

*Sponsored by the Government of Japan*

**ADBI-OECD Roundtable on Capital Market Reform in Asia  
13-14 March 2014, Tokyo, Japan**

**AGENDA**

**Chair: Dr. Malcolm Edey, Assistant Governor (Financial System), Reserve Bank of Australia  
and Chair of the OECD Committee on Financial Markets**

<b>DAY ONE: 13 March 2014 (Thursday)</b>	
<b>09:00 – 09:30</b>	<b>Registration of participants</b>
<b>09:30 – 10:10</b>	<b>Opening remarks</b> <ul style="list-style-type: none"> <li>• <b>Dr. Malcolm Edey</b>, Assistant Governor (Financial System), Reserve Bank of Australia and Chair of the OECD Committee on Financial Markets</li> <li>• <b>Dr. Jae-Ha Park</b>, Acting Dean, ADBI</li> </ul>
<b>10:10 – 10:40</b>	<b>KEYNOTE ADDRESS:</b>  <b>Dr. Ryuzo Miyao</b> , Member of the Policy Board, Bank of Japan
<b>10:40 - 11:00</b>	<b>Coffee break</b>
<b>11:00 – 12:45</b>	<b>SESSION 1:</b> <b>Implications of Quantitative Easing (QE) Tapering to Asia: Managing Transition and Containing Financial Risks</b>
	<p><i>Expectations of monetary tapering in the United States have sent emerging markets in Asia in a tail spin early last year, generating capital outflows and financial market volatilities in some countries particularly in Indonesia and India. Although the strains have recently receded (following the Fed's decision to defer tapering in September 2013), the prospect of tighter global liquidity and higher interest rates could still trigger further portfolio outflows, falling asset prices, and tighter financial conditions. This is particularly true in emerging Asia where financial markets are prone to overreact and overshoot.</i></p> <p><i>While emerging Asian economies seem better prepared now to deal with market volatilities than they were during earlier crises, managing the risks arising from volatile external conditions could prove challenging. Asian countries that have managed to build strong external positions are likely to have a smooth transition, while those with weaker fundamentals and exposures are likely to suffer a larger negative impact.</i></p> <p><i>Achieving smooth transition to less accommodative monetary environment is not easy given weaker growth prospects and increasing vulnerabilities in emerging Asia. The way in which this transition will take place has implications for the real economy and financial system in emerging Asia and has to be monitored. Thus this session tries to address the following questions. What should Asian policy makers do to best manage the shift to tougher global monetary conditions and mitigate the impact? How can they position themselves against the possible build-up of financial imbalances and risks? What macro-economic frameworks and macro-prudential tools are needed to ensure transition to financial stability in Asia?</i></p>

11:00 – 11:45	<p><b>Moderator: Dr. Masahiro Kawai</b>, Former Dean and CEO, ADBI</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• <i>Possible spillovers from exiting QE:</i> <b>Dr. Sangkyom Kim</b>, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD</li> <li>• <i>Tapering and Dornbusch's law in Asia:</i> <b>Dr. Eli Remolona</b>, Chief Representative Asia and the Pacific, Bank for International Settlements (BIS)</li> <li>• <i>Assessing impacts of QE tapering on Asian EMES:</i> <b>Dr. Woon Gyu Choi</b>, Deputy Governor and Director-General of Economic Research Institute, The Bank of Korea</li> <li>• <i>Implications of quantitative easing tapering: case of Indonesia:</i> <b>Dr. Sjamsul Arifin</b>, Former Adviser Bank Indonesia and Commissioner MPI Corporation, Indonesia</li> </ul>
11:45 – 12:45	<p><b>Discussants:</b></p> <ul style="list-style-type: none"> <li>• <b>Dr. K.C. Chakrabarty</b>, Deputy Governor, Reserve Bank of India</li> <li>• <b>Mr. C. Lawrence Greenwood, Jr.</b>, Senior Managing Director, Metlife Alico, Japan</li> </ul> <p><b>Open Discussion</b></p>
12:45 – 14:15	LUNCH
14:15 – 16:15	<p><b>SESSION 2:</b> <b>Global Financial Regulatory Reforms: Progress, Implementation Challenges and Consequences</b></p>
	<p><i>The global financial crisis exposed deep fault lines in the global financial system and spurred a broad range of financial regulatory reforms, under the aegis of the G20 process. These reforms are aimed to enhance the resilience of a country's financial system and one that better aligns with the needs of the real economy. The reform agenda includes, among others, measures that will increase the capacity of the economy to absorb losses, including the Basel III capital and liquidity framework; reduce the moral hazard posed by systemically important financial institutions via better resolution regimes; expand and refine the regulatory perimeter by monitoring and, where appropriate, to address the risks posed by the shadow banking system; and strengthen the infrastructure for derivative instruments, particularly those that are traded over the counter.</i></p> <p><i>This session takes stock of the progress made in financial regulatory reforms and the on-going work that still needs to be done in order to complete the regulatory reform agenda. It also involves the sharing of relevant experiences pertaining to the lessons and challenges encountered in the implementation of these agreed financial reforms as well as the identification of potential impact and consequences of these reforms, whether intended or unintended, to countries implementing these reforms.</i></p>
14:15 – 15:15	<p><b>Moderator: Dr. Mamiko Yokoi-Arai</b>, Principal Administrator, Financial Affairs Division, Directorate for Financial and Enterprise Affairs, OECD</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• <i>Global financial regulatory reforms – challenges and implications for Asia:</i> <b>Mr. Masamichi Kono</b>, Vice Commissioner for International Affairs, Financial Services Agency, Japan</li> <li>• <i>Progress on plausible bank resolution:</i> <b>Dr. David Mayes</b>, Professor of Banking and Financial Institutions, University of Auckland</li> <li>• <i>An Asian perspective on global financial reform:</i> <b>Dr. Peter Morgan</b>, Senior Consultant for Research, ADBI and <b>Dr. Victor Pontines</b>, Research Fellow, ADBI</li> <li>• <i>Enhancing the effectiveness of monetary policy in China through financial reform:</i> <b>Dr. C.H. Kuan</b>, Senior Research Fellow, Nomura Research Institute</li> </ul>

15:15 – 16:15	<p><b>Discussants:</b></p> <ul style="list-style-type: none"> <li>• <b>Dr. Woon Gyu Choi</b>, Deputy Governor and Director-General of Economic Research Institute, The Bank of Korea</li> <li>• <b>Dr. Malcolm Edey</b>, Assistant Governor (Financial System), Reserve Bank of Australia</li> </ul> <p><b>Open Discussion</b></p>
16:15 – 16:30	Coffee break
16:30 – 18:30	<p><b>SESSION 3:</b> <b>Financial Liberalization in the De-globalisation Phase</b></p>
	<p><i>The financial crisis and fragility of the financial sector globally has led to lower growth rates in advanced economies, while emerging economies have experienced relatively higher levels of growth. Emerging and smaller economies have taken a number of policy measures to better address growth and financial stability. Given the various political pressures domestically and globally, better comprehending the possible economic impact of policy choices in relation to liberalizing or restricting the financial sector are essential. The two avenues that these measures have been taken and which are subject to much discussion are financial and trade liberalization.</i></p> <p><i>In recent years, the manner in which the liberalization and restrictions of capital account takes place has been the subject of much debate, in particular since the Asian financial crises in 1997/8. This session will attempt to address the appropriateness of implementing capital management tools during times of extreme financial volatility and the difficulty of exiting from such measures.</i></p> <p><i>In the search for growth, certain regions have been engaging in discussions on regional trade agreements, which could lead to greater trade and investment liberalization within the region. In addition, there is a renewed interest in how financial liberalization could be beneficial to the development of a strong banking system.</i></p> <p><i>There have been strong and wide ranging discussions on trade liberalization, with the Trans-Pacific Partnership and Regional Comprehensive Economic Partnership considered key developments which could have wide economic implications for the region. The extent to which such discussions aim to progress trade liberalization, in particular for financial service sectors, will be an important element of how financial liberalization in Asia progresses and its potential economic impact.</i></p>
16:30 – 17:45	<p><b>Moderator: Dr. Jae-Ha Park</b>, Acting Dean, ADBI</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• <i>The validity of the conventional wisdom of capital control:</i> <b>Dr. Adrian Blundell-Wignall</b>, Special Advisor to the OECD Secretary General on Financial Markets, Deputy Director, Directorate for Financial &amp; Enterprise Affairs, OECD [Presentation by tele-conference]</li> <li>• <i>Financial liberalization's impact on India's financial system:</i> <b>Dr. K. C. Chakrabarty</b>, Deputy Governor, Reserve Bank of India</li> <li>• <i>Economic impact of regional trade discussions in Asia:</i> <b>Dr. Kenichi Kawasaki</b>, Senior Fellow, National Graduate Institute for Policy Studies (GRIPS), Japan</li> <li>• <i>Experience with financial liberalization and capital controls in Cambodia:</i> <b>Dr. Nguon Sokha</b>, Secretary of State, Ministry of Economy and Finance, Cambodia</li> </ul>
17:45 – 18:30	<p><b>Discussants:</b></p> <ul style="list-style-type: none"> <li>• <b>Dr. Karl Habermeier</b>, Assistant Director, Monetary and Capital Markets Department, IMF</li> <li>• <b>Professor Akira Ariyoshi</b>, Professor and Program Director, Asian Public Policy Program, School of International and Public Policy, Hitotsubashi University</li> </ul> <p><b>Open Discussion</b></p>
18:30 – 20:30	<p><b>Reception dinner hosted by ADBI and OECD</b> Venue: Kazan Kaikan Restaurant "Kazan Room (Kazan No Ma)" Common Gate Building 37F (Next building to ADBI, Kasumigaseki Bldg)</p>

## DAY TWO: 14 March 2014 (Friday)

<b>10:00 – 12:30</b>	<p><b>SESSION 4:</b> <b>Long-term Investment for Infrastructure Development</b></p>
	<p><i>Infrastructure is considered as an attractive asset class by institutional investors for its long term nature, the diversification offered due to low correlation (of unlisted infrastructure), and its stable cash flows. In addition, infrastructure is attractive in a macro environment of quantitative easing and as a hedge against rising prices over the long term. Yet long-term investors are not flooding into infrastructure investment, and several barriers to investment remain. Infrastructure investing in developing countries presents additional challenges for investors.</i></p> <p><i>This session will discuss the main opportunities and challenges investors are facing when investing in infrastructure, especially in emerging markets, and the “right” risk premium countries need to pay to attract these investors. Various measures public authorities can take to ensure that investors are better equipped to assess riskiness of infrastructure projects such as data collection and information disclosure are discussed.</i></p>
<b>10:00 – 11:15</b>	<p><b>Moderator:</b> <b>Mr. Qiangwu Zhou</b>, Deputy Director-General, Asia Pacific Finance and Development Center (AFDC)</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• <i>The OECD Long Term Investment project:</i> <b>Mr. Raffaele Della Croce</b>, Lead Manager, Long Term Investment Project, Financial Affairs Division, OECD</li> <li>• <i>Financing infrastructure for South Asian and South East Asian connectivity:</i> <b>Dr. Masahiro Kawai</b>, Former Dean and CEO, ADBI</li> <li>• <i>Major SWF investing in infrastructure :</i> <b>Dr. Zai Fan</b>, Managing Director, China Investment Corporation (CIC)</li> <li>• <i>Government role in facilitating investment in infrastructure :</i> <b>Ms. Cosette V. Canilao</b>, Executive Director, Public-Private Partnership Center of the Philippines</li> <li>• <i>The Japanese experience and recent developments:</i> <b>Mr. Tokihiko Shimizu</b>, Director General, Research Department, Government Pension Investment Fund (GPIF), Japan</li> </ul>
<b>11:15 – 11:30</b>	<b>Coffee break</b>
<b>11:30 – 12:30</b>	<p><b>Discussants:</b></p> <ul style="list-style-type: none"> <li>• <b>Professor Nobusuke Tamaki</b>, Professor, Otsuma Women’s University</li> <li>• <b>Professor Naoyuki Yoshino</b>, Chair of Financial System Council and Professor of Economics, Keio University, Japan</li> </ul> <p><b>Open Discussion</b></p>
<b>12:30 – 13:45</b>	<b>LUNCH</b>

13:45 – 15:15	<p><b>SESSION 5: Innovation for Financial Inclusion for Households and Small and Medium Enterprises</b></p>
	<p><i>Countries face the challenge of increasing access to finance of households and firms, particularly, SMEs. The benefits of enhancing access to affordable financial services among households, especially poor households, can be enormous. It can boost their incomes and lead to a tighter income distribution through an increase in wage rates. The higher disposable income across poor households can lead to greater savings and a wider deposit base for deposit-taking financial institutions.</i></p> <p><i>Meanwhile, increasing access to finance by SMEs is important because SMEs play a vital economic role by generating employment and income, and by contributing significantly to a country's export earnings. However, many barriers to the growth of SMEs exist. Financial constraints, particularly the problems of high cost and lack of access to finance rank top among the perceived obstacles faced by SMEs in surveys across the world. In view of the importance of SMEs to output and employment creation, expanding SMEs' access to formal financial services is critical.</i></p> <p><i>Recognition of the so-called 'SME finance gap' calls for a concerted effort between the private and public sectors of finding new technologies and innovative approaches to make SME finance more affordable and profitable. In other words, innovative approaches that are aimed at diversifying the mix of funding options (rather than an overreliance on debt instruments) available to SMEs, particularly exporting SMEs, appear to be desirable.</i></p>
13:45 – 14:30	<p><b>Moderator: Dr. Yuqing Xing</b>, Director of Capacity Building and Training, ADBI</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• <i>Financial inclusion, SME finance and SME database:</i> <b>Professor Naoyuki Yoshino</b>, Chair of Financial System Council and Professor of Economics, Keio University, Japan</li> <li>• <i>Is finance a binding constraint for SME participation in trade?:</i> <b>Dr. Ganeshan Wignaraja</b>, Director of Research, ADBI and <b>Dr. Yothin Jinjarak</b>, Research Fellow, ADBI</li> <li>• <i>Key IFC initiatives in SME financing:</i> <b>Mr. Rubin Japhta</b>, Senior Gender and SME Banking Specialist, East Asia Pacific Division, International Finance Corporation</li> <li>• <i>Innovation for financial inclusion for households and small and medium enterprises: case of Bangladesh:</i> <b>Mr. Amalendu Mukherjee</b>, Additional Secretary, Bank and Financial Institutions Division, Ministry of Finance, Bangladesh</li> </ul>
14:30 – 15:15	<p><b>Discussants:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. Noritaka Akamatsu</b>, Deputy Head, Office of Regional Economic Integration (OREI), ADB</li> <li>• <b>Mr. Tuhin Kanta Pandey</b>, Joint Secretary and Adviser (Financial Resources), Planning Commission of India</li> </ul> <p><b>Open Discussion</b></p>
15:15 – 15:30	<p><b>Coffee Break</b></p>

15:30 – 17:30	<p><b>SESSION 6:</b>  <b>Disaster Risk Financing and the Evolving Role of Insurance and Financial Markets</b></p>
	<p><i>Disasters can have widespread impacts, causing not only harm and damage to lives, buildings and infrastructure, but also impairing economic activity, with potential cascading and global effects. Many Asian economies are subject to high volcanic and seismic activity or are exposed to severe weather and flood risks, and have been impacted by disaster events in recent years.</i></p> <p><i>Finance Ministries and other relevant financial authorities play a pivotal role in disaster risk management (DRM) strategies given their responsibilities for economic, financial, fiscal and budget policymaking, planning of public investment and coordinating public expenditures. They need to ensure that individuals, businesses and governments have the resources necessary to manage the adverse financial and economic consequences of disasters, thereby enabling the critical funding of disaster response, recovery and reconstruction.</i></p> <p><i>Insurance and reinsurance markets and, increasingly, capital markets can provide an important source of financing for disaster recovery and reconstruction within an economy, and thus can enhance a country's financial resilience. Finding the appropriate mix of market and government solutions remains an on-going challenge – and opportunity – for governments given the increasing frequency and severity of disaster events and the evolving role of insurance and capital markets as a source of disaster risk financing.</i></p>
15:30 – 16:30	<p><b>Moderator: Mr. Rintaro Tamaki</b>, Deputy Secretary-General, OECD</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• <i>The role of finance ministries in DRM and practices and challenges in disaster risk financing:</i>  <b>Dr. Alberto Monti</b>, Member of the OECD High-Level Advisory Board on the Financial Management of Disasters and Professor of Law Institute for Advanced Study – IUSS Pavia, Italy</li> <li>• <i>Disaster insurance schemes: options to consider and implementation challenges:</i>  <b>Mr. Pravej Ongartsittigul</b>, Secretary-General, Office of Insurance Commission, Thailand</li> <li>• <i>Evolving reinsurance markets and new sources of risk capital:</i>  <b>Mr. Ivo Menzinger</b>, Head Asia Pacific, Managing Director, Global Partnerships, Swiss Reinsurance Company Ltd (Singapore)</li> <li>• <i>The role of insurance in risk mitigation and natural catastrophes:</i>  <b>Commissioner James J. Donelon</b>, Louisiana Department of Insurance &amp; National Association of Insurance Commissioners (NAIC) Immediate Past President, United States</li> </ul>
16:30 – 17:00	<p><b>Discussants:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. James Beedle</b>, Senior Managing Director, Willis Re Asia, Singapore</li> <li>• <b>Dr. Minquan Liu</b>, Senior Capacity Building Economist, ADBI</li> <li>• <b>Mr. Takeshi Harada</b>, Director, Financial System Stabilization Division, Minister's Secretariat, Ministry of Finance, Japan</li> </ul> <p><b>Open Discussion</b></p>
17:00 – 17:15	<p><b>Conclusions and Closing Remarks</b></p> <p><b>Dr. Jae-Ha Park</b>, Acting Dean, ADBI  <b>Mr. Rintaro Tamaki</b>, Deputy Secretary-General, OECD</p>