

An OECD In-person Meeting

AGENDA

OECD-ADBI Roundtable on Capital Market and Financial Reform in Asia 2024

- Towards the OECD Ministerial Council Meeting 2024 -

14-15 March 2024

Organised by



OECD-ADBI Roundtable on Capital Market and Financial Reform in Asia 2024

The roundtables are jointly organised and sponsored by the ADBI and the OECD, with financial support from the Government of Japan.

The roundtable was established in 1999 in the aftermath of the so-called Asian financial crisis. It offers a forum for discussion among senior public officials from ministries of finance, financial regulators and central banks as well as executives from the financial sector, academia and relevant stakeholders from Asia and OECD countries.

This year's Roundtable will focus on recent developments in equity and debt capital markets, sustainable and digital finance, corporate governance, and foreign direct investment. All sessions have a moderator and lead discussants. In addition, one-third of the time is reserved for open discussions. Roundtable participants are expected to actively participate in the open discussions to share their experiences, expose their views and discuss the issues raised by speakers. **All sessions are open to the media.**

Contacts

Contents and Agenda:

Masayoshi Chida | Masayoshi.Chida@oecd.org

Directorate for Financial and Enterprise Affairs, OECD

Senior Economist and Head of Outreach, Capital Markets and Financial Institutions Division

Akiko Shintani | Akiko.Shintani@oecd.org

Directorate for Financial and Enterprise Affairs, OECD

Senior Policy Analyst, Capital Markets and Financial Institutions Division

Kyo Maruyama | Kyo.Maruyama@oecd.org

Directorate for Financial and Enterprise Affairs, OECD

Economist, Capital Markets and Financial Institutions Division

Joy Blessilda F. Sinay | jbsinay@adbi.org

Capacity Building and Training Economist, ADBI

Bayarbileg Altansukh | baltansukh@adbi.org

Capacity Building and Training Associate, ADBI

Logistics:

Layla Khalaf | Layla.Khalaf@oecd.org

Directorate for Financial and Enterprise Affairs, OECD

Project Assistant, Capital Markets and Financial Institutions Division

Miki Yatabe | myatabe@adbi.org

Administrative Assistant, ADBI

OECD-ADBI Roundtable on Capital Market and Financial Reform in Asia

14-15 March 2024

Day 1

9:00 – 9:30



Registration

9:30 – 9:50

Welcome and opening remarks

Shunichi Suzuki (video message)

Minister of Finance and Minister of State for Financial Services, Japan

Tetsushi Sonobe

Dean, ADBI

Yoshiki Takeuchi

Deputy Secretary-General, OECD

9:50 – 10:00



Group photo

10:00 – 11:15

Session 1: Access to capital market financing in Asia: Opportunities, challenges and policy options

Capital market financing is playing an increasingly important role in allocating resources towards innovative and sustainable businesses in the Asian corporate sector. In recent years, Asia has seen a rapid development of both public equity and corporate bond markets. Asian companies have significantly increased their participation in global equity markets, from raising 22% of global IPO proceeds during the 1990s to 44% during the 2012-22 period. Today, they account for more than half of the total number of listed companies globally and one third of global market capitalisation. The use of corporate bonds has also taken off in the region. The outstanding amount of non-financial corporate bonds in the region in 2022 was more than four times the outstanding amount in 2008. However, growth companies' use of capital markets is still relatively low in Asia with limited options to issue equity or bonds. Therefore, there is a growing need to continue boosting market-based financing to increase large and small corporations' resilience and to support the green and digital transition.

The session will discuss the key trends and developments in Asian companies' use of capital market-based financing and explore how Asian capital markets can help finance the green and digital transitions.

Moderator

Aerd Houben

Director Financial Markets, De Nederlandsche Bank; Chair of the OECD Committee on Financial Markets

Lead discussants

Naoki Kamiyama

Chief Strategist, Nikko Asset Management

Joe Lai

Director-General, Department of International Affairs, Financial Supervisory Commission, Chinese Taipei

Toshiyuki Miyoshi

Vice Commissioner for International Affairs, Financial Services Agency, Japan

Shu (Grace) Tian

Senior Economist, Economic Research and Development Impact Department, ADB

Reference

- Chapter 1 of the draft report “Mobilising ASEAN capital markets for sustainable growth” (to be circulated separately)

11:15 – 11:30**Coffee break****11:30 – 12:45****Session 2: Sovereign debt markets in an era of tightening monetary policies**

The significant increase in borrowings by sovereigns from financial markets has taken place during a sustained period of low-interest rates since the 2008 financial crisis. Global debt in the form of bonds have reached record levels in recent years. At the end of 2023, the global outstanding amount of government bonds reached nearly USD 65 trillion, increasing more than 2.5 times since 2008.

The tightening of monetary policy since 2022 is the fastest in decades in major markets and it has had significant impacts on bond markets, including increases in yield rates and shifts in the investor base. Rising costs of debt combined with high sovereign debt levels raises concerns about the ability of governments to refinance their debt and therefore about debt sustainability. The amount of sovereign bonds maturing in the next three years represents 35% of the total outstanding amount of sovereign bonds globally.

The session will discuss how the current macroeconomic scenario with tightening credit conditions is impacting Asian and global sovereign debt issuers and the policy implications.

Moderator**Anna Hughes**

CEO, Australian Office of Financial Management

Presenter**Fatos Koc**

Head of Financial Markets Unit, Capital Markets and Financial Institutions Division, OECD

Lead discussants**Rui Arase**

Director, Debt management and IR Office Financial Bureau, Ministry of Finance, Japan

Rosalia V. De Leon

Monetary Board Member, Bangko Sentral ng Pilipinas

Alan Roch

Head of APAC Credit Markets, Crédit Agricole CIB

Rakesh Tripathy

Chief General Manager, Reserve Bank of India

Reference

- [OECD Global Debt Report 2024: Bond Markets in a High-Debt Environment](#)

12:45 – 14:00



Lunch

14:00 – 14:15

Keynote address

Speaker

Masato Kanda

Vice-Minister of Finance for International Affairs, Japan; Chair of the OECD Corporate Governance Committee

14:15 – 15:45

Session 3: Asian markets and the revised G20/OECD Principles of Corporate Governance

Given the rapid transformation of capital markets, including as a result of digitalisation and structural changes following the Covid-19 pandemic, G20 Leaders endorsed the revised G20/OECD Principles of Corporate Governance in September 2023. Going forward, it will be critical to ensure their implementation as the single global standard for corporate governance. As highlighted in the revised G20/OECD Principles, good corporate governance frameworks support companies' sustainable growth, promote corporate access to finance from capital markets and protect investors. For example, Japan has been striving to strengthen the effectiveness of corporate governance reforms in parallel with efforts to support the development of the asset management industry, in order to help bolster the flow of investment.

The session will bring together experiences and insights on how to implement effective corporate governance policies in Japan and other jurisdictions, adapted to national legal and regulatory contexts. The session will also discuss how jurisdictions can benefit from the revised G20/OECD Principles of Corporate Governance and the potential challenges in implementing the Principles.

The session will also see the launch of the first OECD Global Corporate Sustainability Report. The report provides information on trends on corporate practices and public policies related to the new "Sustainability and Resilience" recommendations in the revised G20/OECD Principles. The report will also serve as input into the ongoing revision of the Methodology for Assessing the Implementation of the G20/OECD Principles of Corporate Governance.

Moderator

Carmine Di Noia

Director for Financial and Enterprise Affairs, OECD

Presenter

Akira Nozaki

Director of the Corporate Accounting and Disclosure Division, Financial Services Agency, Japan

Lead discussants

Amar Gill

Secretary General Designate, Asian Corporate Governance Association

George Iguchi

Chief Corporate Governance Officer, Nissay Asset management

Mats Isaksson

Board Member of the Swedish Corporate Governance Board

Alicia Ogawa

Board member, Nippon Active Value Fund

Reference

- OECD Global Corporate Sustainability Report 2024
- The [revised G20/OECD Principles of Corporate Governance](#)
- [OECD Corporate Governance Factbook 2023](#)

15:45 – 16:00  **Coffee break**

16:00 – 17:30 **Session 4: Unleashing the full potential of ASEAN capital markets and corporate sector for sustainable growth**

There are a number of different sources of financing for investment, including equity and debt capital. The role of public capital markets has substantially increased in emerging markets and developing economies over the last decade, notably in the ASEAN economies. However, the depth of capital markets in ASEAN economies is less mature than in most developed economies. The contribution of market-based financing in the region was 59% of GDP in 2022, compared to 86% in Asia as a whole and 99% globally. This means that ASEAN markets may still have a lot to gain from the development of sound capital markets that effectively can perform the fundamental function of channelling household savings to companies that need long-term capital for innovation and growth.

Regulators and supervisors in the ASEAN region have strived to achieve greater integration of the region's capital markets. The OECD has supported these efforts, including through the recent review of the ASEAN Corporate Governance Scorecard.

Supported by the draft OECD report “Mobilising ASEAN capital markets for sustainable growth”, the session will discuss the role of ASEAN capital markets and corporate sector in supporting sustainable growth and identify potential policy implications in the areas of corporate finance, corporate governance, digital finance and sustainable finance.

Moderator

Arup Kumar Chatterjee

Principal Financial Sector Specialist, Finance Sector Office, Sectors Group, ADB

Lead discussants

McJill Bryant T. Fernandez

Commissioner, Securities and Exchange Commission, Philippines

Novira Indrianingrum

Head of Issuer and Public Company Supervision Department, Financial Services Authority, Indonesia

Boon Gin Tan

Chief Executive Officer, Singapore Exchange Regulation

Yew Yee Tee

Executive Director and General Counsel, Securities Commission Malaysia

Reference

- Draft report “Mobilising ASEAN capital markets for sustainable growth” (to be circulated separately)

18:00 – 20:00  **Cocktail – Suiho-no-ma, Hotel New Otani, 4-1 Kioi-cho, Chiyoda-ku,**

Day 2

9:00 – 9:30



Registration

9:30 – 10:30

Session 5: Green and sustainable labelled products in Asian financial markets

With investors' increased interest in sustainability issues, the amount of investment labelled as ESG has been growing rapidly. Globally, assets under management of ESG funds that follow a sustainable investment strategy reached USD 1.8 trillion in 2022. In Asia, the assets under management of such funds totalled USD 73 billion in 2022, representing 4% of the global total. Recently, sustainable bond issuance has also experienced noteworthy growth as a source of capital market financing for the corporate sector, reaching USD 154.3 billion in Asia in 2023. While sustainability-labelled products could contribute to the achievement of international climate goals, questions remain about existing market practices. There exist some concerns that investors may be misled in some cases by the labelling of financial products, i.e. greenwashing.

This session will discuss policy considerations for Asian economies to support market integrity concerning the use of sustainability-labelled products, and how to support better quality and more comparable data.

Moderator

Fatos Koc

Head of Financial Markets Unit, Capital Markets and Financial Institutions Division, OECD

Lead discussants

I Gede Yuddy Hendranata

Directorate of Budget Financing and Risk Management, Ministry of Finance, Indonesia

Satoshi Ikeda

Chief Sustainable Finance Officer, Financial Services Agency, Japan

Shigehiko Mori

Managing Director, FS Risk Advisory, Deloitte Tohmatsu Risk Advisory LLC

Reference

- Chapter 4 of the draft report “Mobilising ASEAN capital markets for sustainable growth” (to be circulated separately)

10:30 – 10:45



Coffee break

10:45 – 11:45

Session 6: Assessing net zero metrics for financial institutions

The financial system can play an important role in reallocating capital towards climate solutions and financing the climate transition. In this context, there is a need for clear information and metrics to both contribute to informing climate-related investment and financing decisions by financial institutions, and to assess and monitor their progress in implementing net zero strategies and plans.

This session will discuss the types of information and metrics set out by guidance, and the existence of metrics and underlying methodologies, as well as data that could be used to monitor net zero commitments by financial institutions.

Moderator

Serdar Çelik

Head of Capital Markets and Financial Institutions Division, OECD

Lead discussants

Sayuri Shirai

Professor of economics, Keio University; Visiting Fellow and Advisor for Sustainable Policies, ADBI

Luanne Sieh

Group Chief Sustainability Officer, CIMB

Sven Teske

Associate Professor, Research Director, Engineer, Institute for Sustainable Futures, University of Technology Sydney

Reference

- Chapter 4 of the draft report “Mobilising ASEAN capital markets for sustainable growth” (to be circulated separately)
- [Assessing net-zero metrics for financial institutions: Supporting the monitoring of financial institutions' commitments](#)

11:45 – 13:30



Lunch

13:30 – 14:30

Session 7: The use of AI in Asian financial markets

AI models have been predominantly used for pattern identification, classification and prediction, and most recent advances in generative AI models allow for the creation of seemingly ‘original’ output that is often indistinguishable from human-generated content. The use of AI innovation offers tremendous opportunities for efficiency across all sectors, including finance, by increasing efficiencies through reducing costs and increasing productivity, as well as improving the quality of services and products offered to consumers. At the same time, AI applications in finance may create or intensify financial and non-financial risks and raise potential financial consumer and investor protection issues, all of which require the attention of policymakers.

This session will discuss trends in Asia in the use of AI in finance, and their policy implications.

Moderator

Aerdts Houben

Director Financial Markets, De Nederlandsche Bank; Chair of the OECD Committee on Financial Markets

Lead discussants

John Ho

Head, Legal, Financial Markets at Standard Chartered Bank

Henry Tsang

Director of the Intermediaries Supervision Department, Securities and Futures Commission, Hong Kong (China)

Mamoru Yanase

Deputy Director-General of the Strategy Development and Management Bureau,
Financial Services Agency, Japan

Reference

- Chapter 3 of the draft report “Mobilising ASEAN capital markets for sustainable growth” (to be circulated separately)
- [Generative artificial intelligence in finance](#)

[Username: oecd-daf2023 | Password: oecdilibrary2023]

14:30 – 14:45**Coffee break****14:45 – 16:45****Session 8: More, better, and safe FDI for Asian emerging economies**

The succession of recent crises has further stifled access to sustainable and quality investment in emerging Asian economies and deteriorated perspectives for efforts to close the large financing gap to reach the Sustainable Development Goals (SDGs). Foreign direct investment (FDI), as an important source of finance, can address part of this gap that emerging markets and developing economies (EMDEs) experience.

The imperative to attract more FDI to address the widening funding gap, the desire to reap benefits from better FDI to advance societal and environmental objectives, and the need to identify and manage safe FDI that guarantees countries' economic security objectives, represents an important challenge to any country and requires a holistic approach.

Building on the OECD's new strategy to support EMDEs in attracting more, better, and safe FDI and on the OECD's current and future initiatives with emerging Asian economies in investment policy reforms, this session will discuss how this holistic approach could be implemented in Asian emerging countries specifically.

This session will gather insights of experts, governments, and businesses and discuss obstacles and good practices to tackle those challenges with a view to improve these countries' investment climate.

Moderator**Carmine Di Noia**

Director for Financial and Enterprise Affairs, OECD

Lead discussants**Mark Lester L. Aure**

OIC Executive Director, National Tax Research Center, Republic of the Philippines

Andrew Deitz

Minister-Counsellor (Economic) & Senior Treasury Representative in Japan and Republic of Korea, Australian Embassy in Tokyo

Tan Tai Hiong

Head of Services and Investment Division, ASEAN Secretariat

Can Van Luc

Chief Economist, Bank for Investment and Development of Vietnam

Kentaro Ogata

Deputy Director-General of the International Bureau, Ministry of Finance, Japan

Cyn-Young Park

Director, Regional Cooperation and Integration, and Trade Division, Climate Change and Sustainable Development Department, ADB

Martin Wermelinger

Head of Sustainable Investment Unit, Investment Division, OECD

Reference

- Background note on More, better, and safe FDI
- [FDI in critical infrastructure - Supporting EMDEs in attracting more, better and safe FDI](#)
- [Supporting EMDEs in attracting more, better, and safe FDI - A strategy for action](#)

16:45 – 17:00 Closing remarks**Carmine Di Noia**

Director for Financial and Enterprise Affairs, OECD

Peter J. Morgan

Senior Consulting Economist and Advisor to the Dean, ADBI

Other OECD reports and working papers

- [OECD Sovereign Borrowing Outlook \(2023\)](#)
- [Access to corporate bond markets for growth companies in Asia \(2024\)](#), to be published on March 12, 2024
- [Climate Change and Corporate Governance \(2022\)](#)
- [Institutional investors and stewardship \(2022\)](#)

To download the reports above, please use the following log-in:

[Username: oecd-daf2023 | Password: oecdilibrary2023].