



ADBI-JFSA Joint Conference

Strengthening the Asian Financial Sector toward Sustainable and Inclusive Growth

*Auditorium, Third Floor, Central Common Government Offices No.7 East Wing, Tokyo
March 8, 2013, 10:00 - 18:10*

Concept

The global financial crisis threw into disarray the financial systems in the United States and many European countries, strained financial systems in some emerging economies and affected growth in virtually all countries. These developments have highlighted the importance of having sound financial systems for emerging markets. Sound financial systems are necessary for long-term and balanced development in these countries as well as to absorb various types of shocks.

Emerging markets face particular challenges in stabilizing their nascent financial systems in the face of shocks, both domestic and external. These challenges occur at a fundamental level in emerging markets, many of which are at the point of creating sound banking systems, building a more inclusive financial system, and creating and developing sound capital markets.

The Euro area sovereign debt and banking sector crisis is again posing a major threat to global economic growth and financial stability. At the same time, the process of monetary and financial integration in the European Union also provides important lessons for such integration in Asia, although the latter is still at a much earlier stage. It is also important to identify potential risks to economic and financial stability in Asia resulting from the crisis. Regional cooperation needs to be strengthened to minimize the potential impact of those risks. After the recent crises, global regulatory reform has been under way and international regulations such as the Basle III capital adequacy rules have been developed. Asian financial institutions would also be affected by the new regulations. Finally, the crisis is leading to a reshaping of the financial sector in Asia, as the withdrawal of European banks is being offset by greater entry and activity of Japanese, Australian and emerging Asian banks into the region.

The objective of the conference is to engage high-level academics, think tank scholars, policymakers and practitioners in thinking about the effective design of regulatory and policy frameworks that will promote financial system development and stability.



Agenda

9:30–10:00 Registration

10:00–10:10 **Opening Remarks**

Minoru Terada, Deputy Minister of Cabinet Office and Deputy Minister for Reconstruction
Masahiro Kawai, Dean and CEO, Asian Development Bank Institute (ADBI)

10:10–10:35 **Keynote Speeches**

Ryutaro Hatanaka, Commissioner, Financial Services Agency, Japan (JFSA)
Muliaman D. Hadad, Chairman, Financial Services Authority, Indonesia

10:35–12:25 **Session 1: Global Financial Supervisory Reforms: Implications and Lessons for Asia**

Chair: Jae-Ha Park, Deputy Dean, ADBI

The European Experience in Cross-border Regulation: Implications for Asia

Presenter:

Douglas J. Elliott, Fellow, Economic Studies, Initiative on Business and Public Policy, Brookings Institution

Discussant:

Atsushi Mimura, Director, Securities Business Division, Supervisory Bureau, JFSA

Implications of Global Financial Regulatory Reform, including Basel III Capital Adequacy Rules, for Asian Financial Institutions and Economies

Presenters:

Peter Morgan, Senior Consultant for Research, ADBI
Victor Pontines, Research Fellow, ADBI

Discussant:

Cyn-Young Park, Assistant Chief Economist, Economics and Research Department, Asian Development Bank

Liquidity of U.S. Dollars in Tokyo Market: in Comparison with London and New York, and its Implications for Asian Financial Policy

Presenter:

Shin-ichi Fukuda, Professor of Economics, University of Tokyo

Discussant:

Peter Morgan, Senior Consultant for Research, ADBI

Open floor discussion

12:25–13:45 **Lunch Break**



13:45–15:00 **Session 2: Challenges to Reform of Asia’s Financial Sector**

Chair: Tsuyoshi Oyama, Partner, Financial Services Industry Group, Deloitte Touche Tohmatsu LLC

Post-crisis Regulation of Financial Institutions in Japan

Presenter:

Toshihide Endo, Deputy Director-General, Supervisory Bureau, JFSA

Discussants:

Nobuhide Hayashi, Managing Director, Head of International Banking Unit, Mizuho Corporate Bank, Ltd.

Tarisa Watanagase, Former Governor, Bank of Thailand

Judith E. Sungjai, Director, Bangko Sentral ng Pilipinas

Open floor discussion

15:00–15:15 **Coffee Break**

15:15–16:45 **Session 3: Strengthening Regional Regulatory and Supervisory Frameworks in Asia**

Chair: Ganeshan Wignaraja, Director of Research, ADBI

Early Warning Indicators for Asia

Presenters:

Naoyuki Yoshino, Director, Financial Research Center (FSA Institute), and Professor of Economics, Keio University

Tomoya Nakamura, Research Fellow, FSA Institute

Discussants:

Soo-Hyun Choi, First Senior Deputy Governor, Financial Supervisory Service, Korea

Shenshen Wang, Senior Economist, Global Monetary Research Department, Okasan Securities Co., Ltd.

Innovative Policy and Regulatory Approaches for Financial Inclusion in Asia

Presenters:

Alfred Hannig, Executive Director, Alliance for Financial Inclusion (AFI)

Klaus Prochaska, Senior Policy Analyst and Knowledge Manager, AFI

Discussant:

Julius Caesar Parrenas, Advisor on International Affairs, Bank of Tokyo-Mitsubishi UFJ, Ltd.

Open floor discussion



16:45–18:00 **Session 4: Panel Discussion: Financial Regulation in Asia: The Way Forward**

Moderator: Masahiro Kawai, Dean and CEO, ADBI

Panelists:

Christian Hunt, Head of Department, Custody & Investment Banks, International Banks Division, Financial Services Authority, United Kingdom

Tarisa Watanagase, Former Governor, Bank of Thailand

Toshio Oya, Assistant Commissioner for International Affairs, JFSA

18:00–18:10 **Closing Remarks**

Naoyuki Yoshino, Director, FSA Institute, and Professor of Economics, Keio University

Masahiro Kawai, Dean and CEO, ADBI