

Sponsored by the Government of Japan

**OECD-ADB I 11th Roundtable on Capital Market Reform in Asia
22-23 February 2010, Tokyo, Japan**

Agenda

Day 1

Monday 22 February 2010	
09:00 – 09:30	Registration of participants
09:30 – 10:10	Opening remarks <ul style="list-style-type: none"> • Mr. Masahiro Kawai, Dean, ADBI • Mr. Adrian Blundell-Wignall, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD • Mr. Andrew Sheng, Chief Adviser, China Banking Regulatory Commission, Chairman of the Roundtable (Day 1) • Mr. Hans-Helmut Kotz, Member of the Executive Board, Deutsche Bundesbank and Chairman of OECD's Committee on Financial Markets, Chairman of the Roundtable (Day 2)
10:10 – 10:40	Keynote address: Mr. Katsunori Mikuniya, Commissioner, Financial Services Agency of Japan Open Discussion
10:40 - 11:00	Coffee break
SESSION 1: Exit Strategy, Financial Regulatory Reform and Growth Rebalancing in Asia	
11:00 – 12:45	Session 1.1: Exit strategy, financial regulatory reform from a global perspective
	<p><i>The global financial crisis (GFC) that struck in 2008 forced governments to take unprecedented action to shore up financial systems. As economic recovery takes hold, governments will want to withdraw from these extraordinary measures to support financial markets and institutions. This will be a complex task and correct timing crucial. It is obvious that financial markets cannot return to business as usual. But the incentives and failures that led institutions to this perilous situation were many, remuneration structures, risk-management, corporate board performance, changes in capital requirement, etc.</i></p> <p><i>How and when can governments safely wind down their emergency measures? How can we sensibly reform financial markets? This session will mainly consider these questions.</i></p>
	Moderator: Mr. Andrew Sheng, Chief Adviser, China Banking Regulatory Commission, Chairman of the Roundtable Speakers: <ul style="list-style-type: none"> • <i>OECD perspectives</i> Mr. Adrian Blundell-Wignall, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD

	<ul style="list-style-type: none"> • <i>European perspectives</i> Mr. Hans-Helmut Kotz, Member of the Executive Board, Deutsche Bundesbank • <i>US perspectives</i> Mr. Sarkis D. Yoghourtdjian, Assistant Director, Board of Governors, Federal Reserve System • <i>Japan perspectives</i> Mr. Toshiyuki Miyoshi, Director, Supervisory Planning Office, Financial Services Agency (FSA)
12:00 – 12:45	<p>Discussants: Mr. Akira Ariyoshi, Director, Regional Office for Asia and the Pacific, International Monetary Fund (IMF) Ms. Atchana Waiquamdee, Deputy Governor, Bank of Thailand</p> <p>Open discussion</p>
12:45 – 14:00	LUNCH
14:00 – 16:00	Session 1.2: Establishing a sound policy framework for effective and efficient financial regulation
	<p><i>The structure and operation of the financial system have changed significantly in the past couple of decades, driven by improvements in technology, product innovation, global financial system integration, competition in financial services, and policy, regulatory, and trade reforms. These developments have led to a dynamic, sophisticated and global financial market and have fostered economic growth. The recent crisis, however, has raised fundamental questions about the operation of the financial system and financial regulation.</i></p> <p><i>Governments within the OECD have in recent years held discussions on the effectiveness and efficiency of financial regulation, leading to a recently agreed OECD “Policy Framework for Effective and Efficient Financial Regulation” (including supporting General Guidance and Check-list). This Framework raises key questions about financial regulation and its development, e.g., the level of transparency and policymakers’ understanding of the financial system; the development of sound policy objectives and use of appropriate policy instruments including regulation; the institutional framework for regulation; and the level and adequacy of international cooperation and coordination. The Framework also advances ten key principles for financial regulation.</i></p> <p><i>This session will discuss financial regulation in the future, drawing upon the OECD’s Policy Framework, the lessons of the financial crisis, and recent initiatives to reform financial sector regulation and policy approaches.</i></p>
	<p>Moderator: Mr. Adrian Blundell-Wignall, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>OECD perspectives</i> Mr. Timothy Bishop, Senior Expert in Finance and Insurance, Financial Affairs Division, OECD • <i>US perspectives</i> Mr. Sarkis D. Yoghourtdjian, Assistant Director, Board of Governors, Federal Reserve System • <i>Japan perspectives</i> Mr. Kiyotaka Sasaki, Director, Coordination Division, Securities and Exchange Surveillance Commission, Financial Services Agency (FSA) • <i>Australian perspectives</i> Mr. Jeffrey Carmichael, CEO, Promontory Financial Group Australasia, Singapore

15:15 – 16:00	<p>Discussants: Mr. Fuad Rahmany, Chairman, Indonesia Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK), Ministry of Finance, Indonesia Mr. Trung Bui Quang, Acting Director of Asian Development Bank, State Bank of Viet Nam</p> <p>Open discussion</p>
16:00 – 16:15	Coffee break
16:15 – 18:15	Session 1.3: Financial sector reform and growth rebalancing in Asia
	<p><i>The trade surplus in Asia is reflected in high excess savings which is, in turn, partly due to the weakness in private investments. Asian investments have not yet recovered to reach pre-Asian crisis levels, but is this a sign of a more judicious investment policy and more careful bank lending policies? Has the financial sector reform after the Asian crisis worked to protect Asian markets from the global crunch or has it led Asian financial institutions to be over-cautious to the detriment of investments? What is the savings-investment gap at the regional level (Asia-wide, ASEAN-wide) as compared to those at the national level? Can surplus savings in selected Asian countries be mobilized to meet investment demand in savings deficit countries in the region and, if so, how should this intra-regional investment be promoted?</i></p> <p><i>This session will be based on the discussions of Session 1.1 on the on-going financial reform process in the US and other advanced economies, including the new ‘institutional structure’ for financial sector regulations that is being deliberated, and will assess its effect on Asia’s own discussions of regulatory reforms and their potential impact on bank lending and investment policies. It will also review capital account regimes in Asia and explore approaches towards greater liberalization of capital accounts.</i></p>
	<p>Moderator: Mr. Masahiro Kawai, Dean, ADBI</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>New Institutional Structure for Financial Sector Regulation and its Implications on Asia</i> Mr. Eli Remolona, Chief Representative, Representative Office for Asia and the Pacific, Bank for International Settlements (BIS), Hong Kong • <i>Lessons from Global Financial Crisis (GFC) for Management and Liberalization of Capital Flows in Asia</i> Mr. Mario Lamberte, Director for Research, ADBI • <i>Corporate Savings and Rebalancing in Asia</i> Mr. Kenneth Kang, Division Chief, Asia and Pacific Department, International Monetary Fund (IMF) • <i>Recycling of Excess Savings to Support Investment and Consumption in Asia</i> Mr. Peter Morgan, Senior Consultant for Research, ADBI
17:25 – 18:15	<p>Discussants Mr. Simon Ogus, CEO of DSGAsia, Hong Kong Mr. Diwa Guinigundo, Deputy Governor, Bangko Sentral ng Pilipinas (BSP), Philippines</p> <p>Open discussion</p>
19:00 – 20:30	<i>Reception dinner hosted by ADBI and OECD</i>

Day 2

Tuesday 23 February 2010	
9:30 – 10:00	Keynote address: Mr. Atsushi Saito, President and CEO, Tokyo Stock Exchange, Japan Open Discussion
SESSION 2: Capital Market Development Strategy in Asia after the Financial Crisis	
10:00 – 12:00	Session 2.1: Bond and Equity Markets
	<p><i>The global financial crisis has resulted in higher sovereign bond spreads and greater volatility in the equity markets in Asia. While the stock markets have started to recover and bond spreads have declined from their peak, some have yet to return to their pre-crisis levels. As Asian countries pursue financial sector reforms and growth rebalancing strategies to support a more sustainable, regional demand-led growth, capital markets will have an important role to play, particularly in mobilizing funds from savings surplus countries to support infrastructure and other investments within the region. What strategies should Asia follow to further develop deep and liquid capital markets that also allow for greater movement of intra-regional capital?</i></p> <p><i>This session will review the latest developments in bond and equity markets in the region, including the progress of various initiatives to promote their development and linkage.</i></p>
	<p>Moderator: Mr. Mario Lamberte, Director for Research, ADBI</p> <p>Speakers:</p> <ul style="list-style-type: none">• <i>Strong Asian Growth and Asian Bond Markets Initiative</i> Mr. Takehiko Nakao, Director-General, Ministry of Finance, Japan• <i>Implications of Global Financial Crisis (GFC) on Bond and Equity Market Development in Asia</i> Mr. Sabyasachi Mitra, Senior Economist, Asian Development Bank (ADB)• <i>Recent development in Asian Bond Fund project</i> Mr. Shinobu Nakagawa Associate Director-General and Mr. Naoto Shimoda, Director, International Department, Bank of Japan (BOJ)• <i>Roles of Regional Credit Rating Agencies</i> Mr. John West, Senior Consultant for Capacity Building & Training, ADBI
11:15 – 11:30	Coffee break
11:30 – 12:15	<p>Discussants:</p> <p>Ms. Yoko Ogimoto, Consultant, Nomura Research Institute Mr. Satoshi Nakagawa, Senior Analyst, Japan Credit Rating Agency</p> <p>Open discussion</p>
12:15 – 13:30	LUNCH

13:30 – 15:00	Session 2.2: Unregulated entities, products and markets
	<p><i>This session will discuss new initiatives to regulate unregulated financial institutions, products and OTC markets. For example: What will regulators require in order for hedge funds to register? Are market participants ready to use central counterparties to settle OTC derivatives trades? How will regulators supervise rating agencies? Are regulators able to build up seamless international networks? This session will also debate the landscape of unregulated bodies, products and markets after introducing regulations.</i></p>
	<p>Speakers:</p> <ul style="list-style-type: none"> • <i>Hedge Fund Regulatory Framework from IOSCO</i> Mr. Toshiya Otsu, Director for Financial Market Operation, Financial Services Agency (FSA) • <i>Future of OTC Derivatives Market</i> Mr. Nicolas Galmiche, Head of Japan Fixed Income Business, JP Morgan Securities • <i>A Regulatory Approach to Innovative Financial Products</i> Mr. Stephen Lumpkin, Principal Administrator (Structural issues), Financial Affairs Division, OECD
14:15 – 15:00	<p>Discussants</p> <p>Mr. Andrew Sheng, Chief Adviser, China Banking Regulatory Commission, Chairman of the Roundtable</p> <p>Mr. Mohammad Zainal Shaari, Executive Director / Chief Operating Officer Khazanah Nasional Berhad</p> <p>Open discussion</p>
15:00–15:15	Coffee Break
15:15 – 17:00	Session 2.3: Capital market integration in Asia
	<p><i>Integration of capital markets, supported by greater liberalization of capital accounts and harmonization of capital market standards and practices, would facilitate mobilization of regional savings to finance regional investment and accelerate the development of deep and liquid bond and equity markets in Asia. Recognizing this need, the ASEAN Economic Community Blueprint sets a target for achieving inter-linked ASEAN securities markets, including cross-border capital raising, by 2015. To realize that target, the ACMF (ASEAN Capital Market Forum) 's "Implementation Plan to Promote the Development of an Integrated Capital Market to Achieve the Objectives of the AEC Blueprint 2015" was prepared and adopted by the ASEAN Finance Ministers in April 2009.</i></p> <p><i>This session will review the progress of regional initiatives to promote greater integration of capital markets in Asia, harmonization of capital market standards and practices, mutual recognition agreement on cross recognition of qualification, education and experience of market professionals, and linkages in payment and settlement systems. It will also discuss strategies and approaches to facilitate effective delivery of the ACMF 's Implementation Plan.</i></p>
	<p>Moderator: Mr. Worapot Manupipatpong, Director for Capacity Building & Training ADBI</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Progress and Issues in Bond Markets Integration: ASEAN Experience</i> Mr. Sabyasachi Mitra, Senior Economist, Asian Development Bank (ADB)

	<ul style="list-style-type: none"> • <i>Progress and Issues in Capital Markets Integration: ASEAN Experience</i> Ms. Fe Barin, Chairperson, Securities and Exchange Commission of Philippines
16:15 – 17:00	<p>Discussants:</p> <p>Mr. Shigeo Kashiwagi, Professor, Graduate School of Business and Commerce Keio-University, Japan</p> <p>Mr. Musa Mahmood, General Manager & Head, Market Development, Securities Commission Malaysia</p> <p>Open discussion</p>
17:00 – 17:30	<i>Conclusions and Closing Remarks</i>