



**Asia-Pacific
Economic Cooperation**



Asia-Pacific Financial Forum (APFF)

Expanding the Asia Pacific region's long term investor base

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Sherpa, APFF Insurance and Retirement Income Work Stream

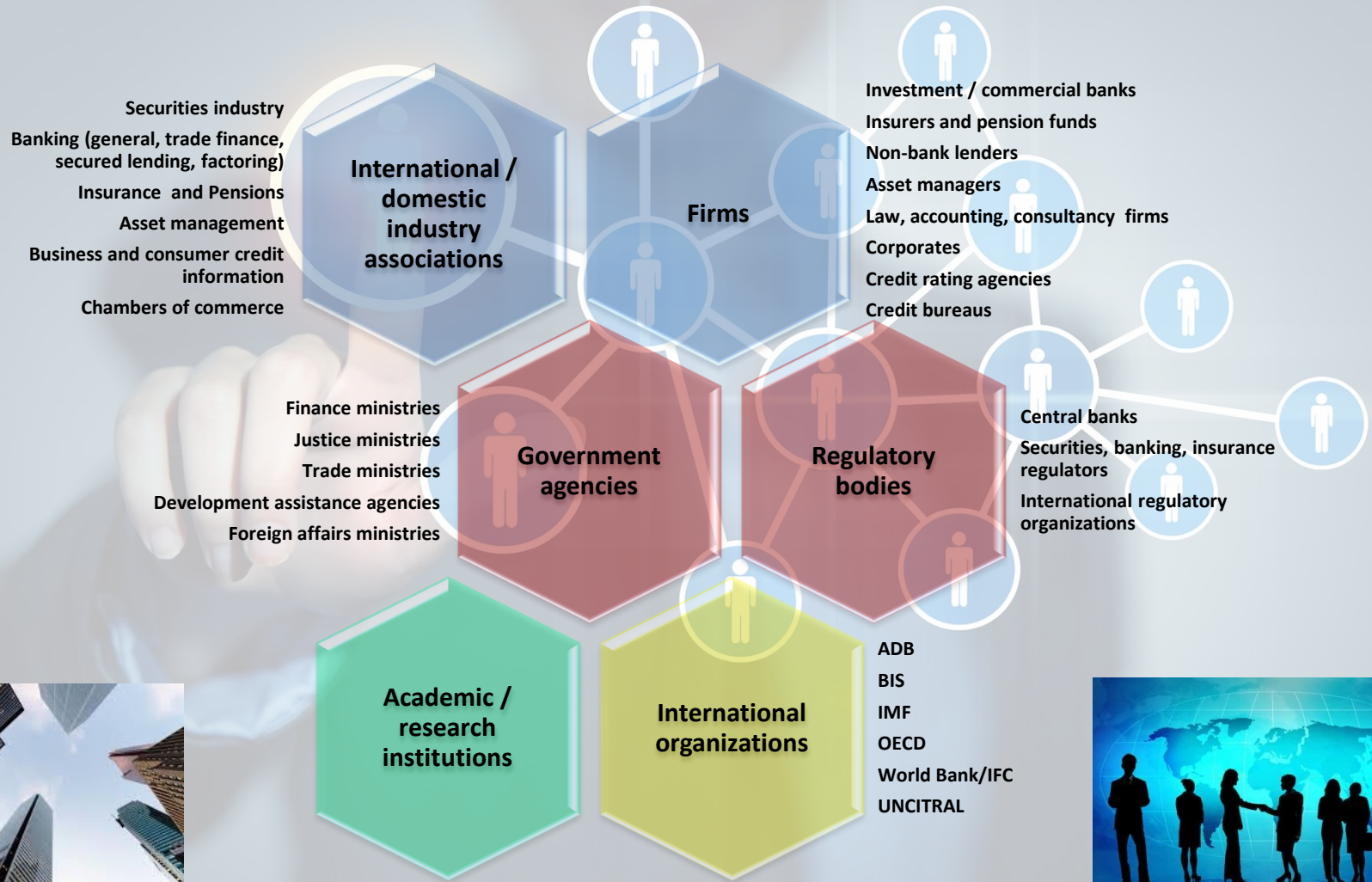
Sherpa, APFF Retirement and Long-Term Investment Working Group

Bangkok, 20 September 2017

What is APFF?

- APFF is a regional platform for **collaboration among public sector, private sector and multilateral institutions** to help accelerate the development and integration of financial markets and services in the APEC region.
- APFF is an official policy initiative under the **APEC Finance Ministers' Process**. It has been tasked to support the implementation of the Ministers' **Cebu Action Plan** (a 10-year roadmap for the development and integration of financial markets in the region).
- The management of APFF has been entrusted by the Finance Ministers to the private sector through the **APEC Business Advisory Council (ABAC)**, which reports its progress to APEC senior finance officials and ministers regularly throughout the year.

The APFF Network



Over 150 organizations



Over 300 individual experts

A Ten-Year Roadmap for the APEC Finance Ministers' Process

FOUR PILLARS



FINANCIAL INTEGRATION

- **Financing MSMEs**
- **Financial inclusion and literacy**
- Facilitating remittances
- Financial services liberalization
- Capital accounts liberalization
- **Asia Region Funds Passport**



FISCAL TRANSPARENCY

- Fiscal reforms
- Open Data Initiative
- Exchange of financial account information
- Base erosion profit shifting
- Tax and crime



FINANCIAL RESILIENCE

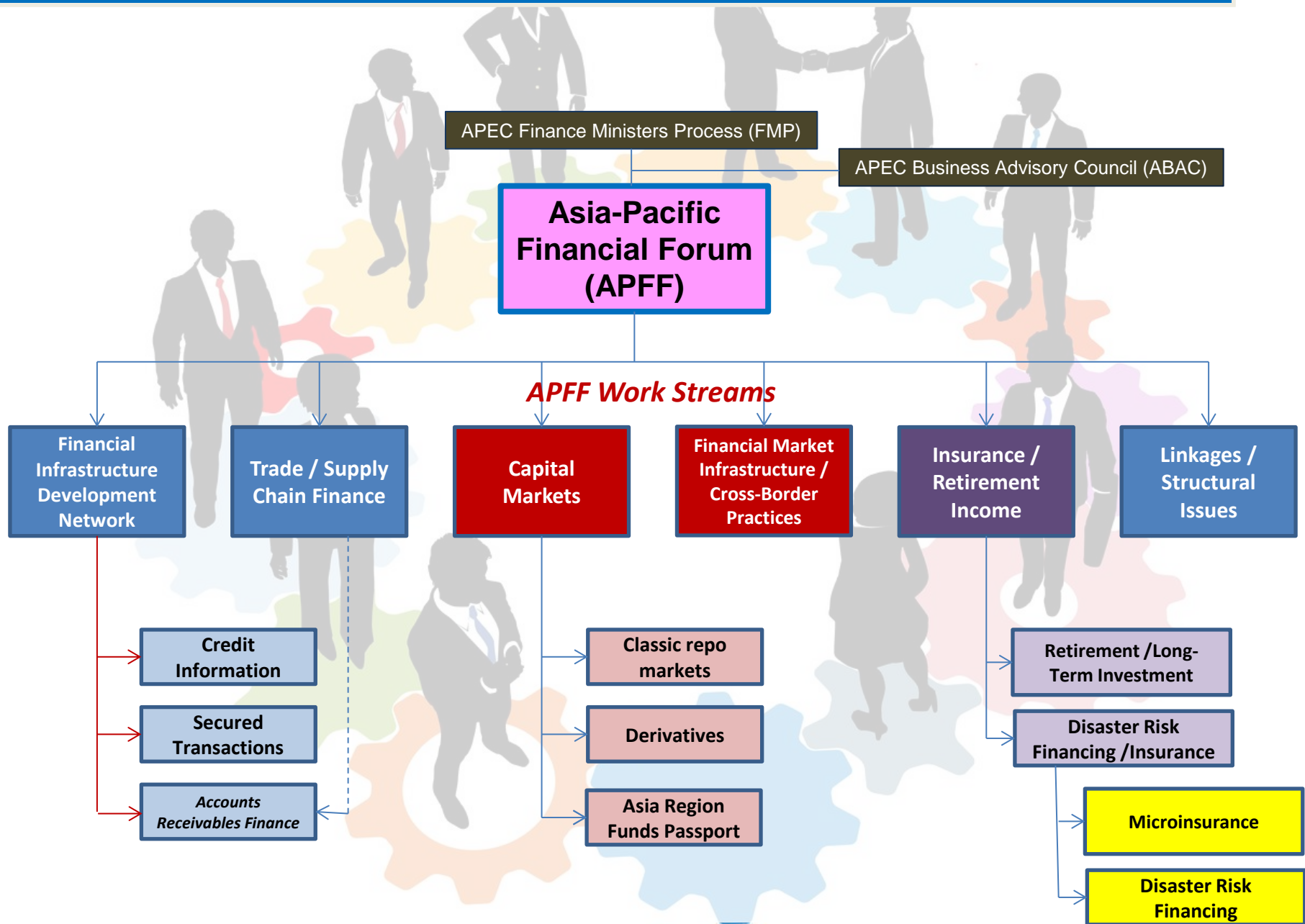
- Macroeconomic policy
- **Disaster risk financing and insurance**
- **Capital market development**



INFRASTRUCTURE

- Knowledge portal
- Standardization of terms and practices
- Maximizing PPPs in infrastructure investment
- **Long-term investors**
- Urban development
- Regional connectivity

The APFF Structure



Collaboration of ASEAN Insurance Council and APFF

- ASEAN Insurance Council (AIC) submitted its recommendations to the ASEAN Regulators on the 9 January 2015, along with **APFF Interim Report 2014** to the APEC Finance Ministers and **Annex H: Constraints for promoting long-term investments in the Asia Pacific**.
- AIC and APFF intends to continue our collaborations for the coming years. ASEAN Secretariat is also willing to work with APFF.



Scope of Work

- Expanding MSMEs' access to finance
- Creating deep, liquid and integrated capital markets
- **Expanding the region's long-term investor base**
 - Retirement income and long-term investment
 - Islamic Infrastructure Investment Platform (I3P)
- **Fostering financially resilient communities**
 - Roadmap for expanding the coverage of micro-insurance in APEC
 - Disaster risk finance and insurance
- Dialogue and research on the future of financial regulation

Strategy Session
January 2017



Activities
Jan-July 2017



Drafting Session
July 2017



Continuation
to 2018

2017 APFF Progress Report to APEC Finance Ministers

Expanding the Region's Long-Term Investor Base

- **Triple wins** thru Retirement income and long-term investment
 - **Consumers** receive high and stable returns for long-term savings
 - **The financial sector** is able to access deeper capital markets for infrastructure investment.
 - **Governments** obtain relief from large contingent fiscal liabilities
- **Triple gaps** to address to achieve the above objective
 - **Pension/Protection Gap**
 - **Infrastructure/Investment Gap**
 - **Regulatory/Accounting Gap**

Pension/Protection Gap

1. Mandatory provisions and scalable retirements systems
2. Tax incentives to promote long-term saving products
3. Product/distribution innovation and financial awareness

Pension/Protection

- The APFF intends to coordinate with global initiatives (i.e. OECD, World Economic Forum) and the pension industry (i.e., Asia Pacific Investors Cooperation) and to hold dialogues with both pension and insurance regulators
 - APFF/APIC Regional Pension Funds and Social Security Systems Summit, 5-6 December 2017, Hong Kong
- The APFF continues to study selected APEC economies and examine gaps and potential solutions on retirement income and longevity solutions. The following are some examples of the recent developments in the region:
 - Thai Government introducing a new mandatory provident fund scheme
 - Malaysia's Employees Provident Fund (EPF) receives innovation award for its retirement advisory service
 - Australian government's consultation on the Discussion Paper
 - Life Annuity Scheme in Hong Kong

Infrastructure/investment Gap

1. Promotion of infrastructure as a defined asset class
2. increased fiscal spending by Asian sovereigns within macroeconomic parameters suitable for developing economies
3. adoption of various financing vehicles, with a broader public-private partnership framework to promote long-term infrastructure investment

Infrastructure/Investment

- The APFF is coordinating with global (i.e. Global Infrastructure Hub, OECD, WEF) and ASEAN initiatives (i.e. AIC) and the securities industry (i.e. ASIFMA), and undertakes dialogues with selected APEC economies (i.e. Indonesia, Vietnam, Philippines, Thailand)
 - APFF/APIP Dialogue with Indonesian Government on PPPs in Waste Management on 14 March in Jakarta
 - APEC Finance Ministers Process Seminar on Long-Term Investment in PPP on 17 May in Ninh Binh
 - APFF Roundtable on Long-Term Investment on 25 July in Toronto
- The APFF continues to study selected APEC economies and examine possible improvements to attract long-term investors, including financing vehicles, green finance, and survey on infrastructure investments:
 - Rethinking risk allocation in PPPs
 - The IFC/WBG's PPPs in infrastructure

Regulation/Accounting Gap

1. Bank-centric regulations
2. Short-term oriented economic regime
3. “One-size-fits-all” model

Remaining key accounting issues

- *Unit of account*
- *Scope for “variable fee approach”*
- *Transition*

Regulation/Accounting

- The APFF participates in global and regional conferences and meetings to discuss relevant regulatory and accounting issues.
- The APFF has engaged in continuous outreach and dialogue with policymakers, regulatory authorities and accounting standard setters, international (i.e. IAIS, IASB, OECD, World Bank) and regional institutions (i.e. ADB, ASEAN, NAIC, ASSAL)
 - IAIS Work on risk-based global ICS and Dialogue with IAIS
 - IFRS17 and Dialogue with IASB
 - Dialogue with regulatory authorities in the region
 - Coordination with AIC, Geneva Association and IIF
- The APFF continues to study selected APEC economies and examine regulatory and accounting issues and consider possible implementation support:
 - APFF Roundtable on Insurance Regulations and Accounting on 31 October in Hong Kong

Asia Pacific Financial Forum (APFF) Insurance and Retirement Income Work Stream

The screenshot shows the MackGlobe.com website. At the top, there is a navigation bar with the site name and a search box. Below the navigation bar is a large banner image of a person standing in a mountainous landscape. Underneath the banner is a menu with categories: Home, Insurance/Finance, Language/Essays, Travel/Photography, and Theater/Entertainment. The main content area features a green banner for a news article titled "ABAC submitted 2016 APFF Progress Report to the APEC Finance Ministers, August 31, 2016". Below this is a "Read more" button. To the left, there is a "Recent Posts" section with a list of three articles. To the right, there is a "Members Only" section with a link to the "APFF Insurance and Retirement Income Workstream". Below that is a "Resources" section with links to the "APEC Business Advisory Council (ABAC)", "APFF Page", and "National Center for APEC (NCAPEC)".

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ASIA-PACIFIC
ABAC submitted 2016 APFF Progress Report to the APEC Finance Ministers, August 31, 2016
September 5, 2016

ABAC submitted the 2016 Progress Report of the APFF (Asia Pacific Financial Forum) to APEC Finance Ministers. This Progress Report covers the following areas to provide information and high-level recommendations to support Cebu Action Plan in the Asia Pacific: Advancing...

Read more →

Recent Posts

- ABAC submitted 2016 APFF Progress Report to the APEC Finance Ministers, August 31, 2016 September 5, 2016
- Mack participated in the NAIC Asia Pacific International Forum, and Summer National Meeting in San Diego, August 24-26 August 29, 2016
- Mack participated in the APFF Roundtable and the ABAC meetings in Shenzhen, August 1-4, 2016 August 28, 2016

ASIA-PACIFIC
Mack participated in the NAIC Asia Pacific International Forum, and Summer National Meeting in San Diego, August 24-26
August 29, 2016

The National Association of Insurance Commissioners (NAIC) hosted the Third Annual Asia-Pacific International Forum on August 24-25.
NAIC NEWS RELEASE: NAIC HOSTS THIRD ANNUAL ASIA-PACIFIC INTERNATIONAL FORUM

Mack made remarks to share the APFF activities, issues and recommendations during the panels on Retirement Security, FinTech, and Cyber Security.

Members Only

- APFF Insurance and Retirement Income Workstream

Resources

- APEC Business Advisory Council (ABAC)
 - APFF Page
- National Center for APEC (NCAPEC)

For more details on the APFF, visit mackglobe.com or email

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