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2ND ANNUAL SYMPOSIUM EU-ASIA RELATIONS IN FINANCIAL SERVICES

27-29 MAY 2015
HONG KONG

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

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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

27-29 MAY 2015
HONG KONG

WEDNESDAY 27th MAY - OPENING COCKTAIL

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

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- | | |
|--|---|
| 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 |
| <p>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.</p> | |
| 19:00-20:00 | Networking and End of Cocktail |

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THURSDAY 28th MAY - DISCUSSIONS AND DINNER

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

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09:00-9:05 Introduction
Nickolas Reinhardt, Director, **Afore Consulting**
09:05-09:30 Keynote
Joseph Muscat, Prime Minister, **Malta**
09:30-10:45 Panel 1: Financing large infrastructure projects, are new models emerging?

- **Joe Bannister**, Chairman, **Malta Financial Services Authority**
- **Naoto Shimoda**, Chief Executive in Hong Kong, **Bank of Japan**
- **Alicia Garcia Herrero**, Visiting Faculty, **China Europe International Business School (CEIBS)**
- **Dora Neo**, Director, Centre for Banking & Finance Law, Faculty of Law, **National University of Singapore (NUS)**
- **Thomas Jacquot**, Senior Director, Corporate & Infrastructure Ratings, **Standard & Poor's**

Moderated by:

- **Karel Lannoo**, CEO, **Centre for European Policy Studies (CEPS)**

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?

10:45-11:15 Coffee Break

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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**

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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

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HONG KONG
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)**

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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)

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HONG KONG

(Venue: Shanghai Jade Restaurant, Exchange Square Podium, Shop 402, 4/F, Central)

18:30 **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**

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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

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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)**

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(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