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**ADBI-OECD Roundtable on Capital Market and Financial Reform in Asia
11-12 March 2015, Tokyo, Japan**

DAY ONE: 11 March 2015 (Wednesday)	
09:00 – 09:30	Registration of participants
09:30 – 10:10	Opening Remarks <ul style="list-style-type: none"> • Rintaro Tamaki, Deputy Secretary-General, OECD • Naoyuki Yoshino, Dean, Asian Development Bank Institute (ADBI)
INTERNATIONAL REGULATORY REFORMS AND THEIR IMPLICATIONS FOR DEVELOPING ASIAN ECONOMIES	
10:10 – 10:40	KEYNOTE ADDRESS: <ul style="list-style-type: none"> • Takahide Kiuchi, Member of the Policy Board, Bank of Japan
10:40 – 11:00	Coffee break
11:00 – 12:45	SESSION 1: Developments and major challenges in the Asian financial markets <i>Asian financial markets have increasingly strengthened their resilience to weather the bout of global financial volatility. However, with uncertain global outlook and anticipated tightening of global financial conditions, post-crisis adjustments remain challenging. Adjustments are also complicated by the fact that countries differ in their financial sector development and face different financial stability risks – which in turn may affect their ability to absorb negative shocks. This session tries to assess the developments in both advanced and emerging financial markets in Asia after the global financial crisis, the potential risks arising from higher interest rates, capital outflows and asset price volatility, as well as the regulatory challenges to address financial sector risks and vulnerabilities.</i>
11:00 – 12:00	Moderator: Naoyuki Yoshino , Dean, Asian Development Bank Institute (ADBI) Speakers: <ul style="list-style-type: none"> • <i>Developments and Major Challenges in Korean Financial Market</i> Jaehong Suh, Director-General for International Cooperation, Korea Financial Services Commission • <i>Challenges for Asian Financial Sector</i> Zeng Hui, Director, International Finance Division, People’s Bank of China • <i>Financial Markets of Pakistan: Reforms, Emerging Opportunities and Challenges</i> Muhammad Ali Malik, Director, Financial Markets and Reserve Management, State Bank of Pakistan • <i>Emerging Market Vulnerabilities: Challenges and Prospects – Case of Indonesia</i> Dwityapoetra S. Besar, Deputy Director, Department of Macroprudential Policy, Bank Indonesia
12:00 – 12:45	Discussants: <ul style="list-style-type: none"> • Noritaka Akamatsu, Senior Advisor, Regional and Sustainable Development Department, ADB • Visakha Amarasekere, Director, Department of External Resources, Ministry of Finance and Planning, Sri Lanka Open Discussion
12:45 – 14:15	LUNCH

14:15 – 16:15	<p>SESSION 2: International financial reforms after the global financial crisis: impact and implications for financial stability and sustainable economic growth</p> <p><i>Since the global financial regulatory reform agenda was launched at the G20 Pittsburg and London Summits, efforts to enhance economic and financial stability have strengthened. While reforms have made significant progress, substantial adjustments are still needed to normalize financial conditions and address macroeconomic vulnerabilities. Emerging Asian economies will have to manage liquidity shortage following the normalization of US monetary policy and maintain financial stability. This session seeks to understand the implications of regulatory reforms on financial stability and their impact on economic growth in Asia. How do reforms affect the transmission of financial policies to real economy and the ability of supervisory authorities to maintain financial stability in the face of volatile capital flows? What are the possible effects of those reforms on post-crisis economic developments in Asia? What is the impact of macroeconomic developments on the financial sector? And how should policy makers manage the unintended effects of reforms to ensure financial stability without compromising economic risk taking and recovery?</i></p>
14:15 – 15:15	<p>Moderator: Masahiro Kawai, Professor, University of Tokyo</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Implications and Impact of Regulatory Reforms: Case of Thailand</i> Vanaporn Laksanasut, Head, Financial Markets Analysis and Development Division, Bank of Thailand • <i>Economic Consequences of New Financial Regulations</i> Shinichi Yoshikuni, Senior Managing Director, Mizuho Securities Research and Consulting Co. • <i>Issues Surrounding the Global Financial System</i> Michio Saito, Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency, Japan
15:15 – 16:15	<p>Discussants:</p> <ul style="list-style-type: none"> • Yuko Kinoshita, Deputy Head, Regional Office for Asia and the Pacific, IMF • Nguyen Vin Hung, Deputy Director-General, State Bank of Viet Nam <p>Open Discussion</p>
16:15 – 16:30	Coffee break
16:30 – 18:30	<p>SESSION 3: Functioning of capital markets and their role in value creation</p> <p><i>Worldwide, corporate bonds have become an increasingly important source of financing for non-financial companies. This trend is reinforced by a decrease in traditional bank lending to non-financial companies and the historically low levels of bond interest rates. In the prevailing low-yield environment, many fixed-income investors and shareholders have traded governance rights for higher expected returns, in part by reaching out the credit risk spectrum. However, just like shareholders, bondholders can play an important role in corporate governance by using both exit and voice. In practice, the degree of governance engagement is linked primarily to the business model of the bond investor. The discussion will focus on the scope for institutional changes that may increase the community of truly informed and motivated investors.</i></p>
16:30 – 17:45	<p>Moderator: Takahiro Yasui, Head, Special Projects and Outreach Unit, Directorate for Financial and Enterprise Affairs, OECD</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Corporate Bonds, Corporate Bondholders and Corporate Governance</i> Mats Isaksson, Head of Division, Corporate Affairs Division, OECD • <i>The Links Between Pension Systems, Long-term Value, and Financial Stability</i> Vedat Akgiray, Professor of Finance, Bogazici University • <i>Corporate Governance in a Networked Age</i> Erik Vermeulen, Professor of Business Law & Finance, Tilburg University and Vice-President, Corporate Legal Dept., Philips International B.V, Netherlands • <i>Corporate Governance for Growth: Japan's Strategy in Global Setting</i> Kenji Okamura, Deputy Commissioner for International Affairs, Financial Services Agency, Japan • <i>Value Creation for SMEs in a Financial Ecosystem</i> Liu Fuzhong, Vice Director, Strategy and International Relations, Shenzhen Stock Exchange

17:45 – 18:30	<p>Discussant:</p> <ul style="list-style-type: none"> • Shoko Negishi, Professor, Doshisha University <p>Open Discussion</p>
18:30 – 20:30	<p>Reception dinner hosted by ADBI and OECD Venue: Kazan Kaikan Restaurant, “Shosetsu + Kobai” Room Common Gate Building 37F (Next building to ADBI, Kasumigaseki Bldg)</p>

DAY TWO: 12 March 2015 (Thursday)

DEVELOPMENT OF FINANCIAL AND CAPITAL MARKETS FOR ECONOMIC GROWTH

9:00 – 11:00	<p>SESSION 4: Impact and challenges of global financial reforms on Asian banks</p> <p><i>Although international regulatory reform efforts are widely supported by developing Asian countries, concerns over the unintended consequences of those reforms have also emerged. One key concern relates to the effects of tougher regulatory requirements and standards on bank profitability and operations. While higher capital and liquidity standards may contribute to increasing bank resilience, Asian banks maybe faced with new business realities that require them to re-price their business lines and re-allocate capital. All these measures may adversely affect their lending capacity (particularly for long-term projects such as infrastructure investment) and reduce financial market liquidity. Consequently, they could add headwinds to financial stability and economic growth in Asia. Policy makers need to ensure that they are cognizant of these risks and possible effects to ensure timely, full and consistent implementation of Basel reforms.</i></p>
9:00 – 10:00	<p>Moderator: Naoyuki Yoshino, Dean, Asian Development Bank Institute (ADBI)</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Global Regulatory Reforms: What’s in Store for Asian Banks?</i> Eli Remolona, Chief Representative, Bank for International Settlements, Asia and the Pacific Office • <i>Financial Regulation to Sustain Healthy Economic Growth</i> Toshiyuki Suzuki, Senior Market Economist, The Bank of Tokyo-Mitsubishi • <i>Impact and Challenges of Global Financial Reforms on Chinese Banks</i> Ba Jinsong, Director, Policy Research Department, China Banking Regulatory Commission
10:00 – 11:00	<p>Discussants:</p> <ul style="list-style-type: none"> • Stephen Lumpkin, Senior Economist, Financial Affairs, OECD • Kenichi Ueda, Associate Professor, Faculty of Economics, University of Tokyo <p>Open Discussion</p>
11:00 – 11:15	<p>Coffee break</p>
11:15 – 13:15	<p>SESSION 5: Comparative evaluation of different forms of SME financing</p> <p><i>In the years since the crisis, the credit transmission channel in a number of jurisdictions has been impaired as regards quantity, price and distribution of credit. The effects of such malfunctioning are particularly felt by small and medium-sized enterprises (SMEs). Being heavily reliant on traditional bank lending, SMEs are faced with important financing constraints in an environment characterised by widespread bank deleveraging. Non-bank market-based financing can improve the flow of financing to SMEs, while enhancing diversity and widening participation in the financial system. There is a range of alternative instruments for SME financing, in particular securitisation (off-balance sheet) and covered bonds, but also small-/mid-cap bonds and private placements. These financing instruments could complement bank lending, help repair the credit channel and ease SMEs’ financing constraints, while also facilitating a better distribution of risk amongst market participants. The impact of ongoing regulatory reforms on the revival of the securitisation market and the measures that could support this financial intermediation will be discussed.</i></p>

11:15 – 12:15	<p>Moderator: Stephen Lumpkin, Senior Economist, Financial Affairs Division, OECD</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>SME Finance and Credit Rating of SMEs</i> Naoyuki Yoshino, Dean, Asian Development Bank Institute (ADBI) • <i>Financing SMEs in Indonesia: Experiences, Policies and Further Initiatives</i> Imansyah Imansyah, Head, Department for Financial Stability, OJK, Indonesia • <i>Unlocking SME Finance Through Market-based Debt: Securitization, Private Placements and Bonds</i> Gert Wehinger, Principal Administrator, Financial Affairs Division, Directorate for Financial and Enterprise Affairs, OECD • <i>Growth Capital Financing for SMEs in Asia: Different Models from Bank Lending</i> Shigehiro Shinozaki, Financial Sector Specialist (SME Finance), Sector Advisory Service Division, Regional and Sustainable Development Department, ADB
12:15 – 13:15	<p>Discussant:</p> <ul style="list-style-type: none"> • <i>Regional Financial Soundness, R&D Activities and Firm Size</i> Yasuo Goto, Senior Research Fellow, the Research Institute of Economy, Trade and Industry (RIETI) <p>Open Discussion</p>
13:15 – 14:30	LUNCH
14:30 – 16:30	<p>SESSION 6: Non-bank financial intermediaries and the role of capital markets in financing growth</p> <p><i>There appears to be a twin paradox in the global economy: some companies and industries are investing too much, which is driving down returns on equity (ROEs) and creating margin pressure globally, while others carry out too little long-term investment in favour of buybacks and the accumulation of cash. Most of the over-investment appears to be occurring in the extremely strong growth of emerging market sales and investment in non-infrastructure companies, much of which has been financed from rapidly growing debt since the financial crisis. Global value chains, controlled-economy policies in emerging market, low interest rates, taxation incentives, natural resource endowments and other factors determine where investment is stronger and where it is more restrained. Potential problems of debt-financed over-investment in non-infrastructure industries in emerging markets and the incentives for buybacks are identified as major policy issues that need to be addressed if sustainable growth is to be achieved.</i></p>
14:30 – 15:30	<p>Moderator: Mamiko Yokoi-Arai, Principal Administrator, Financial Affairs Division, OECD</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Stagnation Hypotheses: What Do Company Data on Infrastructure and Other Investments in the Global Economy Tell Us?</i> Adrian Blundell-Wignall, Special Advisor to the OECD Secretary General on Financial Markets and Director, Directorate for Financial & Enterprise Affairs, OECD • <i>New Challenge and Evolution of Japanese Private Equity and Venture Capital Industry under ABENOMICS Policy</i> Kazunori Ozaki, Chairman, Japan Venture Capital Association (JVCA) • <i>Capital Markets and Economic Growth: An Economics Fundamentalist's View</i> Chiaki Hara, Professor, University of Kyoto • <i>Non-bank Financial Intermediaries and Capital Markets Development: Supporting Economic Growth in Emerging Economies</i> Andre Belelieu, Associate Director, Financial Services Industries, World Economic Forum
15:30 – 16:30	<p>Discussant:</p> <ul style="list-style-type: none"> • Yutaka Okada, Deputy Director-General, Financial Markets Department, Bank of Japan <p>Open Discussion</p>
16:30 – 17:00	<p>Conclusion and Closing Remarks</p> <ul style="list-style-type: none"> • Rintaro Tamaki, Deputy Secretary-General, OECD