



Growing Asia's Markets

Asia Securities Industry & Financial Markets Association

Asia Securities Forum

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1. China
2. Fragmentation
3. EU Benchmark Reform
4. Hong Kong

Themes

- Operating in China (e.g. Asset Management, ownership rules), access (e.g. , FI, EQ, Connects, hedging, CNY vs CNH), Regulatory Processes
Data Localisation, Social Credit System for Corporates

Whitepaper – 103 Recommendations

<https://www.asifma.org/wp-content/uploads/2019/06/final-english-china-capital-markets-report-2019.pdf>

Engagement with IOSCO and FSB – highlight Asia Pacific specific issues

A lens through which to look at other issues:

- Basel III – need for coordination and synchronicity
- Data Localisation and Cloud – enabling permissioned movement of data
- Sustainable Finance – from Taxonomy/Disclosure to climate-related risk
- AI and fintech regulation

Three routes to qualify non-EU administrators and their benchmarks:

- 1. Equivalence:** EC declares that the legal framework and supervisory practice of the local jurisdiction is "equivalent" to the regime established by BMR
 - 2019 draft decisions to declare 'Designated' Benchmarks in Singapore and 'Significant' Financial Benchmarks in Australia as "equivalent"; TIBOR in Japan
- 2. Recognition:** a "home" EU Member State regulatory authority "recognises" a specific Non-EU Administrator if an application is successful. This requires substantial compliance with the BMR
- 3. Endorsement:** a non-EU benchmark or group of benchmarks can be "endorsed" by an EU benchmark administrator, or another regulated entity within the EU that has a clear and well defined role within the accountability framework of the relevant Non-EU Administrator

Difficulties experienced by third country administrators in navigating recognition and endorsement routes, with significant practical challenges

.... and very few qualified to date



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