



The Advisory Group on APEC Financial System Capacity-Building

A Public-Private Sector Initiative

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First Meeting 2007

28 February 2007

The Grand Hyatt Seattle (Menzies Suite, 6th Floor)
Seattle, U.S.A.

ANNOTATED AGENDA

*Fourth Draft
As of 25 February 2007*

08:00

ITEM 1: Welcome and Opening Remarks

- Opening remarks by the ABAC Chair and previous Advisory Group Chair (Mr. Mark Johnson); introduction of the new Advisory Group Co-Chairs
- Opening remarks by the Advisory Group Co-Chair (Mr. Yasuo Kanzaki)
- Welcome remarks on behalf of the host, ABAC USA (Mr. Michael Phillips)

Papers/Presentations:

None

08:10

ITEM 2: Work Program of the Advisory Group

- Review of 2006 Work Program and results by the previous Advisory Group Coordinator (Mr. Kenneth Waller)
- Presentation on the Proposed 2007 Work Program by the Advisory Group Coordinator (Dr. J.C. Parreñas)

Papers/Presentations:

2-A: Summary of the work of the Advisory Group in 2006 (*ABAC Australia*)

2-B: Proposed 2007 Work Program (*Office of the Advisory Group Chair*)

The proposed 2007 work program consists of a project (see Item 3 below) and the development of specific capacity-building proposals in a number of key areas, which are as follows: (1) development of bond markets; (2) implementing Basel II and strengthening risk management; (3) strengthening governance in financial systems; (4) enhancing financial consumer protection; (5) strengthening the frameworks for cross-border insolvency and informal workouts in the region; (6) promoting financial stability, especially with respect to volatile capital flows; and (7) enhancing SMEs' capacity to access formal finance. In addition, it is proposed that the Advisory Group consider whether to undertake work on (1) remittance systems and (2) combating money laundering and terrorist finance.

08:30

ITEM 3: APEC Public-Private Sector Forum on Bond Market Development (Advisory Group Project)

- Presentation by the Advisory Group Coordinator
- Perspectives from the Australian Treasury, presented by Mr. Ken Waller
- Presentation on the experience of the OECD by Dr. William Witherell, Senior Advisor for Finance, OECD

Papers/Presentations:

3-A: Paper and presentation on the APEC Public-Private Sector Forum on Bond Market Development (*Office of the Advisory Group Chair*)

3-B Paper on policy options on financial sector reforms for APEC economies (*by Professor Kevin Davis of the Melbourne*)

This is a major project that the Advisory Group is being requested to undertake as proposed by ABAC to the APEC Finance Ministers in Hanoi and agreed to by the latter. The Forum is a series of dialogues to promote public-private sector

collaboration in developing local currency bond markets, with special emphasis on corporate bond markets. The first Forum, which will focus on the Indonesian, Philippine and Vietnamese bond markets, will be hosted by the Australian Treasury on May 8, 2007 in Melbourne, Australia.

The Advisory Group has been requested to develop the program and coordinate the participation of key experts from the public and private sectors, including relevant international and regional organizations.

09:00

ITEM 4: Capacity-Building Issues for 2007

In this meeting, the Advisory Group will undertake initial discussions on a number of key issues suggested by ABAC in 2006. The objective of these discussions are (1) to develop specific proposals on capacity-building that can be endorsed to the APEC Finance Ministers; (2) to identify possibilities of collaboration among participating organizations and between public and private sectors; and (3) to exchange information and updates on current initiatives and promote greater synergy among them.

09:00

ITEM 4.1: Bond Market Development

- Background and update on work on bond markets by the Advisory Group Coordinator

- Presentation by Dr. David Hong, CTPECC Director General

This is a presentation on the conclusions and recommendations from the PECC symposium on business and cooperation opportunities in regional bond market development, 29 Nov 2006, Washington, D.C.

- Presentation on the development of the regional credit rating industry by Mr. Nguyen Van Hai, ABAC Vietnam

This is a presentation on the results of a conference "Promoting the Development of Credit Rating Industry in the Asia-Pacific Region" held on 12 June 2006 in Hanoi. This event was jointly organized by the Asian Bankers Association, ABAC, Vietnam Chamber of Commerce and Industry (VCCI) and Vietcombank.

09:45

COFFEE BREAK

10:00

ITEM 4.2: Implementing Basel II and strengthening risk management and governance in banking systems, financial consumer protection and legal frameworks

- Presentation by Mr. Kenneth Waller

This is a presentation of conclusions and recommendations from the Report of the Public-Private Sector Dialogue on the Implementation of Basel II and Developments in Banking and Supervision in the Asia-Pacific Region, 8-9 August 2006, Kuala Lumpur. This 2nd dialogue between central bankers/regulators/officials and the private sector was jointly organized by the Southeast Asian Central Banks' (SEACEN) Research and Training Centre, ABAC, the Asian Bankers' Association and PECC. A third dialogue is currently being prepared to be held on July 11-12 in Singapore.

10:15

ITEM 4.3: Regional financial stability

- Presentation on improving the quality of information on international capital flows by Prof. Kimball Dietrich

This is a discussion of capacity-building-related recommendations from the 2006 study commissioned by ABAC on data requirements to support early warning systems and ameliorate the impact of adverse volatile capital flows.

Centre for Financial Studies)

3-C Presentation on the OECD Experience with the "Peer Review Process" in promoting capital market development (by Dr. William Witherell, Senior Advisor, OECD)

Papers/Presentations:

4.1-A: Background and update on work on bond markets (Office of the Advisory Group Chair)

4.1-B: Report of the PECC Symposium, with presentation (Chinese Taipei PECC)

4.1-C: Capacity-building proposals arising from the results of the 12 June Conference (ABAC Vietnam)

4.1-D: Chapter on strengthening the investor base from the "East Asian Finance" study (by the World Bank)

Papers/Presentations:

4.2-A: Executive summary of the Kuala Lumpur dialogue report

4.2-B: Kuala Lumpur dialogue report

Papers/Presentations:

4.3-A: Capacity-building proposals arising from the 2006 study on volatile capital flows (Prof. Kimball Dietrich)

10:45	<p>ITEM 4.4: <u>Strengthening SMEs’ capacity to access formal finance</u></p> <ul style="list-style-type: none"> • Presentation on SMEs’ access to formal finance by Mr. Nguyen Van Hai, ABAC Vietnam <p><i>This presentation focuses on the conclusions and recommendations of a survey conducted by Vietcombank and the Central Institute for Economic Management (Hanoi) for ABAC in 2006.</i></p>	<p>Papers/Presentations:</p> <p>4.4-A: Capacity-building proposals arising from the results of the Vietcombank-CIEM survey (<i>ABAC Vietnam</i>)</p>
11:00	<p>ITEM 4.5: <u>Consideration of possible work on remittance systems, anti-money laundering and combating the financing of terrorism</u></p> <ul style="list-style-type: none"> • Introduction by the Advisory Group Coordinator • Comments by Mr. Kenneth Waller, ABAC Australia <p><i>This discussion will focus on determining whether there is added value that can be brought by the Advisory Group on the APEC Finance Ministers’ Process medium-term strategic agenda with respect to remittance systems (formal and informal), anti-money laundering and combating the financing of terrorism.</i></p>	<p>Papers/Presentations:</p> <p>4.5-A: Summary of ABAC’s work on the three issues and possible ways forward (<i>ABAC Australia</i>)</p>
11:10	<p>ITEM 5: <u>Other matters</u></p>	
11:15	<p>ITEM 6: <u>Next meeting</u></p>	
11:20	<p>ITEM 7: <u>Closing Remarks</u></p> <ul style="list-style-type: none"> • Closing remarks by the Advisory Group Co-Chair (Mr. Yasuo Kanzaki) 	
11:30	<p>END</p>	