

International Conference
“Asian Market Integration and Financial Innovation”



Session 1: Post-Crisis Regulatory Reform in Financial Markets and Its Implications for Asia

**Post-Crisis Regulatory Reform in Financial Markets
and Its Implications for Asia**

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abstract

Several lessons can be drawn from the last financial crisis in 2008/2009. These can be thematically grouped under the following categories: (i) misalignment of interests among players in the capital markets; (ii) infrastructural deficiencies in the over-the-counter (“OTC”) derivatives markets; and (iii) cross border resolution issues involving financial conglomerates. Considering the global reforms currently being implemented, Asia should be mindful not to adopt wholesale western solutions without carefully considering the suitability of such reforms given regional market characteristics. While regulatory reforms need to be implemented consistently, precise equivalence may not always be possible. Instead of only focusing on issues arising from the last crisis, Asia also needs to proactively look ahead at our region’s needs and challenges. For example, Asia needs to broaden and deepen its financial markets to better intermediate large capital inflows. This can be achieved to an extent through greater market integration. Various regional initiatives are currently in progress. For example, ASEAN regulators are currently working under the ASEAN Capital Markets Forum (“ACMF”) platform on the following: (i) mutual recognition of prospectuses; (ii) expedited review of secondary listings applications; and (iii) mutual recognition of collective investment schemes. From the industry, the ASEAN Exchanges are developing an ASEAN Trading Linkage to facilitate seamless cross border trading. Taken together, these initiatives are expected to facilitate greater market integration.