



# APFF

Asia-Pacific Financial Forum



## Key Messages

# Information in Capital Markets

2015

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### KEY MESSAGES: INFORMATION IN CAPITAL MARKETS

**Capital Markets are a powerful mechanism for channeling funds** into companies preparing to expand and governments intending to fund infrastructure projects. **Trust** is the cornerstone of a sound market. It enables investors to put their resources to the use of others who can help build and grow the economy.

The *quality, comparability and availability* of **information** are key ingredients in bringing together buyers and sellers of both debt and equity.

- Moody's is the chair of the Information in Capital Markets work stream and for more than a year, we have worked with our steering committee, comprising representatives from Deloitte, Asian Development Bank, the University of Hawaii, HSBC, Nomura, Standard Chartered, Clifford Chance, Nishimura & Asahi, PwC, Ernst & Young, CFA Institute and CLP Holdings.
  - We have created three **self-assessment templates**, covering the investment life cycle:
    1. Before investment: **Disclosure** – information about a company or security
    2. While invested: **Bond Market Data** – individual security and aggregate information
    3. Exiting investment: **Investor Rights in Insolvency** – property rights; insolvency process
- Deciding upon and developing these templates, the group followed these principles:
- Rules made by *public policy makers* are integral to well-functioning capital markets.
  - Dialogue with the *private sector* can offer insight to the most effective policies.
  - An *incremental* method is more manageable and effective than a big bang approach.
  - Given the *varying levels* of development across Asia Pacific markets, the approach must be applicable to capital markets in any stage of maturity.
- These are *not* lists of prescriptive measures. They are **foundations** on which to have meaningful conversations contrasting what an international investor might expect and what is available in any given market. They give public policy officials a mechanism through which to explain why certain information may or may not be available, or where investors can find it.

**Pilot Program:** In March 2015, the templates were presented to several officials from the Philippines' Securities and Exchange Commission. SEC representatives are currently working on the templates, which are expected to be completed in the second half of 2015. The templates and potential future how-to guides will take into account feedback from the Philippines SEC, and APFF intends to continue its outreach in setting up similar workshops with other regulators around the region.

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