



Implementing Financial System Regulatory Reforms in the Region Following the Global Financial Crisis

~ Training Program ~

7 – 11 June 2010, Shanghai, China

Background:

This training program is funded by the APEC Secretariat through the APEC Support Fund and by the Melbourne APEC Finance Centre (MAFC) and is being jointly implemented by the Asia-Pacific Finance and Development Center (AFDC) in Shanghai and the Australian APEC Study Centre at RMIT University.

Objectives:

The program is designed to: i) enhance the understanding of policy and regulatory officials concerned with banking systems of APEC developing economies, of changes being proposed to financial systems regulatory approaches as a consequence of the global financial crisis, and ii) to encourage and promote the implementation of regulatory reforms relevant to the needs of APEC regional economies.

To achieve these objectives, the program will bring together experts from some regional regulatory agencies, the International Monetary Fund, the Asian Development Bank, the Bank for International Settlements, and senior representatives of the region's banks, with participants from APEC regional economies, in interactive sessions, involving presentations, panel discussions and case study work.

Structure of the program:

An interactive training program will be convened over 5 days, 7 – 11 June 2010.

Each day will include five modules. The key issues under each module are outlined below. The course will also include case studies and panel discussions as a component of each module. The academic coordinator will be Mr. Ken Waller, Director of the Australian APEC Study Centre and MAFC in association with Dr. Li Kouqing, Director, AFDC. The design of the program will be undertaken in consultation with specialists from regulatory agencies and multilateral institutions.

Economies involved:

The training program will involve policy makers and mid to senior level regulators from the following APEC economies: Chile, China, Indonesia, Malaysia, Mexico, Peru, Papua New Guinea, Philippines, Russia, Thailand and Vietnam.

COURSE PROGRAM

DAY ONE ~ Monday 7 June 2010		
Venue: AFDC at the Shanghai National Accounting Institute		
	8:45 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 9:30	Orientation: Introduction to the training program. Welcome, outline and objectives of the program
	<i>Presenters</i>	Li Kouqing, Deputy Director General, Asia-Pacific Finance and Development Center Ken Waller, Director, Australian APEC Study Centre at RMIT
Session 2	9:30 – 11:00	A review of major recent developments in the global finance crisis, and its consequences; failures and causes, and dealing with systemic risk, liquidity risk and strains on capital adequacy in banking systems
	<i>Presenters</i>	Kevin Davis, Director Research, Melbourne Centre for Financial Studies Romuald Semblat, Senior Economist, IMF Tokyo
	11:00 – 11:20	Morning tea / coffee break
Session 3	11:20 – 12:45	Presentations by participants on current regulatory responses to the crisis, in their economies
	12:45 – 13:45	Lunch
Session 4	13:45 – 15:15	Broad responses to the stresses and challenges of the crisis by international standard setting bodies; including key recommendations from the Financial Stability Board, the Basel Group of Banking Supervisors – drawing out proposed reforms to Basel I and Basel II, including capital charges
	<i>Presenters</i>	Kevin Davis, Melbourne Centre for Financial Studies Jason George, Bank for International Settlements
	15:15 – 15:30	Afternoon tea / coffee break
Session 5	15:30 – 17:00	Regional bank regulators' responses to emerging reforms proposed by the standard setting bodies
	<i>Presenters</i>	Luo Ping, Director-General, Training Department, CBRC Janett Vallejos Castillo, Superintendency of Banking, Insurance and Private Pensions, Peru

DAY TWO ~ Tuesday 8 June 2010		
Venue: AFDC at the Shanghai National Accounting Institute		
	8:50 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 10:30	Assessment of proposed banking system reforms by a representative of the Institute for International Finance
	<i>Presenter</i>	Mark Lawrence, Co-Chair, Global Risk Management Working Group, Institute of International Finance
	10:30 – 10:50	Morning tea / coffee break
Session 2	10:50 – 12:20	Regional bankers' perspectives on the impact of the

		implementation of proposed reforms to banking supervision
	<i>Presenter</i>	Liu Honggang, Assets and Liabilities Management Department, ICBC
Session 3	12:20 – 13:00	Moderated panel discussion between regulators and private sector banking representatives on the benefits and disadvantages of proposed reforms
	<i>Moderators</i>	Li Kouqing, AFDC & Ken Waller, MAFC
	<i>Panel</i>	Luo Ping, Director-General, Training Department, CBRC Liu Honggang, Assets and Liabilities Management Department, ICBC
	13:00 – 14:00	Lunch
Session 4	14:00 – 15:30	Review of the impact of reforms on credit risk management – academic and supervisory perspectives
	<i>Presenter</i>	Chen Shuangjie, Risk Management Department, ICBC
	15:30– 15:50	Afternoon tea / coffee break
Session 5	15:50 – 17:00	An assessment of the implications of proposed reforms on bank capital adequacy, loan provisioning and the economic impact of higher capital charges on the region's economies
	<i>Presenters</i>	Jason George, Bank for International Settlements Kevin Davis, Melbourne Centre for Financial Studies

DAY THREE ~ Wednesday 9 June 2010

Venue: AFDC at the Shanghai National Accounting Institute

	8:50 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 10:30	The objectives, constraints and benefits of macro-prudential management
	<i>Presenters</i>	Zhang Xiaoling, Deputy Director-General, Supervision Dept III, CBRC Kevin Davis, Melbourne Centre for Financial Studies
	10:30 – 10:50	Morning tea / coffee break
Session 2	10:50 – 12:20	An evaluation of key component parts of the concept of macro-prudential management
	<i>Presenter</i>	Cyn-Young Park, Office of Regional Economic Integration, Asian Development Bank
Session 3	12:30 – 13:00	Moderated panel discussion on lessons learned from the preceding two sessions dealing with macro-prudential management
	<i>Moderators</i>	Li Kouqing, AFDC & Ken Waller, MAFC
	<i>Panel</i>	Cyn-Young Park, Office of Regional Economic Integration, Asian Development Bank Kevin Davis, Melbourne Centre for Financial Studies
	13:00 – 14:00	Lunch
Session 4	14:00 – 15:30	Stress testing as a major tool in regulatory supervision; objectives, relevance, skills and data requirements; managing results and

		expectations
	<i>Presenters</i>	Geof Mortlock, Senior Policy Manager, Policy Department, APRA Cyn-Young Park, Office of Regional Economic Integration, Asian Development Bank
	15:30 – 15:50	Afternoon tea / coffee break
Session 5	15:50 – 17:00	Moderated panel discussion on benefits and constraints of stress testing from regulatory and banking industry perspectives
	<i>Moderators</i>	Li Kouqing, AFDC & Ken Waller, MAFC
	<i>Panel</i>	Geof Mortlock, Senior Policy Manager, Policy Department, APRA Cyn-Young Park, Office of Regional Economic Integration, Asian Development Bank Kevin Davis, Melbourne Centre for Financial Studies

DAY FOUR ~ Thursday 10 June 2010

Venue: AFDC at the Shanghai National Accounting Institute

	8:50 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 10:30	Facilitated work-shop: this will focus on the consequences of the global financial crisis and the reforms to regulatory arrangements proposed by the Basel Committee on Banking Supervision. (Participants will form a number of working groups to consider specific issues arising from the course. Each group will prepare a short structured report to be presented to the whole group for discussion among all participants and a panel.)
	<i>Facilitators</i>	Ken Waller, Australian APEC Study Centre at RMIT Liao Min, Director-General General Department, CBRC Geof Mortlock, Senior Policy Manager, Policy Department, APRA Cyn-Young Park, Office of Regional Economic Integration, Asian Development Bank Janett Vallejos Castillo, Superintendency of Banking, Insurance and Private Pensions, Peru
	10:30 – 10:50	Morning tea / coffee break
Session 2	10:50 – 11:30	Workshop continues
Session 3	11.30 – 12:30	Moderated panel discussion on outcomes of workshop group reports
	<i>Moderator</i>	Ken Waller, Australian APEC Study Centre at RMIT
	<i>Panel</i>	Janett Vallejos Castillo, Superintendency of Banking, Insurance and Private Pensions, Peru Gary Judd QC, ASB – CBA Group Geof Mortlock, Senior Policy Manager, Policy Department, APRA

	12:30 – 13:00	Lunch
Session 4	13:00 – 14:30	Impact of the crisis on Pillar 3 of Basel II; emerging responses and reforms as they impact on bank disclosure; understanding the role of credit ratings in the post crisis era
	<i>Presenters</i>	Neville Mallard, Asia Regional Treasurer, ANZ Janett Vallejos Castillo, Superintendency of Banking, Insurance and Private Pensions, Peru
	14:30 – 15:00	Afternoon tea / coffee break
Session 5	15:00 – 16:30	Key aspects that a supervisor should consider in assessing a bank's capital model and in evaluating the utility of capital models – supervisor and banking industry perspectives
	<i>Presenters</i>	Naoyuki Yoshino, Professor of Economics, Keio University, Board Member of Federal Deposit Insurance Corporation of Japan & Director of Financial Research and Training Center, FSA Japan Neville Mallard, Asia Regional Treasurer, ANZ Geof Mortlock, Senior Policy Manager, Policy Department, APRA

DAY FIVE ~ Friday 11 June 2010

Venue: AFDC at the Shanghai National Accounting Institute

	8:50 – 9:00	Registration and administration matters – Centres Staff
Session 1	9:00 – 10:30	The impact of the global financial crisis on governance in banking systems and in supervisory agencies; what changes are expected in governance to enhance risk management practices and procedures in banks and in supervisory agencies - academic, supervisory and banking industry perspectives
	<i>Presenter</i>	Gary Judd QC, ASB – CBA Group
	10:30 – 10:50	Morning tea / coffee break
Session 2	10:50 – 12:20	APEC regional responses to calls to intensify co-ordination between home and host supervisors; supervisory and banking industry perspectives
	<i>Presenter</i>	Geof Mortlock, Senior Policy Manager, Policy Department, APRA
Session 3	12:20 – 12:50	Moderated panel discussion on preceding two sessions.
	<i>Moderator</i>	Ken Waller, Australian APEC Study Centre at RMIT
	<i>Panel</i>	Geof Mortlock, Senior Policy Manager, Policy Department, APRA Gary Judd QC, ASB – CBA Group
	12:50 – 13:50	Lunch
Session 4	13:50 – 15:20	Forum: identification of emerging issues for regional supervisors and for regional banks and measures to handle them; is the regional financial system architecture adequate for the changing financial system environment?

	<i>Moderator</i>	Ken Waller, Australian APEC Study Centre at RMIT
	<i>Presenters</i>	Neville Mallard, Asia Regional Treasurer, ANZ Gary Judd QC, ASB – CBA Group
	15:20 – 15:40	Afternoon tea / coffee break
Session 5	15:40 – 17:00	Facilitated discussion: identification of key lessons learned from the program and most critical capacity building needs to strengthen the region's banking systems.
	<i>Moderator</i>	Ken Waller, Australian APEC Study Centre at RMIT