

The International Conference
“The Role of the Financial Sector in Promoting Economic Growth in Asia”

*Session I The Development of the Asian Financial and Capital Markets and
Its Implications for Financial Regulations*

The Global Financial Crisis and Policy Responses

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Abstract

The current global financial crisis has led to global policy responses in an unprecedented manner. Against this backdrop, this presentation provides an overview of the chronology of events since 2007 when the crisis began, describes the regulatory reforms we have undertaken so far, and highlights some areas where further discussion is needed.

Specifically, the presentation sheds light on: (a) the achievements of the G20 Summit in Seoul in November 2010, (b) the Financial Stability Board’s (FSB) report on systemically important financial institutions, and (c) “Basel III”—the new regulatory package on bank capital and liquidity.

As we look at where we stand in our endeavours to reform the financial regulatory financial sector and contemplate the future directions of these reforms, this presentation aims to point out some issues for further discussion. These are:

(a) Have all of the fundamental causes of the financial crisis been appropriately addressed by the reforms that have been undertaken? What are the areas requiring further attention?

(b) Are the arrangements regarding the structure, governance, and transparency of the FSB and the standard-setting bodies adequate in view of their important roles?

(c) How will it be possible to implement the various reform measures across countries in a consistent manner?