creating inclusive payment systems. Payment systems provide an essential financial service that enables businesses and individuals to manage their daily financial activities. Payment services also constitute a gateway to other financial services and are critical to their efficient provision. Access to affordable retail payment services has been a major financial inclusion issue due to the high costs of making transfers through the traditional banking system. This has presented opportunities to alternative payment service providers, especially with the emergence of digital technologies. However, the development of these alternative payment services requires an enabling environment, key elements of which are inter-operable digital identification of consumers, responsible digital financial practices to protect consumers and data, stakeholder coordination in developing an enabling environment, and measuring impact.

The second is promoting the emergence of inter-operable real-time payment systems across the region. With the rapid growth of non-cash payments, market participants are now transitioning from the widely-used current systems that are processed in batches and settled the next day, to allow continuous operation, reduce systemic risk, accommodate future growth and drive increased commercial activity. To date, many APEC economies have developed or are developing domestic instant payment mechanisms. However, many of these are either nascent or are limited to the domestic market. In 2019, ABAC recommended various measures to help existing domestic initiatives to develop and move towards interoperable cross-border instant payments, which are important for regional integration, efficiency of cross-border financial transactions, innovation, inclusion and integrity of payment and settlement systems.

This Roundtable seeks to gather together key stakeholders from relevant APEC fora, business, industry, government, regulatory agencies, multilateral institutions and academe to discuss the way forward in implementing these recommendations. The outcomes of these discussions will serve as a basis for relevant work streams in APFF in supporting and collaborating with agencies and bodies responsible for the adoption of policies, regulations, measures and activities that can translate these recommendations into realities benefiting APEC member economies.

# AGENDA

## 0800-0810 **OPENING REMARKS**

Mr. Kobsak Duangdee

*Advisory Group and APFF Chair; Co-Chair, ABAC Finance and Economics Working Group; and Secretary General, Thai Bankers' Association*

## 0810-0910 **PANEL DISCUSSION I: CREATING INCLUSIVE PAYMENT SYSTEMS**

*The following recommendation was made by ABAC in its report that was endorsed by the Finance Ministers:*

*Interested APEC developing economies should facilitate the accelerated development of alternative payment channels by introducing digital identities and interoperable consumer ID to promote digital financial services, promoting responsible digital financial practices to ensure consumer and data protection, creating coordinating policy agencies to oversee digital financial sector deployment, and establishing Common Digital Financial Services Indicators to measure and track progress.*

*This session will discuss the way forward to advance the following concrete actions to implement this recommendation:*

- *Interested APEC economies should initiate discussions on the feasibility and requirements of an APEC Digital ID.*
- *Interested APEC economies should establish the following structures in their own jurisdictions as needed:*
  - *A Digital Finance Task Force, bringing together finance and relevant ministers involved in digital economy policies to undertake cross-sectoral coordination.*
  - *An overarching advisory body to ensure consumer protection and data protection in digital finance.*
  - *A task force to oversee the development of APEC Digital Finance Indicators and an APEC Digital Trade Index. Following initial development of these indicators, APEC member economies should collect and provide data to the APEC Secretariat for collation and analysis.*

### **Moderator:**

Mr. Robert Milliner

*Co-Chair, ABAC Digital Innovation Working Group; Senior Adviser, UBS; and Chairman, Australian Payments Council*

08:10 **Moderator's introduction**

08:15 **Initial ideas on baseline requirements for APEC Digital ID and on TORs for the (a) APEC Digital Finance Task Force, (b) APEC Digital Finance Indicators and (c) APEC Digital Trade Index**  
Dr. Peter Lovelock, *Director, TRPC*

08:30 **Panelists' Comments:**

■ Ms. Lotte Schou-Zibell, *Regional Director, Asian Development Bank*

■ Mr. Kristofer Rogers, *Chief Executive Officer, Split Payments Pty Ltd*

08:50 **Open Discussion**

09:05 **Moderator's concluding summary**

## 09:10 – 10:50 **PANEL DISCUSSION II: PROMOTING THE EMERGENCE OF INTER-OPERABLE REAL-TIME PAYMENT SYSTEMS**

*The following recommendation was made by ABAC in its report that was endorsed by the Finance Ministers:*

***Central banks and relevant public and private sector stakeholders should work together to establish robust and regionally interoperable real-time payments infrastructure based on international standards.***

*This session will discuss the way forward to advance the following concrete actions to implement this recommendations:*

- *A real time payments capacity building program should be established to foster dialogue and coordination among economies. Given work already underway on real time payments in ASEAN, it is recommended that a pathfinder group be formed by member central banks of the ASEAN Working Committee on Payment and Settlement Systems (WCPSS) using its platform, supported by collaboration with representatives from the private sector, including banks, payment companies and their representative associations. The pathfinder group would:*
  - *Undertake an analysis of domestic instant payment mechanisms across ASEAN in order to increase region-wide understanding and identify capacity gaps and capacity building opportunities.*
  - *Explore existing linkages between instant payments mechanisms and identify learnings based on the collective experience of member economies, looking in particular at how to grow cross-border instant payments among participating economies.*
  - *Develop specific recommendations for future growth and expansion of instant payment mechanisms which could then be utilized across the wider APEC region.*
- *An Asia-Pacific real time payments advisory group should be established to support the capacity building program and identify best practices across APEC. This group should include representatives from both the public and private sectors and focus on drawing on established best practices to assist economies as they develop instant payment mechanisms.*
  - *APEC member economies should accelerate discussions with relevant stakeholders in the private sector to agree on the adoption of an international standard for messaging.*

**Moderator:**

Mr. Steven X. Chan

*Regional Head of Regulatory and Government Affairs, Asia-Pacific, PayPal*

09:10 **Moderator's introduction**

09:20 **Update on the Pathfinder Initiative**

*Mr. Kobsak Duangdee, Advisory Group and APFF Chair; Co-Chair, ABAC Finance and Economics Working Group; and Secretary General, Thai Bankers' Association*

09:40 **Panelists' introductory remarks:**

- *Mr. James Bond, Head of Government Affairs, Citi Australia*
- *Mr. John Ryan, Director General, Emerging Payments Association Asia*
- *Mr. Dylan Lennox, Founding Partner, MFX; and Consultant, CGAP*

10:20 **Open Discussion**

10:45 **Moderator's concluding summary**

**1050- Closing remarks**

**1100** Mr. Kobsak Duangdee

*Advisory Group and APFF Chair; Co-Chair, ABAC Finance and Economics Working Group; and Secretary General, Thai Bankers' Association*

11:00 **END**