DIRECTORATE FOR FINANCIAL, FISCAL AND ENTERPRISE AFFAIRS
COMMITTEE ON FINANCIAL MARKETS

DRAFT AGENDA

To be held at the Chateau de la Muette, Paris, on Tuesday 10 October and Wednesday 11 October, beginning at 09.30 on the first day.

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COMMITTEE ON FINANCIAL MARKETS
10-11 October 2000

I. DRAFT AGENDA

1. Adoption of the Agenda

2. Summary Record of the 90th Session

3. Tour d’Horizon on Financial Markets
   -- Suggested points for discussion
   Supporting material:
   -- Highlights of recent developments in financial markets

4. Corporate Governance and Collective Investment Instruments
   Supporting material:
   -- Secretariat report
   -- Informal meeting with representatives of the financial services industry

5. Financial Contagion: The Role of Moral Hazard


7. Slovakia: Financial Sector
   --Note by the Slovak Delegation

8. Observership* [Confidential Item]
   a) Russian Federation
   b) Extension of observer status: Hong Kong, China and Singapore

10. Other Business

a) Oral report on the activities of the Financial Stability Forum
b) Planned outreach activities

c) Dates of next meetings:

   i) Committee on Financial Markets
      27-28 March 2001
      9-10 October 2001

   ii) Working Party on Government Debt Management,
       7-8 November 2000

   iii) Working Party on Financial Statistics,
       8-10 November 2000


II. ANNOTATIONS

Schedule

-- Confidential item 8 is open only to Member countries and the European Communities. It will be taken up at the beginning of the second day of the CMF session.

-- The proposed schedule for the meeting is as follows:

   10 October
   
   09.30 - 13.00 Items 1 through 3
   15.00 - 16.30 Item 4
   16.30 - 18.00 Items 5 and 6

   11 October
   
   09:30 - 12.30 Items 7 to 10

   Afternoon: Free unless more time is needed to finalise morning items

Item 3: Tour d'Horizon

The procedures agreed by the CMF request to the Secretariat to table questions that are likely to result in a discussion of structural policy issues. Background notes on structural issues circulated by the
Secretariat are not meant for discussion unless specific items are explicitly raised in the points-for-discussion document [DAFFE/CMF(2000)23]. Delegates are invited to communicate factual comments on the background notes directly to the Secretariat before or after the meeting.

Speaking time for each intervention is limited to a maximum of 5 minutes per Delegation. Delegates are requested to refrain from reading out interventions concerning new policy proposals, conjunctural information etc. Instead, written submissions prior to the meeting are encouraged that will be circulated by the Secretariat. Delegates may wish to note that, as at the April session, a Russian delegation has been invited to participate in the Tour d’Horizon discussion.

**Item 4. Corporate Governance and Collective Investment Instruments**

At its April session, the Committee considered an outline of a report on "Corporate governance and collective investment instruments" [DAFFE/CMF(2000)5] and broadly endorsed the proposals set out therein. The report presented in DAFFE/CMF(2000)26 has been prepared on the basis of the agreed outline. To provide guidance for the Committee’s deliberations, the Secretariat will circulate a note [DAFFE/CMF(2000)25] with suggested points for discussion.

The CMF session will be preceded, on the afternoon of Monday 9 October, by an informal meeting with representatives of the financial services industry on “Prospects for the Collective Investment Industry” [see DAFFE/CMF(2000)27]. A summary of the discussion at that meeting will be provided by the Secretariat.

**Item 5. Financial Contagion: The Role of Moral Hazard**

Following on its April discussion on the issue of financial contagion, the Committee instructed the Secretariat to prepare a paper on "The role of moral hazard in financial crises". Document DAFFE/CMF(2000)28 has been prepared in response to that request. Delegates are invited to address the questions raised therein.


Following on an informal meeting with representatives of the financial services industry, the Committee discussed last April an outline of the project on “Future prospects for national financial markets and trading centres” [see DAFFE/CMF(2000)3] and agreed that work should proceed on the basis of that outline. The report by the Steering Group [DAFFE/CMF(2000)29] will be circulated for consideration by the Committee under this item of the agenda. Delegates may wish to comment on the findings of the study and decide whether any follow-up work is warranted.

**Item 7. Slovakia: Financial Sector**

At its April meeting, the Committee held a discussion on structural developments, financial reforms and supervision in the Slovak Republic. A detailed summary of the discussion is to be found in document DAFFE/CMF(2000)21. The Committee also agreed to invite the Slovak delegation to make a progress report on the upgrading and strengthening of financial sector supervision at the October session. In response to that request, the Slovak authorities have prepared document DAFFE/CMF(2000)30, which will serve as a basis for discussion.
Item 8. Observership

Under the rules established by the Council, each Committee is required to make a recommendation to the Council concerning the renewal of observerships. The Committee is invited to consider the renewal of the observership for Hong Kong, China and Singapore [DAFFE/CMF(2000)32]. With regard to the Russian Federation, the Council agreed that Russian officials should be invited in 2000 to participate in the discussion of the CMF's Tour d'Horizon on developments in financial markets on an ad hoc basis [see C(99)192]. At the time of its deliberations on Russia's request for observership in October 1999, the Committee decided to revert to the question of Russian participation in the Tour d'Horizon, and the issue of observership more generally, at the end of this year. Delegates may wish to note that the Russian authorities have recently reiterated their interest in obtaining observer status in the Committee on Financial Markets [see DAFFE/CMF(2000)31].


III. DOCUMENTS CIRCULATED FOR INFORMATION

2. Aide-memoire of the meeting between CMF Delegates and representatives of the financial services industry (3 April 2000) DAFFE/CMF/M(2000)5
3. Summary record of the meeting between the CMF and a Delegation from the Slovak Republic (5 April 2000) DAFFE/CMF(2000)21