

Strengthening Payment Systems in Asia

February 10, 2009

Auditorium, Third Floor, Central Common Government Office No. 7, Tokyo

Jointly-organized by

the ADBI, Keio University (GCOE), and the Japan's FSA (FRTC)

Concept

Payment systems are key social infrastructures of financial markets, and it is important to enhance the safety, efficiency and user-friendliness of payment systems by adapting to the changing social and economic needs. Owing to the innovation of information and communication technology (ICT) in recent years, new payment technologies such as e-Money are growing in various countries, including Japan. In addition, efforts are being made to align national payment and settlement systems to international standards and make them responsive to user/client needs in order to reinforce interrelation of domestic systems with overseas systems and enable them to cope with growing global financial transactions.

While Asian countries have high saving rates, which is one of the characteristics of Asia, a substantial portion of the savings are invested in U.S. and European assets, not in Asian assets, except for stocks or short-term investments by hedge funds. This situation needs to be changed if Asia is to continue to grow in a stable manner. To this end, Asia needs to develop further its financial markets, supported by strong and efficient financial infrastructure including, among others, payment systems.

The establishment of strong and sound payment systems in Asia will contribute to the creation of a regional financial market in which funds flow seamlessly. It will also help the growth and development of small- and medium-sized businesses (SMEs) for their funding and smooth transactions.

Based on this understanding, we have outlined the major issues of this international conference as follows:

- (i) How can the current money flow in the Asian region be analyzed? How would the money flow be improved by the establishment of robust and efficient payment systems in the Asian region?
- (ii) What is the current situation of payment systems in various countries across Asia?
- (iii) What would promote further technological progress in the Asian region and what kind of regulatory framework would be required to cope with the new advancement of technology surrounding payment systems?
- (iv) What kind of role is expected of payment systems in enhancing money flow within Asia?

Agenda (tentative as of Jan 27)

9:30 am Registration

10:00-10:10 am Welcoming Remarks

Takafumi Sato, Commissioner, Financial Services Agency

Masahiro Kawai, Dean, Asian Development Bank Institute (ADBI)

10:10-12:30 am *Session I*

Capital Flows, Payment Systems in Asia and its Relation to Financial Markets

Possible topics to be presented include:

- Evolving payment systems of the country
- Benefits of latest innovations in payment systems to SMEs
- The global financial crisis and its impact on capital flows and payment systems

Moderator: Worapot Manupipatpong, Director, Capacity Building and Training
Department, ADBI

Payment Systems in Indonesia

Speaker: Raymond Atje, Head of Department of Economics, Center for Strategic
and International Studies (CSIS), Jakarta, Indonesia

Payment Systems in Malaysia

Speakers: Mario Lamberte, Director of Research, ADBI

Amir Akmar bin Basir, Research Intern, Research Department, ADBI

Payment Systems in Thailand

Speaker: Kanit Sangsubhan, Director of Fiscal Policy Research Institute, Bangkok,
Thailand.

Payment Systems in the Philippines

Speaker: Mario Lamberte, Director of Research, ADBI

Discussants' Comments :

Liping He, Professor of Finance, Office of School of Economics, Beijing Normal
University

Rajat Kathuria, Professor, Indian Council for Research on International Economic
Relations (ICRIER)

General Discussion

Wrap-up by the moderator

12:30-1:30 pm *Lunch Break*

1:30-3:40 pm *Session II*

The Sophisticated Payment Systems, Technologies and Associated Regulatory Issues

Moderator: Nobuhiko Sugiura, Professor, Graduate School of Strategic Management, Chuo University

Recent developments in payment systems in Asia (including cross-border issues and recent innovation in information technology that enhanced the safety and stability of payment systems)

Speakers: Navin Gupta, Head of Payment and Cash Management, HSBC

Takashi Uehara, Director, Planning Division, Japan Electronic Monetary Claim Organization (JEMCO, Bank of Tokyo-Mitsubishi UFJ)

Hiromichi Yasuoka, Senior Consultant of Financial Strategy Consulting Department, Nomura Research Institute

Japan's efforts to enhance their payment and settlement systems

Speakers: Yasufumi Takahashi, Director of the Payment and Settlement System Enhancement Office, Financial Services Agency of Japanese Government

Haruyuki Toyama, Deputy Director-General, Payment and Settlement Systems Department, Bank of Japan

General Discussion

Commentators: Sunseop Jung, Assistant Professor of Law, Seoul National University College of Law

Haster Tang, Head Payment Systems Operation Division, Hong Kong Monetary Authority

3:40-4:00 pm *Coffee Break*

4:00-5:55 pm *Session III*

Wrap-up Session

Capital Flows in Asia and Recent Developments in Regional Financial Cooperation

Speaker: Masanori Yoshida, Director of the Regional Financial Co-operation Division, International Bureau, Ministry of Finance Japan

Panel Discussion

Chair: Naoyuki Yoshino, Director of the Financial Research and Training Center, FSA, Professor of Economics, Keio University

Panelists: Masahiro Kawai, Dean, Asian Development Bank Institute (ADB)

Nobuhiko Sugiura, Professor, Graduate School of Strategic Management, Chuo University

Navin Gupta, Head of Payment and Cash Management, HSBC

Liping He, Professor of Finance, Office of School of Economics, Beijing

Normal University

Rajat Kathuria, Professor, Indian Council for Research on International
Economic Relations (ICRIER)

5:55-6:00 pm **Closing Remarks**

Junichi Maruyama, Deputy Commissioner, International Affaires, Financial
Services Agency

Asian Development Bank Institute

The Asian Development Bank Institute (ADBI), located in Tokyo, is a subsidiary of the Asian Development Bank (ADB). It was established in December 1997 to respond to two needs of developing member countries: identification of effective development strategies and improvement of the capacity for sound development management of agencies and organizations in developing member countries. As a provider of knowledge for development and a training center, the Institute serves a region stretching from the Central Asian republics to the Pacific islands.

Keio University (Global COE Project, Market Quality Project)

The COE founded Market Quality Theory, which is centered on the postulate that high quality markets are essential for the development and growth of the modern economy. The Keio University Graduate School of Economics and the Keio University Graduate School of Business and Commerce together with Koyoto University Institute of Economic Research, the COE compiled household behavior panel data, conducted comprehensive educational research combining theory with empirical evidence, and has received high interim acclaim. Professor Naoyuki Yoshino of Keio University (Director, FRTC, FSA) is the project leader.

Financial Research and Training Center, FSA

The Financial Research and Training Center (FRTC) facilitates effective cooperation between financial research within the operations of the Japan Financial Services Agency (FSA). FRTC researches various areas of financial theories and techniques to improve the knowledge of the FSA as an institution and its staff expertise. Research is conducted to enable the application of findings to FSA's work as a public sector organization and to act as a bridge between academic research and policy formulation.