



## APEC FINANCIAL INFRASTRUCTURE DEVELOPMENT NETWORK (FIDN)

*AN APEC FINANCE MINISTERS' PROCESS (FMP) INITIATIVE*

### 5th FIDN Conference

*Leveraging Movable Asset and Warehouse Receipt Finance  
to Support MSMEs and Agri-Businesses*

*Draft Agenda*



**NOVEMBER 29, 2017**  
**MEETING ROOMS 2&3, SECRETARIAT BUILDING**  
**PHILIPPINE INTERNATIONAL CONVENTION CENTER**  
**MANILA, PHILIPPINES**

***FINANCIAL INFRASTRUCTURE DEVELOPMENT NETWORK (FIDN)***  
**Conference on**

Micro-, small and medium enterprises (MSMEs) are the foundation of a competitive and equitable economy. They are the most important job creators. In the US, for example, small firms accounted for 64 percent (11.8 million) of net new jobs created between 1993 and 2011. Within this group, young and high-growth businesses have had a huge impact on the economy, accounting for roughly half of new jobs created, expanding and creating opportunities in new locations and stimulating further employment growth in related industries. The growth of MSMEs, particularly in the countryside, is thus key to democratizing and decentralizing economic development, especially in markets where business has traditionally been concentrated in few urban centers.

Opportunities for MSMEs have greatly increased with the growth of trade and global supply chains in the digital age, as technology opened up new and better ways to access information and markets. Economies that succeed in enabling MSMEs, including those in less developed localities, to connect to these global supply chains, stand to reap the rewards of sustained, inclusive, balanced and innovative growth. Access to finance forms the most important component of such an enabling environment.

For most micro, small and medium enterprises (MSMEs), lack of efficient and sustainable access to finance is most often ranked as the key issue preventing them from effectively participating in economic activities such as the global value chains and benefiting from the growth of trade and investment. In many developing economies, MSMEs typically do not have real estate that is commonly accepted by lenders as collateral against loans. Movable assets, on the other hand, are not widely used and accepted as collateral in many emerging markets. and many existing and potential business owners at the micro- and small end of the spectrum do not even have such assets, including large numbers of individuals who have no accounts with formal financial institutions.

One of the key factors behind this problem is the inadequate legal and institutional infrastructure in many developing economies to support risk-based lending using transactions and payments data and lending against a broader range of collateral. Governments can help address these issues through practical steps involving close collaboration between the public and private sectors that can yield tangible results, in terms of concrete legal, policy and regulatory reforms, capacity building and awareness raising.

This conference leverages the regional platform created in 2015 by the APEC Finance Ministers in collaboration with the private sector – the Financial Infrastructure Development Network (FIDN) – to assist member economies in designing the legal and institutional frameworks that govern MSMEs’ access to finance. An important aspect of this regional platform is the coordination of reforms to create interconnected financial ecosystems that will support the financing and expansion of MSMEs’ cross-border trade and investment activities.

With several economies making concrete progress in modernizing their financial infrastructure, it aims to provide an opportunity to share experiences and strategies and discuss the way forward to accelerate the process of expanding MSMEs' access to finance.

## **ABOUT THE FINANCIAL INFRASTRUCTURE DEVELOPMENT NETWORK**

The APEC Financial Infrastructure Development Network (FIDN), a key initiative under the Cebu Action Plan, was formally launched on November 12, 2015. The FIDN is envisioned to promote the development of effective credit information systems, as well as secured transactions and insolvency frameworks that would facilitate the use of movable assets as collaterals in the credit markets. This collaborative effort among APEC member economies, APEC Business Advisory Council (ABAC), International Finance Corporation/World Bank Group (IFC), SME Finance Forum, and the Organization for Economic Co-operation and Development (OECD) brings together experts from the public and private sectors, including international organizations and industry associations, to support APEC economies in undertaking financial infrastructure reforms.

The FIDN initiative is an integral part of the 2015 APEC Finance Ministers' Cebu Action Plan (CAP) under Pillar 1: Financial Integration Pillar of the Cebu Action Plan, with focus areas on Credit Information Systems and Secured Transactions Systems (Movable Asset Lending Reform), together with Insolvency frameworks. The CAP recognizes that strengthening the institutional and legal infrastructure frameworks supporting the Credit Information Systems and Secured Transactions Systems have potential to facilitate the wider use of credit information and movable assets as collateral in increasing access to finance to MSMEs. Through the FIDN and the Finance Ministers' Process, a common understanding of the key reforms in the areas of Credit Information Systems and Secured Transactions Systems (Movable Asset Lending Reform) was established among the immediate stakeholders – APEC member economies, government agencies, and international organizations. The next challenge is to continuously advocate for and get the reform process underway. Below is a list of FIDN events since its launch in November 2015:

1. 2015 Sep 23-24, Iloilo, Philippines: APFF Roundtable on Lending Infrastructure for MSMEs
2. 2015 Nov 12, Manila, Philippines: Reforming the Asia-Pacific Financial Infrastructure and Launch of FIDN
3. 2016 Mar 14-15, Manila, Philippines: FIDN Conference on Credit Infrastructure
4. 2016 May 21-22, Nanjing, China: International Conference on Secured Transactions Legal Reform
5. 2016 Jul 4-5, Bangkok, Thailand: First Meeting on the Mekong Credit Information Sharing
6. 2016 Aug 2, Shenzhen, China: APFF Collateral Registry Roundtable
7. 2016 Aug 24-25, Bangkok, Thailand: FIDN Conference
8. Hoi An, Vietnam
9. Ho Chi Minh, Vietnam
10. Strengthening Credit Infrastructure: A Roadmap to MSME Innovation and Digital Finance Towards Greater Financial Inclusion

**DRAFT PROGRAMME**

<b>Part 1: MODERNIZING CREDIT INFRASTRUCTURE OVERVIEW OF PROGRESS, PLANS , AND LESSONS LEARNED</b>	
08:30-9:00 a.m.	<b>Registration</b>
9:00-9:30 a.m.	<p><b>Opening Session: Welcome and Introductory Remarks</b>  <b>Ms. Yuan (Jane) Xu</b>, Country Manager, International Finance Corporation</p> <p><b>Mr. Gil Beltran</b>, Undersecretary of Finance, Republic of the Philippines</p> <p><b>Cong. Arthur Yap</b>, Representative, 3<sup>rd</sup> District of Bohol</p> <p><b>Mr. Nobuhide Haya</b>, Co-Chair, APFF (Asia Pacific Financial Forum)  TBC, Embassy of Japan - provide contact details to Rachele</p> <p><b>Secured Transactions Video</b></p>
9:30-9:45 a.m.	<p><b>Family Photo</b>  <b>Venue: PICC, To be confirmed</b></p>
9:45-10:00 a.m.	<b>Coffee Break</b>
10:00 -11:00 p.m.	<p><b>SESSION 1: Cebu Action Plan Update and How the Credit Infrastructure Reforms Promote SME and Agri Finance</b></p> <ul style="list-style-type: none"> <li>• Present the FIDN roadmap</li> <li>• Present an update of recent activities and plans of the various Asia Pacific Financial Forum (APFF) work streams moving forward</li> <li>• Reinforce the importance of enabling the financial institutions provide credit to MSMEs</li> <li>• Government agencies to present their respective initiatives to support MSMEs</li> </ul> <p><b>SESSION CHAIR: Ms. Edita Z. Tan</b>, Assistant Secretary  Department of Finance</p> <p>Inclusive growth, the common goal all over the world, means providing opportunities for all particularly to the MSMEs. MSMEs provide almost 62% of job opportunities across the country (and 70% globally). Micro and small enterprises are the sectors that can reach down to the farthest and smallest rural communities. With the large contribution of MSMEs in the country's economy, this sector must be equipped to become competitive in the aspects of productivity and capacity to join the international supply value chain to maximize their growth potential. However, one of the main stumbling blocks for an MSME to grow is the lack of access to finance especially when opportunity arises for them to fulfill bigger orders or demands for their products – and when their financial requirement is too big for microlenders already.</p> <p>Although different government agencies have been implementing programs to help</p>

	<p>MSMEs, more work still has to be done to enable and empower MSMEs and raise the awareness and confidence of the other stakeholders in the financial sector.</p> <p>In this session, different government agency leaders will share what their respective departments are undertaking as an MSME support program</p>
10:00-10:05 a.m.	<b>Introductory Remarks by Session Chair</b>
10:05-10:45 a.m.	<p><b>Panel Discussion</b></p> <p><b>Dr. Julius Caesar Parreñas</b>, Coordinator, Asia Pacific Finance Forum, Senior Advisor, Mizuho Bank</p> <p><b>Ms. Gay Santos</b> Senior Finance Operations Officer, Finance and Markets International Finance Corporation, World Bank Group</p> <p><b>Hon. Teresita Herbosa</b>, Chairperson, Securities &amp; Exchange Commission <b>Mr. Gil Beltran</b>, Undersecretary, Department of Finance <b>Ms. Pia Roman Tayag</b>, Director, Inclusive Finance Advocacy Office and Concurrent Head, Financial Consumer Protection Department Bangko Sentral ng Pilipinas</p> <p><b>Mr. Michael Turner</b>, President &amp; CEO, Policy and Economic Research Council (PERC)</p>
10:45-11:05 a.m.	<b>Open Forum</b>
11:05-11:10 p.m.	<b>Concluding Remarks from Session Chair</b>
11:10 -12:30 p.m.	<p><b>SESSION 2: Building A Collateral Registry</b></p> <p>Collateral registry is an online registry that allows financial institutions to register movable assets used as collateral by borrowers to access credit. Collateral registry is one of the risk assessment tools which allows banks assess the creditworthiness of their borrowers better. The use of this registry in other countries has proven to help increase MSMEs’ access to finance to make their business grow. The Philippines has started to take steps towards this progress.</p> <p>This session will take us through the best practices and successes of other countries in adapting a modernized collateral registry and a reformed Secured Transactions Law.</p> <p>The Land Registration Authority is the lead agency of the Secured Transactions Bill (which aims to broaden the use of personal property as collateral to secure credit) . In this session, LRA will share the how the online registry will work and how it will benefit both the lender and the borrower.</p> <p>Financial institution leaders will also share an overview of the criteria they</p>

	<p>use in assessing a borrower’s credit worthiness and what their common reservations are in lending to MSMEs.</p> <p><b>SESSION CHAIR: Ms. Teresa A. Habitan</b>, Assistant Secretary, Department of Finance</p>
11:10-11:15 a.m.	<b>Introductory Remarks by Session Chair: Ms. Teresa Habitan</b>
11:15-11:45 a.m.	<p><b>Panel Discussion</b></p> <p><b>Ms. Elaine MacEachern</b> – Collateral Registry Expert International Finance Corporation <i>“ Experience and Lessons from a New Market”</i></p> <p><b>Ms. Huyen Thi Thin Pham</b>, Financial Sector Specialist International Finance Corporation <i>“A Decade of Secured Transactions Reform In Vietnam and Its Effect on the Lending Industry”</i></p> <p><b>Mr. Ronald Ortile</b>, Deputy Administrator Land Registration Authority</p> <p><b>Mr. Antonio Pasia</b>, President, Rural Bankers Association of the Philippines Foundation</p> <p><b>Mr. Benjamin Castillo</b> Bankers Association of the Philippines</p> <p><b>Mr. Suzanne Felix</b> Executive Director Chamber of Thrift Banks</p>
11:45-12:05 a.m.	<b>Open Forum</b>
12:05-12:10 p.m.	<b>Concluding Remarks from Session Chair</b>
12:10-1:30 p.m.	<p><b>Lunch</b> <b>Venue: Banquet Hall, PICC</b></p>
1:30-3:00 p.m.	<p><b>SESSION 3: Development of Movable Asset Finance Market for MSMEs and Agriculture</b></p> <p><b>SESSION CHAIR: Mr. Neil Cabiles</b> , Financial Attache Department of Finance</p> <p>Credit infrastructure reforms are essential to develop an inclusive economy in developing countries and in the APEC region. International best practices and the benefits other countries have gained when they adapted a modernized, centralized online credit registry system will be shared in this session.</p> <p>In the Philippines, modernizing The Secured Transactions Law and The</p>

	<p>Warehouse Receipts Law are the reforms being undertaken to aid Filipino MSMEs expand their access to credit with the vision of enabling them to participate in the international supply chain.</p> <p>Modernizing the collateral registry is one of the important components in reforming the Secured Transactions and Warehouse Receipts Law which will subsequently create an efficient ecosystem in developing a movable asset finance market for MSMEs and Agriculture.</p> <p>Financial institution heads and international resource speakers will be joining the discussion and share insights on what their vision is to solve MSME funding challenges and what their institutions are doing to help business owners.</p>
1:30-1:35 p.m.	<b>Introductory Remarks by Session Chair: Mr. Neil Cabiles</b>
1:35-2:25 p.m.	<p><b>Panel Discussion</b></p> <p><b>Hon. Paolo Benigno Aquino IV</b>, Senator, Republic of the Philippines, Sponsoring Senator Secured Transactions Reform (TBC)</p> <p><b>Ms. Zenaida Maglaya</b>, Undersecretary Department of Trade &amp; Industry <i>"Developing an APEC - DTI Online Marketplace"</i></p> <p><b>Mr. Jinchang Lai</b> Principal Operations Officer, International Finance Corporation, World Bank Group <i>"Development of Movable Finance Market: Experience From The Region"</i></p> <p><b>Mr. Zhijian Liu</b> General Legal Adviser, JD Finance <i>"Leveraging Technologies to Deliver Supply Chain Finance"</i></p> <p><b>Mr. Christopher Wohlert</b> Commercial Distribution Finance Leader, Wells Fargo Asia <i>"What Makes a Market Tick: Perspectives of an Operator"</i></p>
2:25-2:55 p.m.	<b>Open Forum</b>
2:55-3:00 p.m.	<b>Concluding Remarks from Session Chair Neil Cabiles</b>
3:00-3:15 p.m.	<b>Coffee Break</b>
3:15-4:15 p.m.	<b>SESSION 4: Agri Value Chain Finance and the Warehouse Receipts</b>

	<p><b>Finance</b></p> <p>Agriculture remains to be an important growth sector in the country. Agriculture is still the livelihood of the large population of the unbanked sector who mostly reside in the remote rural areas. To truly achieve an inclusive economy, farmers and other micro and small businesses must be given means to become more competitive and improve their enterprise which in turn will provide more jobs. Lack of financing is the common difficulty of MSMEs in growing their business or even to just remain afloat. This session will address this common challenge and the available financing means MSMEs may tap into using their personal properties they usually have.</p> <p><b>SESSION CHAIR: Atty. Anthony Abad, CEO, Trade Advisors</b></p>
3:15-3:50 p.m.	<p><b>Introductory Remarks by Session Chair</b></p>
3:20-4:15 p.m.	<p><b>Panel Discussion</b></p> <p><b>Ms. Edna Atienza</b> Executive Director, Agri Guarantee Fund Pool <i>“Status of Agricultural Lending “</i></p> <p><b>Mr. Anurag Mishra</b> Specialist Global Trade and Warehouse Finance Program International Finance Corporation</p> <p><b>Mr. Elmer Sarmiento,</b> President, Royal Cargo; Vice-President, Cold Storage Association of the Philippines</p> <p><b>Mr. Terence Uygongco</b> President, Negros Sugar Milling</p> <p><b>Mr. Lee Kheng Leung</b> Asia Chapter Director, FCI <i>“Growing the Business in Factoring”</i></p> <p><b>Ms. Zenaida Librea</b> Vice President, Asia United Bank</p> <p><b>Mr. Ben P. Evardone</b> Chairman, Committee on Banks &amp; Financial Intermediaries House of Representatives</p> <p><b>OPEN FORUM</b></p>
4:15 p.m.- 5:10 pm.	<hr/> <p><b><u>Session V : MSMEs Common Challenges</u></b></p> <p>This session will allow micro and small entrepreneurs discuss and share their stories on what their common challenges are, solutions and their</p>



	<p>insights on how to best help MSMEs access credit to fund their growth.</p> <p>Financial institution heads will be joining the discussion and talk about their vision and programs to solve MSME funding challenges.</p> <p>Session Chair:  <b>Mr. Antonio Pio De Roda</b> – Board of Director, Credit Information Corp. and Chair, IT Committee  Tech Start Up Mentor</p> <p><b>Ms. Fides Herrera Lim</b>      CSR, Gourmet Farms, Cordillera  <b>Mr. Rey Lapid</b>              Lapid's President  <b>Mr. Teodoro Ferrer</b>        Gernerika Founder and President</p> <p><b>Mr. Aya Laraya</b>              COO, Acudeen  <b>Dr. Jaime Aristotle Alip,</b> Chairman, Card MRI Bank</p>
<p>5:10 – 6:00 p.m.</p>	<p><b>Leaders' Commitments and Open Forum</b></p> <p><b>SESSION CHAIR: Mr. Roberto Tan,</b> President, Philippine Phils. Deposit &amp; Insurance Corporation  Former Treasurer of the Republic of the Phils.</p> <p>Different government agencies will be gather to present / share other activities and plans of their respective organizations to help push the implementation of the financial infrastructure reforms.</p> <p><b>Mr. Carlos R. Dominguez</b> Secretary, Department of Finance</p> <p><b>Senator Loren Legarda</b></p> <p><b>Senator Cynthia Villar</b></p> <p><b>Mr. Arthur Yap</b>              Representative, 3<sup>rd</sup> District of Bohol  Chairman, Committee on Economic Affairs  <b>Mr. Ramon Lopez</b>            Secretary, Department of Trade &amp; Industry</p> <p><b>Ms. Chuchi G. Fonacier</b> Deputy Governor for Supervision &amp; Examination Sector  Bangko Sentral ng Pilipinas</p> <p><b>Ms. Teresita Herbosa</b>        Chairperson  Securities and Exchange Commission</p> <p><b>Engr. Ariel Cayanan</b>        Undersecretary, Department of Agriculture  <b>Mr. Renato Bermejo</b>        Administrator, Land Registration Authority  <b>Mr. Jose Concepcion</b>        Presidential Adviser for Agripreneurship,  Founder, Go Negosyo</p>

5:55 – 6:00 p.m.	<b>Concluding Remarks from TBC, Department of Finance</b>
6:00 – 9:30 p.m.	<b>Dinner Reception</b> <b>Venue: PICC Banquet Hall</b>