



THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

Document: AGFSCB 30-018
Draft: **FIRST**
Source: Australian APEC Study Centre -
RMIT University
Date: 30 April 2010
Meeting: Taipei, Chinese Taipei

Second Meeting 2010

20 May 2010

The Grand Hyatt Taipei

Taipei, Chinese Taipei

Meeting Paper 8-B

Update on Capacity-Building Initiatives

Australian APEC Study Centre at RMIT University

**THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY BUILDING
SECOND MEETING 2010, 29TH MAY, TAIPEI, CHINESE TAIPEI**

**AGENDA ITEM 8: CAPACITY BUILDING FOR REGULATORY REFORMS IN
THE REGION'S DEVELOPING ECONOMIES**

**PAPER SUBMITTED BY KEN WALLER, DIRECTOR, AUSTRALIAN APEC
STUDY CENTRE AT RMIT UNIVERSITY (AASC)**

At its last meeting the Advisory Group noted and endorsed a proposal by AASC and the Asia Finance and Development Centre, Shanghai, for APEC Support Funding and funding from the Melbourne APEC Finance Centre, for a training program for APEC policy makers and financial system regulators, entitled "Implementing Financial System Regulatory Reforms in the Region following the Global Financial Crisis".

We are pleased to advise the Group that funding was approved and that arrangements are now being implemented to convene the training course in Shanghai from 7/11th June. Invitations to participate in the course have been issued to the following economies: Chile, China, Indonesia, Malaysia, Mexico, Peru, PNG, Philippines, Russia, Thailand and Vietnam.

This course is timely, in light of the major reforms being proposed to banking systems. The course will examine those reforms and encourage the promotion and implementation of them as they are seen to be relevant to APEC regional economies.

A copy of the draft program, objectives and course structure is attached for information. A final program and a report of outcomes will be presented to the Advisory Group later in the year.

Participants in this Advisory Group have provided support not just for the proposal but in the provision of expert speakers and presenters from both public and private sectors. AASC and AFDC are most grateful for that support.

The quality of the program is a commendable reflection of the value of this Group in advising on and supporting capacity building initiatives in the region.

Australian APEC Study Centre at RMIT University

29th April 2010



Implementing Financial System Regulatory Reforms in the Region Following the Global Financial Crisis

~ Training Program ~

7 – 11 June 2010, Shanghai, China

Background:

This training program is funded by the APEC Secretariat through the APEC Support Fund and by the Melbourne APEC Finance Centre (MAFC) and is being jointly implemented by the Asia-Pacific Finance and Development Center (AFDC) in Shanghai and the Australian APEC Study Centre.

Objectives:

The program is designed to i) enhance the understanding of policy and regulatory officials concerned with banking systems of APEC developing economies, of changes being proposed to financial systems regulatory approaches as a consequence of the global financial crisis, and ii) to encourage and promote the implementation of regulatory reforms relevant to the needs of APEC regional economies.

To achieve these objectives, the program will bring together experts from some regional regulatory agencies, the International Monetary Fund, the Asian Development Bank, the Bank for International Settlements, and senior representatives of the region's banks, with participants from APEC regional economies, in interactive sessions, involving presentations, panel discussions and case study work.

Structure of the program:

An interactive training program will be convened over 5 days, 7-11 June 2010.

Each day will include five modules. The key issues under each module are outlined below. The course will also include case studies and panel discussions as a component of each module. The academic coordinator will be Mr. Ken Waller, Director of the Australian APEC Study Centre and MAFC in association with Dr. Li Kouqing, Director, AFDC. The design of the program will be undertaken in consultation with specialists from regulatory agencies and multilateral institutions.

Economies involved:

The training program will involve policy makers and mid to senior level regulators from Chile, China, Indonesia, Malaysia, Mexico, Peru, Papua New Guinea, the Philippines, Russia, and Thailand. Economies including Hong Kong, Singapore, and Japan will be invited on a self-paying basis.

COURSE PROGRAM

DAY ONE ~ Monday 7 June 2010		
Venue: TBC, Shanghai		
	8:45 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 9:30	Orientation: Introduction to the Training Program. Welcome and outline of the program and its objectives
	<i>Presenter</i>	Ken Waller, Australian APEC Study Centre
Session 2	9:30 – 11:00	A review of major recent developments in the global finance crisis, and its consequences; failures and causes, and dealing with systemic risk, liquidity risk and strains on capital adequacy in banking systems
	<i>Presenters</i>	Kevin Davis, Melbourne Centre for Financial Studies IMF, TBC
	11:00 – 11:20	Morning tea / coffee break
Session 3	11:20 – 12:45	Presentations by participants on current regulatory responses to the crisis, in their economies
	12:45 – 13:45	Lunch
Session 4	13:45 – 15:15	Broad responses to the stresses and challenges of the crisis by international standard setting bodies; including key recommendations from the Financial Stability Board, the Basel Group of Banking Supervisors – drawing out proposed reforms to Basel I and Basel II
	<i>Presenter/s</i>	Jason George, Bank for International Settlements Kevin Davis, Melbourne Centre for Financial Studies
	15:15 – 15:30	Afternoon tea / coffee break
Session 5	15:30 – 17:00	Regional bank regulators' responses to emerging reforms proposed by the standard setting bodies
	<i>Presenter/s</i>	Luo Ping, Director-General, Training Department, CBRC Ministry of Economy, Peru TBC
Reception	TBC	TBC

DAY TWO ~ Tuesday 8 June 2010		
Venue: TBC, Shanghai		
	8:50 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 10:30	Assessment of proposed banking system reforms by a representative of the Institute for International Finance
	<i>Presenter/s</i>	Mark Lawrence, TBC
	10:30 – 10:50	Morning tea / coffee break
Session 2	10:50 – 12:20	Regional bankers' perspectives on the impact of the implementation of proposed reforms to banking supervision
	<i>Presenter/s</i>	HSBC, TBC Sha Fei, Assets and Liabilities Management Department, ICBC

Session 3	12:20 – 13:00	Moderated panel discussion between regulators and private sector banking representatives on the benefits and disadvantages of proposed reforms
	<i>Presenter/s</i>	International Department, CBRC Sha Fei, Assets and Liabilities Management Department, ICBC Ministry of Economy, Peru TBC
	13:00 – 14:00	Lunch
Session 4	14:00 – 15:30	Review of the impact of reforms on credit risk management – academic and supervisory perspectives
	<i>Presenter/s</i>	JP Morgan Chase & Co, TBC Chen Shuangjie, Risk Management Department, ICBC
	15:30– 15:50	Afternoon tea / coffee break
Session 5	15:50 – 17:00	An assessment of the implications of proposed reforms on bank capital adequacy and the economic impact of higher capital charges on the region’s economies
	<i>Presenter/s</i>	Jason George, BIS Kevin Davis, Melbourne Centre for Financial Studies Ministry of Economy, Peru, TBC

DAY THREE ~ Wednesday 9 June 2010

Venue: TBC, Shanghai

	8:50 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 10:30	The objectives, constraints and benefits of macro-prudential management
	<i>Presenter/s</i>	Research Department, CBRC Kevin Davis, Melbourne Centre for Financial Studies
	10:30 – 10:50	Morning tea / coffee break
Session 2	10:50 – 12:20	An evaluation of key component parts of the concept of macro-prudential management
	<i>Presenter/s</i>	IMF, TBC PBOC, TBC
Session 3	12:30 – 13:00	Moderated panel discussion on lessons learned from the preceding two sessions dealing with macro-prudential management
	<i>Presenter/s</i>	IMF, TBC Kevin Davis, Melbourne Centre for Financial Studies PBOC, TBC
	13:00 – 14:00	Lunch
Session 4	14:00 – 15:30	Stress testing as a major tool in regulatory supervision; objectives, relevance, skills and data requirements; managing results and expectations
	<i>Presenter/s</i>	Geof Mortlock, Senior Policy Manager, Policy Department, APRA
	15:30 – 15:50	Afternoon tea / coffee break

Session 5	15:50 – 17:00	Moderated panel discussion on benefits and constraints of stress testing from regulatory and banking industry perspectives
	<i>Presenter/s</i>	Geof Mortlock, Senior Policy Manager, Policy Department, APRA

DAY FOUR ~ Thursday 10 June 2010

Venue: TBC, Shanghai

	8:50 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 10:30	Facilitated work-shop on factors determining a bank's risk appetite; the impact on capital adequacy and capital charges of emerging regulatory reforms – academic, supervisory and banking industry perspectives
	<i>Presenter/s</i>	Liao Min, Director General, CBRC FSA Japan, TBC
	10:30 – 10:50	Morning tea / coffee break
Session 2	10:50 – 12:00	Workshop continues.
	<i>Presenter/s</i>	Liao Min, Director General, CBRC, TBC FSA Japan, TBC
Session 3	12:00 – 12:30	Moderated panel discussion on outcomes of preceding sessions 1 and 2.
	<i>Presenter/s</i>	TBC
	12:30 – 13:00	Lunch
Session 4	13:00 – 14:30	Key aspects that a supervisor should consider in assessing a bank's capital model and in evaluating the utility of capital models – supervisor and banking industry perspectives
	<i>Presenter/s</i>	ANZ, TBC Geof Mortlock, Senior Policy Manager, Policy Department, APRA FSA Japan, TBC
	14:30 – 15:00	Afternoon tea / coffee break
Session 5	15:00 – 16:30	Impact of the crisis on Pillar 3 of Basel II; emerging responses and reforms as they impact on bank disclosure; understanding the role of credit ratings in the post crisis era
	<i>Presenter/s</i>	ANZ, TBC

DAY FIVE ~ Friday 11 June 2010

Venue: TBC, Shanghai

	8:50 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 10:30	The impact of the global financial crisis on governance in banking systems and in supervisory agencies; what changes are expected in governance to enhance risk management practices and procedures in banks and in supervisory agencies - academic, supervisory and banking industry perspectives

	<i>Presenter/s</i>	HSBC, TBC HKMA, TBC
	10:30 – 10:50	Morning tea / coffee break
Session 2	10:50 – 12:20	APEC regional responses to calls to intensify co-ordination between home and host supervisors; supervisory and banking industry perspectives
	<i>Presenter/s</i>	Geof Mortlock, Senior Policy Manager, Policy Department, APRA
Session 3	12:20 – 12:50	Moderated panel discussion on preceding two sessions.
	<i>Presenter/s</i>	Geof Mortlock, Senior Policy Manager, Policy Department, APRA
	12:50 – 13:50	Lunch
Session 4	13:50 – 15:20	Forum: identification of emerging issues for regional supervisors and for regional banks and measures to handle them; is the regional financial system architecture adequate for the changing financial system environment?
	<i>Presenter/s</i>	ANZ, TBC HKMA, TBC
	15:20 – 15:40	Afternoon tea / coffee break
Session 5	15:40 – 17:00	Facilitated panel discussion: identification of key lessons learned from the program and most critical capacity building needs to strengthen the region's banking systems.
	<i>Presenter/s</i>	ANZ, TBC