NUS Law’s Centre for Banking & Finance Law (CBFL) co-organised the 2nd Annual Symposium on EU-Asia Relations in Financial Services from 27 to 29 May 2015 together with the Centre for European Policy Studies (CEPS), Asia Securities Industry and Financial Markets Association (ASIFMA), Afore Consulting, the University of Hong Kong, the Chinese University of Hong Kong, and City University of Hong Kong. The symposium was held at the Hong Kong Monetary Authority Auditorium in Hong Kong. It provided a unique opportunity for global, European and Asian policy makers, regulators, academics and industry representatives to meet and discuss important issues impacting the effective functioning of EU Asian trade, investment and capital markets.

The discussions covered a wide range of legal and policy issues, including new models in financing large infrastructure projects, the comparative advantages of bank financing and capital markets based financing, measures to overcome fragmentation in the Asian markets, the global economic implications of the internationalisation of the RMB, and how asset encumbrance may affect risk mitigation techniques.

Keynote speeches were delivered by, amongst others, Director General of International and European Relations at the European Central Bank and the Prime Minister of Malta. Speakers engaged in panel discussions included senior policy makers and regulators from the European Commission, the European Central Bank, Germany’s Federal Ministry of Finance, the UK Treasury, Bank of Italy, Bank of Japan, the Hong Kong Monetary Authority (HKMA), the Securities and Futures Commission of Hong Kong (SFC), the Australian Securities and Investments Commission (ASIC), the Malta Financial Services Authority; representatives from key industry players such as the International Monetary Fund (IMF), the European Stability Mechanism (ESM), Euroclear, SWIFT, Deutsche Bank, Standard & Poor’s, Moody’s Investors Service, Thomson Reuters; as well as academics from leading universities in Singapore and Hong Kong. About 150 participants from regulators, government agencies, banks, financial services institutions and law firms attended the symposium.

CBFL Director Associate Professor Dora Neo spoke in the panel on infrastructure financing. CBFL Executive Committee Member Assistant Professor Umakanth Varottil and CBFL Adjunct Researchers Ramon Pacheco Pardo and Sheng Jin participated in the symposium.

CBFL also co-organised the 1st Annual Symposium on EU-Asia Relations in Financial Services in Singapore in 2014.
2nd Annual Symposium on EU-Asia Relations in Financial Services held at the Hong Kong Monetary Authority Auditorium

Assoc Prof Dora Neo speaking in the panel on infrastructure financing

Dr Joseph Muscat, Prime Minister, Republic of Malta
CBFL Executive Member, Asst Prof Umakanth Varottil

CBFL Researcher Ramon Pacheco Pardo forging new contacts

Break-out sessions
Break-out sessions

Conference cocktail
2nd Annual Symposium on EU-Asia Relations in Financial Services

Promoting Convergence and Investments in EU-Asian Financial Markets

27th - 29th May 2015
Hong Kong

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2ND ANNUAL SYMPOSIUM
EU-ASIA RELATIONS IN FINANCIAL SERVICES

WEDNESDAY 27th MAY - OPENING COCKTAIL

(Venue: Hong Kong Monetary Authority (HKMA), Auditorium, 56/F, Two IFC, Central)

17:30-17:45 Participants Check-in

17:45 Cocktail Starts

18:00-18:15 Welcome Speeches
   Karel Lannoo, CEO, Centre for European Policy Studies (CEPS)
   Alexander Loke, Professor, School of Law, City University of Hong Kong (CityU)

18:15-19:00 Keynote speeches: Funding growth: How to finance infrastructure, R&D and innovation

(18:15-18:40) Frank Moss, Director General, International and European Relations, European Central Bank (ECB)

(18:40-19:00) David Dodwell, Executive Director, Hong Kong-APEC Trade Policy Group

Themes that may be covered includes: public-private partnerships, lending to the real economy, attractiveness for foreign direct investment, the investment climate, equivalence of rules and market entry.

19:00-20:00 Networking and End of Cocktail
The issue of how to finance large infrastructure projects is topical both in the EU and in many Asian emerging economies. These investments are generally considered a key factor to boost aggregate demand and competitiveness. Public institutions traditionally play a major role in financing infrastructure but the fragile public finances in the EU and the declining growth in the emerging economies are demanding for alternative models. The Juncker-plan, for example, relies on a highly leveraged public fund aimed at attracting a large amount of private investments. The strategy of development banks (EIB, EBRD, CDB, etc.) increasingly take the form of public-private partnerships rather than “pure” public financing. Are large investments in infrastructure still an important driver of growth? Are new trends emerging for infrastructure finance (e.g. new financial products)? Are there any lessons that the two blocks can learn from each other?
11:15-12:15  Panel 2: Bank vs capital markets based financing: is there an optimal financial structure? (Topic 1)

- Miguel de la Mano, Head of Unit, Economic Analysis of Financial Markets, European Commission
- Andres Sutt, Head of Banking, European Stability Mechanism (ESM)
- Levin Holle, Head of Financial Markets Policy Department, Germany's Federal Ministry of Finance
- Michael Taylor, Chief Credit Officer, Asia Pacific, Moody's Investors Service
- Shan Li, Chief International Business Adviser, China Development Bank; Executive President of the Institute for Governance Studies, Tsinghua University; Chairman, Chinastone Capital Management

Moderated by:
- Robin Huang, Director, Centre for Financial Regulation and Economic Development, Faculty of Law, Chinese University of Hong Kong (CUHK)

Corporates in both major Asian countries and the EU still heavily depend on bank financing. Albeit alternatives in the form of capital markets are being developed. Both shores are developing policies to support the expansion of bond markets and other securities markets. What has been achieved so far? What are major initiatives undertaken and best practices that could serve as guidelines for other policymakers? What are the prospects for equity vs debt financing? Private placement vs public listing? What is the role of securitizations and covered bonds? What are other impediments to access finance (e.g. collateral, infrastructure, professional investors, tax etc.)?

12:15-13:00  Small Group Sessions on Topic 1

Participants will be divided into three groups in order to discuss Topic 1 in greater detail. Within each group, two Discussion Leaders will moderate and ensure that all the different angles of the topic are explored and that answers to specific questions are provided; and one Reporter will keep record, and will then convey this back to the Reporters Meeting.

13:00-14:30  Buffet Lunch
14:30-15:30  Panel 3: Asset Management: Overcoming fragmentation in Asian markets (Topic 2)

- Greg Tanzer, Commissioner, Australian Securities and Investments Commission (ASIC)
- Robert Ward, Head of Financial Services Global Markets, Trade and Investment Unit, UK Treasury
- Christina Choi, Senior Director, Investment Products, Securities and Futures Commission (SFC)
- Lieven Debruyne, Chief Executive, Hong Kong, Asia Pacific Head of Intermediary Distribution, Schroders
- Alexander Loke, Professor, School of Law, City University of Hong Kong (CityU)

Moderated by:
- Eugenie Shen, Managing Director – Head of Asset Management Group, Asia Securities Industry & Financial Markets Association (ASIFMA)

A major challenge for the development of the European and Asian asset management industries respectively is to market products cross-border. The environment is characterised by a multiplicity of different distribution and investor protection rules. In Asia, some passport initiatives have been developed (e.g. Shanghai-Hong Kong Stock Connect, ARFP, ASEAN passport), but the increasing demand for investment products by a growing middle class calls for a more comprehensive solution. What are the main barriers that are preventing the evolution of these passport schemes in Asia? The EU has been able to develop over the years a successful framework with the UCITS, is this model still valid for Europe and can this be taken as a point of reference for Asian countries? Is there a need to channel funds into more long-term investments to boost returns in the current low interest environment? What is the nature of the fiduciary duty that asset managers bear towards their investors?

15:30-16:15  Small Group Sessions on Topic 2

Participants will be divided into groups to discuss Topic 2 in greater detail. Within each group, two Discussion Leaders will moderate and one Reporter will keep record, and will then convey this back to the Reporters Meeting.

16:15-16:45  Coffee and Snack

16:15-17:45  Reporters Meeting
   (Discussion Leaders and Reporters only)
Cocktail Starts

19:00 Introduction of Keynote Speakers
   Nickolas Reinhardt, Director, Afore Consulting

19:05 Opening Keynote
   Vincent Piket, Head, EU Office to Hong Kong and Macau

19:15 Keynote
   Petr Jezek, ALDE MEP for Czech Republic, European Parliament

19:30-21:30 Dinner Reception
FRIDAY 29TH MAY – DISCUSSIONS

(Venue: Hong Kong Monetary Authority (HKMA), Auditorium, 56/F, Two IFC, Central)

08:30–09:00 Presentation of the main findings of the break-out session discussions on Topic 1 and Topic 2

09:00–10:30 Panel 4: The internationalisation of the RMB: global economic implications

- Vincent Lee, Executive Director (External), Hong Kong Monetary Authority (HKMA)
- Robert Elsen, Financial Counselor, Representative of BaFin, German Embassy Beijing/China
- Angelo Cicogna, Head of Representative Office in Tokyo, Bank of Italy
- Nick Collier, Head of European Government and Regulatory Affairs, Thomson Reuters
- Douglas Arner, Professor, Asian Institute of International Financial Law, University of Hong Kong (HKU) and Member, Hong Kong Financial Services Development Council

Moderated by:
- Nickolas Reinhardt, Director, Afore Consulting

The internationalisation of RMB markets represents a major change in global finance. Hong Kong is at the forefront, facing increasing competition. How do the speakers see the role of the RMB changing as a medium of exchange to a store of value in the following years? To what extent and in which sectors will capital markets be impacted by this change? Are current market infrastructure, regulations and supervisory frameworks resilient enough to withstand higher and more volatile capital flows? What will be the impact on the forex market and the relative value compared to currently leading currencies?

10:30-11:00 Coffee Break
11:00-12:35  The evolution of global collateral markets: how to manage risk mitigation and deal with asset encumbrance?

(11:00-11:20) Presentation
●  Manmohan Singh, Senior Financial Economist, International Monetary Fund (IMF)

(11:20-12:35) Panel Discussion
●  Oliver Bettin, Managing Director, Head of Debt BCU, APAC, Global Markets, Deutsche Bank
●  Paul Symons, Global Head of Government Relations, Euroclear
●  Manmohan Singh, Senior Financial Economist, International Monetary Fund (IMF)
●  Philippe Dirckx, Managing Director, Head of Markets and Initiatives, Asia Pacific, SWIFT

Moderated by:
●  Diego Valiante, Head of Financial Markets and Institutions, Centre for European Studies (CEPS)

The way how asset encumbrance may affect risk mitigation techniques is still an unexplored field. The session will therefore look at the current status of international regulations on capital and risk mitigation techniques, such as margining and other forms of collateral. How can collateral cliff effects be anticipated? What can be learned from the central banks’ liquidity easing in recent years? What are the most effective ways of dealing with resolution? Is the financial infrastructure robust enough or too fragmented? How is overreliance on collateral going to affect the pricing of unsecured markets? Can secured markets only price risk properly? How to define high quality collateral? Does this create a bias towards sovereigns?

12:35-12:45  Closing Remarks
Mark Austen, CEO, Asia Securities Industry & Financial Markets Association (ASIFMA)

12:45-14:00  Buffet Lunch