

**5<sup>th</sup> Forum on Asian  
Insolvency Reform 2006**

Beijing, 27/28<sup>th</sup> April

The logo for the Asian Business and Accounting Council (ABAC), featuring the acronym 'ABAC' in a serif font with a thin, curved line arching over the letters.

The logo for the Asian Development Bank (ADB), consisting of the acronym 'ADB' in a bold, white, sans-serif font centered within a solid black square.

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## **ADB – ABAC Collaboration**

*An APEC Business Advisory  
Council (ABAC) Perspective –  
Processes of Promoting Reform*

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Finance Working Group

ABAC

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# Agenda

- 1. ABAC – advisory role and objectives**
- 2. Finance Working Group – Focus**
- 3. Role in promoting reforms**
- 4. Legal base and the economy**
- 5. Promoting insolvency law**
- 6. ABAC's commitment**



# 1. ABAC - advisory role and objectives

- **Business views on APEC's agenda**
  - to Leaders and Ministers
  - on measures to achieve Bogor goals
    - liberalisation; sustainable growth, security/
  - and on Busan Road map
    - business facilitation
    - intensify capacity building

## **2. Finance Working Group – Focus**

- **Strengthening and deepening of financial systems**
- **Promoting reforms and openness**
- **Public private partnerships to promote capacity building**

# 3. Role in Promoting Reforms

- **Responsive to APEC's agenda – high level advice to Leaders/Ministers – private dialogue/reports**
- **Mobilising private sector involvement in capacity building**
- **Co-operating with businesses and related associations, importantly the Asian Bankers Association and PECC**
  - and with international/regional organisations**
    - the ADB, World Bank, OECD, IMF
    - BIS, SEACEN
    - and domestic regulatory agencies

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# 4. The legal base and the economy

- **Critical to business**

- sound, fair and transparent law is vital to investors and savers, and to business confidence

- including enforceable contracts and right to freely transfer property

- **Vital to an emerging economy in attracting foreign savings – particularly long-term**

- lowers risk and ultimately the cost of capital

ABAC

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## 5. Promoting insolvency law reform

- **ABAC actively involved**
  - integral component of effective development of regional bond markets
  - and in creating environment conducive to attracting long-term capital flows to emerging markets

# 5.1 Promoting Insolvency Law Reform

- **ABAC encourages APEC Finance Ministers to endorse ADB/ABA proposals to:**
  - promote model work out agreements in regional banks
  - establish a regional framework
  - develop an effective cross-border insolvency regime, in part to create a “credible threat” to facilitate informal work-outs



## 6. ABAC commitment

- **Insolvency law reform**

- integral component of ABAC's work to strengthen APEC financial systems
- strongly endorse work of ADB and the ABA and will promote this with APEC Ministers
- incorporated in our capacity building initiatives

