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ABA Announcements

Member Banks and Knowledge Partners to Present Papers at the ABA Policy Advocacy Committee Meeting

The online meeting of the ABA Policy Advocacy Committee on November 13, 2020 will feature presentations by experts from ABA member banks and Knowledge Partners of their papers focusing on specific policy issues of current concern to the banking industry in the region.

The experts include:

- Mr. Dilshan Rodrigo, COO of Hatton National Bank (HNB), will present a summary of the HNB paper sharing HNB's experience on process improvement and results, on how to overcome challenges in driving change (including people aspect), and on information and experience on digital banking infrastructure and solutioning
- Mr. Eugene Acevedo, President and CEO of Rizal Commercial Banking Corporation (RCBC), will present a paper on RCBC's experience in crisis and disaster preparedness and recovery efforts and results (e.g., how the Bank has managed challenges associated with the Corona virus, US-Iran escalation of tensions, natural disasters, etc.); (b) RCBC's experience on how to overcome challenges in achieving crisis and disaster preparedness and recovery (e.g., Business Continuity; (c) RCBC's Planning and Disaster Recovery Plan; and (d) information from both bank regulators and non-bank associations on their experience and best practices for crisis and disaster preparedness and recovery.
- Mr. Anna Batenkova, Sustainable Finance Engagement Manager, World Wide Fund for Nature (WWF) Singapore, will present a paper sharing: (a) WWF's efforts and initiatives to help achieve the UN Sustainable Development Goals (SDGs) (e.g., business ethics, employment policies, conservation of the environment, financial soundness, etc.); (b) WWW's experience in addressing challenges in implementing activities aligned with the SDGs; and (c) information and relevant materials from regulators and other pertinent organizations on their programs aimed at achieving the SDGs.
- Mr. Michael Foong, CEO International Malayan Banking Berhad (Maybank), will present a paper sharing: (a) Maybank's efforts and initiatives in collaborating with Fintech companies; (b) Maybank's experience in addressing and overcoming challenges in doing so (e.g., how to manage culture clash and achieve win-win outcomes); and (c) information on government policies and regulations aimed at promoting collaboration between banks and fintech companies
- Mr. Oliver Hoffmann, Managing Director, Head of Asia, Erste Group Bank AG will be requested to present a summary of a paper that: (a) provides an update on the LIBOR situation and its impact on banks' lending operations; (b) considers alternative benchmarks following the non-availability of LIBOR in 2021 and how banks can prepare for it; (c) identifies fundamental problems related to LIBOR (e.g., conflict of interests, low liquidity, and small volume of trade) and the current challenges and the potential solutions; and (d) formulates recommendations on how banks can face the transition away from LIBOR.
- A representative from The Bank of East Asia Ltd. will share information on: (a) activities aimed at information sharing and raising awareness about cyber risks and at encouraging good consumer practices; (b) activities of innovative banks in the area of cybersecurity;

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(c) cooperation among banks and other financial institutions, governments, and technical bodies to strengthen cyber security; (d) practices on continuing efforts to enhance adopted technology and cyber security; and (e) engagement from regulators across countries to facilitate more discussion on Cyber Security, Digital Banking, EKYC, and Compliance issues.

In addition to considering the above-mentioned papers, the Committee will also exchange views on possible issues for future policy advocacy work of ABA, followed by discussions.

The Policy Advocacy Committee was created by the ABA Board of Directors in 1999 to discuss, develop and advocate positions to be taken by the association on policy issues affecting its members and the banking industry in general.

Since its creation, the Committee has done considerable work in several areas, including (a) local currency bond market development; (b) the development of domestic credit rating agencies; (c) the Basel II Framework; (d) promoting regional convergence toward IFRS; (e) insolvency law and informal workouts; and (f) corporate governance; (g) financial inclusion and microfinance; (h) credit reporting systems; (i) global financial crisis, (j) lessons from the sovereign debt issue in Greece; (k) the Basel III Framework; (l) FATCA implications; (m) promoting financial literacy; (n) promoting organizational transformation; and o) Islamic banking. Through these, the ABA was able to make significant contributions to the work of regional and international policy-making and regulatory bodies.

Training and Education

ABA and Fintelekt conduct webinar on "Optimising AML Screening"

The Asian Bankers Association (ABA) successfully held a webinar on "Optimizing AML Screening" on September 9, 2020.

Organized jointly with its Knowledge Partner Fintelekt Advisory Services, the webinar provided participants from across Asia the opportunity to gain insights from industry experts Dayanand Prasad, Principal Officer of KYC and AML Compliance at Emirates NBD India; Douglas Wolfson, Director of Financial Crime Compliance – Asia at LexisNexis Risk Solutions in Hong Kong; and Vijay Gopaladesikan, Head of FCC Screening Product and List Management at Standard Chartered Bank, Singapore. Shirish Pathak, Fintelekt Managing Director, served as moderator.

The one-hour session focused on the following key discussion points:

1. Effectiveness and efficiency can be achieved together
2. Transaction screening can become more efficient by:
   - Considering the list of message types which are critical for screening and having a documented position on the choice of those messages for screening
   - Screening of domestic transactions where such markets are risky and risky and susceptible to financial crime, whether or not regulations mandate this
   - Defining the necessary watchlists for screening at the local or group levels and by jurisdiction
   - Narrowing down the fields within each message type that would contain the critical data for the purposes of screening – based on attributes and target watchlist entries
3. For name screening, institutions may consider the following:
   - Data available is usually more structured, however, the challenge in name screening is around

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volumes
- The key determinants are who should be screened for what types of lists, how often should the screening take place
- Targeted screening will help narrow down fields and number of records for screening
- By adding some fields, false positives on name matches can be reduced significantly – such as country or ID match.

4. Reducing False Positives
5. Straight-through Processing

A full recording of this webinar is available at https://www.fintelekt.com/webinar-on-optimizing-aml-screening/.

Industry Experts Lined up for Cybersecurity Webinar

The ABA webinar on "Strengthening Cybersecurity Preparedness for Banks" to be held on September 30, 2020 will gather cybersecurity experts from ABA member banks and other organizations to help participants explore how banks and financial institutions can find ways to protect their businesses from emerging cyber risks.

The webinar speakers who have agreed to join the webinar include the following:

- Jermy Prenio, Senior Advisor of Financial Stability Institute at Bank for International Settlements (BIS), who will talk on Cyber risk management strategy
- Alon Cliff Tavor, Partner, Digital, Oliver Wyman, who will present case studies of banks on how cyber risk vulnerabilities can be exposed
- Suresh Emmanuel, Chief Information Security Officer at Hatton National Bank who will speak on the CISO and its criticality in managing the bank's cyber related risk
- Brian Hansen, Executive Director of Asia Pacific Financial Services Information Sharing & Analysis Center, who will elaborate on Training and capacity building for staff and customers on cyber risks

- Michael Araneta, Head of Advisory and Research at IDC Financial Insights, who will share his views on the Pros and cons of cyber risk insurance
- Ross McNaughton, Chief Information Security Officer of Gulf Bank and Member of the Risk Committee of the Kuwait Banking Association, who will also talk about the pros and cons of cyber risk insurance

The webinar will be moderated by Mr. Eugene Acevedo, President and CEO of Rizal Commercial Banking Corporation from the Philippines.

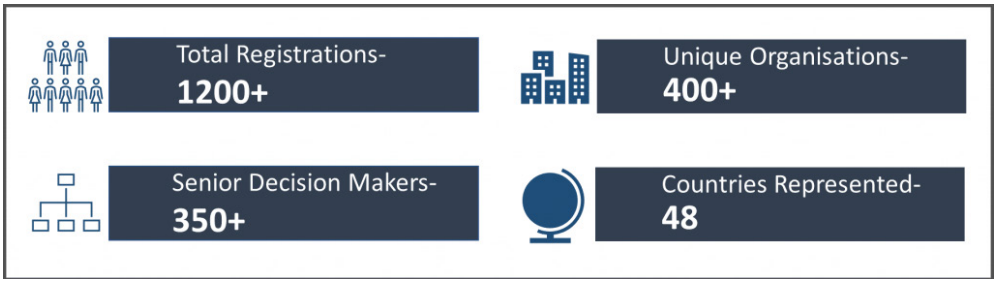
More details on the webinar will be sent to all members as soon as these are available and other relevant arrangements are finalized.

Training and Education

Key Takeaways from Asia AML/CFT 2nd Annual Summit 2020

Fintelekt's Asia AML/CFT 2nd Annual Summit 2020 was held virtually from July 20 to 24, 2020. The summit concluded with more than 1200 participants joining in from 48 countries in Asia and beyond.

Global AML/CFT experts shared their knowledge and insights with participants over the five days of the summit. A variety of topics pertaining to AML/CFT and financial crime were discussed, with the Covid-19 pandemic and its impact being the underlying theme through the discussions.



Some of the key themes/takeaways from the summit were as follows:

1. The impact of the Covid-19 pandemic on AML/CFT
   - Abu Hena Mohd Razee Hassan, Co-chair Asia Pacific Group on Money Laundering (APGML) and Head – Bangladesh Financial Intelligence Unit (BFIU), alerted participants to new risks and vulnerabilities during the Covid-19 pandemic and provided instances of responses by FIUs of several countries, including encouraging the use of digital identity and simplified due diligence in line with FATF recommendations.
   - On the impact of Covid-19 on financial institutions, Jermy Prenio, Senior Advisor, Financial Stability Institute, Bank for International Settlements said that the Covid-19 experience will most likely accelerate the trend towards digitalisation of financial services. He also added that the current situation demands an enhanced focus on cyber resilience and AML by financial institutions.
2. Regulators are demanding greater effectiveness
   - Regulators are expecting greater effectiveness in the AML/CFT process on the basis of outcomes and not just outputs. Hari Kumar Nepal, Deputy Director, Nepal Rastra Bank & AML Cell, Ministry of Finance Nepal strongly advocated a risk-based approach to AML/CFT by financial institutions and a culture of compliance that is promoted by the top management.
   - Supranee Satitchaicharoen, Director of International Cooperation Division, Anti-Money Laundering Office, Thailand emphasized that to improve the effectiveness and quality of STRs, reporting entities must improve transaction analytic skills, ensure effective resource allocation and focus on up-to-date IT systems and software to support compliance. From the perspective of FIUs, the important elements are regular outreach, dissemination of knowledge, feedback and communication.
3. Financial Intelligence/Informing Sharing Partnerships (FISPs) coming of age
   - Mariano Federici, Vice President, K2 Intelligence, Financial Integrity Network explained how Financial intelligence/information sharing partnerships (FISPs) allow public private dialogue on financial crime threats towards building a common understanding of risks, threats and vulnerabilities affecting the national AML/CFT system.
   - FISPs aim to develop better typologies and red flag

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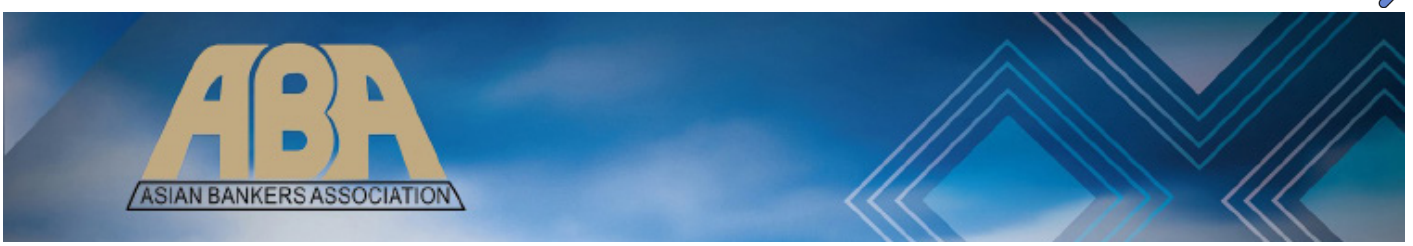
indicators and can help to advance investigations and share operational intelligence for more effective ongoing investigations. Overall, they can enhance the quality of reporting, improve the expertise of all involved partners and provide more agility to respond to the fast-changing ML/TF threat environment.

4. AML risks from digital assets
   - Russell Wilson, Non-Executive Director, Transparency International Australia, Special Counsel Maddocks & Former General Counsel, AUSTRAC spoke on the theme of AMl risks from virtual assets. Virtual assets and related regulatory expectations are evolving differently in different countries. The instant, non-face-to-face, cross-jurisdictional character and pseudonymity makes virtual asset transactions risky from an AML/CFT perspective. The FATF once again advocates a risk-based approach when assessing the risks associated for regulators as well as financial institutions. In particular the guidance states that Virtual Asset Service Providers (VASPs) that engage in virtual asset transactions should obtain, hold and maintain customer information. Where the transaction is riskier, enhanced due diligence is recommended. Going forward, countries should have in place relevant channels for sharing information to support the identification and sanctioning of unlicensed/unregistered virtual asset service providers to mitigate risks.
5. A case for investing in Digital Identities
   - Hala Bou Alwan, Founder & CEO, HBA Consultancy provided a run-down on recent FATF guidelines around countering terrorist financing, ultimate beneficial ownership, illegal wildlife trade, virtual assets, digital identity and risk-based approach. Hala explained that leveraging the use of digital identity through a risk-based approach has a number of benefits including facilitating customer due diligence measures, aiding transaction monitoring and moving towards greater financial inclusion.
6. Counter Terrorism Financing responses need strengthening
   - Tom Keatinge, Director, Centre for Financial Crime and Security Studies, Royal United Services Institute (RUSI) stressed that the role of financial intelligence in countering terrorism financing has been underemphasised and guidelines by the UNSC and FATF remain poorly implemented and are currently 'one-dimensional'.
   - He recommends that financial instutitions adequately assess terrorism financing risks and tailor CFT responses to the appropriate risk assessment. Ultimately, there is a need to move to a more sophisticated global framework for combating CFT and the use of finance and related intelligence as a tool to fight terrorism.
7. Human trafficking is not a one-off offense
   - Notable recent AML enforcement actions against global corporations that involve human trafficking allegations potentially signal a shift in law enforcement practices and incentivize companies and financial institutions to tackle AML and HT in a multi faceted manner, said Archana Kotecha, Asia Region Director and Head of Legal, Liberty Shared, Hong Kong. Human trafficking is a "basket" of crimes that involves the sale and purchase of human beings, abduction, illegal confinement, criminal intimidation, battery, sexual assault, servitude, etc. and must not be considered as a single offence. It is important that the financial sector's understanding of modern slavery and human trafficking risks in different places, sectors and populations is strengthened in order to combat these crimes.
8. Regtech adoption trends
   - Guy Sheppard, Head of Asia-Pacific Financial Crime, Intelligence and Cyber, SWIFT made a comprehensive presentation on the evolving regulatory technology (regtech) landscape. According to him, the impact of Covid-19 has accelerated innovation and has brought a paradigm shift in social interaction and customer touch-points, including an acceptance of digital on-boarding. However, challenges such as changing criminal typologies, data privacy restrictions, global recession and a failure rate in fintech/regtech may likely lead to a setback in the process of regtech adoption.
   - Robin Lee, Vice President – APAC, Napier Technologies explains that some of the emerging



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technologies such as cloud, APIs, big data analytics, artificial intelligence and UI/UX focus and tools provide significant advantages for banks and financial institutions and will help them to effectively apply a risk-based approach going forward.

9. Dealing with cryptoassets
   - According to Liat Shetret, Senior Advisor, Crypto Policy and Regulation, Elliptic, the points of exposure that banks have to cryptoassets, include wire transfers, credit or debit card usage, merchant account transactions, depositing cash from Bitcoin ATMs, gift cards, etc. She recommends a risk-based approach that assesses the exposure to these touch points, evaluates the financial crime and ML/TF/ sanctions threats and uses appropriate responses such as updating policies and procedures, monitoring solutions and data analytics.
10. Sanctions Compliance
    - Jonathan Rogerson, Director – APAC South, Accuity provided an overview of trends and complexities involved in the sanctions environment, especially trade sanctions. Data by Accuity show that sanctions targets have increased 40% since 2014. The Covid-19 pandemic has not had a tangible impact on regulatory activity in the area of sanctions. Coping with this constant change requires robust operating processes, up-to-date information and the best enhancements.
    - Ravi Amin, Subject Matter Expert, Trade Compliance Specialist, IHS Markit suggests complimenting trade screening with checks on shippers, consignees and companies across all trade documents.
    - Nicholas Turner, Of Counsel, Steptoe & Johnson covered recent developments around economic sanctions in Iran, Venezuela, North Korea and China/ Hong Kong including additions to the Specially Designated Nationals (SDNs) list. He discussed the increasing use of secondary sanctions by the U.S. that apply to specific activities and significant transactions and do not require the involvement of a U.S. element, unlike primary sanctions.
11. Ultimate Beneficial Ownership identification
    - Measures to prevent misuse of legal persons for ML/TF include understanding the risks and putting in place robust measures to ensure accuracy, adequacy and timeliness of beneficial ownership information.
    - Theresa Karunakaran, Director Compliance – Regulatory Affairs, Deutsche Bank proposed that to build a strong and effective framework for UBO idenfication, there is a need for concerted action by Banks, FIs, Regulators and Governments. risk assessment, robust regulatory and legal framework, clearly defined disclosure rules & regulations, reliable and authenticated data, use of technology and enforcement action where needed will be the basic requirements.
    - Moran Harari, Senior Researcher at the Tax Justice Network made a presentation on a very relevant and useful tool – the Financial Secrecy Index by the Tax Justice Network – for assessing beneficial ownership registration. The tool can be used by the private sector for customer due diligence risk assessment, internal data risk systems and geographical risk analysis and to prioritise the assessment of suspicious transactions.
12. Importance of a sound business compliance culture
    - Manish Bhandari, Principal Officer AML/CFT/ Sanctions Compliance, ICICI Bank explained the importance of a sound compliance culture and its contribution in making the organization strong, resilient and disciplined to enjoy the benefits of sustained growth and customer confidence.
13. AML risks from Correspondent Banking
    - Mohammad Habibur Rahman, Vice President and Head of Financial Institutions (FI), Islami Bank Bangladesh made a presentation on correspondent banking. Though correspondent banking is considered as a high-risk business, FATF suggests that correspondent banks apply a risk-based approach to categorise the risks of respondent banks.
14. Importance of Periodical KYC Reviews
    - Digitalisation is leading to a lower number of touch points with the customer. Sagar Tanna, Co-Founder, TSS Consultancy stressed that not only are periodic KYC reviews important, but also that they can be done in a way that does not compromise on customer satisfaction.

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Upcoming Fintelekt Webinars for October and December

Fintelekt Advisory Services, a Knowledge Partner of ABA, is set to hold more online events in the coming months. This includes a webinar series on Illicit Gold Trade, organized jointly with Global Financial Integrity, a non-profit, Washington, DC-based research and advisory organization.

The two-part series will explore issues in gold trafficking as a key money laundering and financing tool for criminal groups and sanctions evasion. The series will look at the illicit gold trade through India, Singapore, the African continent and the role of commodity trading hubs like Dubai, South Korea and Switzerland and its impact on the Indian financial system.

Part One, entitled 'Illicit Gold Trade and Using Trade Data and Financial Tools to Fight Money Laundering and Transnational Organized Crime' is slated for October 14, 2020, 11.00 AM to 12.00 noon Indian standard time. It will look at the use of trade data and other financial tools to examine how the illicit trade in gold can be more effectively understood and tracked. Through a combination of the country and company level export data, the webinar will show investigative techniques to identify TBML risks, as well as other red flag indicators of heightened money laundering risks.

Part Two – Illicit Gold Trade and TBML Policy Options, will be held on October 21, 2020, from 11.00 AM to 12.00 noon Indian standard time. The second part of the webinar will discuss the policy options for the Indian government and the private sector to address the risks of TBML in the illicit gold trade and the effectiveness of ongoing policy measures.

Fintelekt will also be jointly conducting a webinar on AML Governance with ABA on December 2, 2020, at 11:00am India standard time. Key issues to be discussed include:

- Governance framework
- Roles and responsibilities
- Independent risk assessment
- Establishing tone from the top

More information will be released once it is available.

News Updates

ADB to Hold Virtual Annual Meeting 2020

The Asian Development Bank (ADB) will hold the second stage of its 53rd Annual Meeting as a virtual event on September 17 to 18 to discuss the path forward for Asia and the Pacific in the midst of the pandemic.

This year's ADB Annual Meeting is open to the public, with a series of webinars featuring finance and health ministers, development and industry experts, and ADB Management as they explore the many issues and challenges facing the region as it responds to the COVID-19 crisis. Pre-registration is not

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required to attend the events unless it is stated as "by invitation."

There will be eight open sessions in all, which will be livestreamed, including two pre-AM sessions on September 16:

- ***Asian Development Bank Institute Webinar: Economic Impacts of COVID-19 in Asia, September 16, 9:00 am to 12:00 pm (Manila Time, GMT +8)***
  Micro, small, and medium-sized enterprises—together with households—will bear the brunt of the negative impacts of the COVID-19 pandemic. This side event will present the results of the latest survey work by the Asian Development Bank and the Asian Development Bank Institute (ADBI) to assess these impacts.
- ***Asian Development Bank Institute and Center for Strategic International Studies (ADB-CSIS) Webinar: Protecting Aging Societies in Asia from the COVID-19 Pandemic, September 16, 1:00 pm to 2:45 pm (Manila Time, GMT +8)***
  The COVID-19 pandemic draws attention to the urgency of protecting aging societies in Asia from social and economic challenges caused by health, economic, and humanitarian crises. Without comprehensive frameworks, elderly people's livelihoods will be in jeopardy as they lack the savings, pension funds, access to healthcare, and safety nets to fall back on after retirement. This seminar elaborates on these critical topics.
- ***Achieving the Sustainable Development Goals by Strengthening Domestic Resource Mobilization and International Tax Cooperation, September 17, 9:00 am to 10:30 am (Manila Time, GMT +8)***
  ADB's developing members face increasing pressure to raise tax revenues to achieve the Sustainable Development Goals. ADB President Masatsugu Asakawa will discuss with representatives from developing member countries and development partners how their collaborative efforts can help address challenges in domestic resource mobilization and international tax cooperation.
- ***Joint Ministers of Finance and Health Symposium on Universal Health Coverage in Asia and the Pacific: COVID-19 and Beyond, September 17, 11:00 am to 12:35 pm (Manila Time, GMT +8)***
  In the midst of the pandemic, countries must take urgent action to scale up effective approaches to achieve universal health coverage (UHC) so that all people can access quality health services without experiencing unnecessary financial hardship. ADB, the Government of Japan, and the World Health Organization jointly host this seminar that will bring together finance and health ministers to discuss accelerating progress toward UHC in Asia and the Pacific.
- ***Regional Cooperation in the Time of COVID-19: Lessons Learned and Way Forward, September 17, 3:00 pm to 5:00 pm (Manila Time, GMT +8)***
  What lessons can be learned from the historical silk road about regional cooperation, especially during crisis times? This session aims to highlight the benefits of regional cooperation in reviving and fostering economic growth in a post-COVID environment. It will discuss the potential role of regional cooperation platforms, such as the Central Asia Regional Economic Cooperation (CAREC) program, in building resilience to future crisis.
- ***CNBC Debate: Resetting Asia: Technology, Investment, and Sustainability, September 18, 8:45 am to 9:45 am (Manila Time, GMT +8)***
  The COVID-19 pandemic is reshaping economies across Asia and the Pacific. The CNBC Debate asks: what role can technology play in propelling Asia's comeback while embracing the need to focus on sustainability? How can technology be used to make recovery faster and inclusive? What hazards and pitfalls need to be avoided? How can the private sector, government, and multilateral institutions ensure that this recovery is sustainable and inclusive?
- ***Governors' Second Business Session, September 18, 2:00 pm to 2:45 pm (Manila Time, GMT +8)***
  The business session of the Board of Governors on 18 September follows the first session held on 22 May. Governors will consider the remaining agenda items and conclude the meeting.
- ***Governors' Seminar: Developing Asia Beyond the Pandemic, September 18, 3:30 pm to 5:00 pm (Manila Time, GMT+8)***
  Governments in Asia and the Pacific responded decisively to the crisis but now must get their economies on track while grappling with the constraints of the "new normal." Join a distinguished panel as they explore policies for crisis response, safe reopening, inclusive recovery, and future resilience.

News Updates

Fed's Strategy Shift to Bind Big Central Banks from Frankfurt to Tokyo

The US Federal Reserve Building (AgnosticPreachersKid / Wikimedia Commons CC 3.0)T

The U.S. Federal Reserve's landmark shift to a more tolerant stance on inflation will be a drag on the dollar for years and will raise hard questions about the role of central banking, challenging policymakers from Frankfurt to Tokyo.

On the face of it, the Fed's policy tweak, unveiled on August 27, appears tailored to giving the U.S. economy a shot in the arm. A shift to average inflation targeting lets the Fed overshoot its target after downturns, indicating that rate hikes will come later and the jobs market will be allowed to run hotter, a boon to low-income families.

But this creates two headaches for global central banks.

Such a reinterpretation of the Fed's mandate could be seen as a foray into social policy, a vital precedent for others as they reexamine their own roles after years of unconventional moves that already impact wealth and income distribution.

The second, more immediate concern will be the dollar's weakness, which hurts exporters from Europe to Asia. A strong euro EUR= will make it more difficult for exporting nations in the euro zone to climb out of their deepest recession in living memory.

Countries like Germany and France, or Japan, traditionally generate growth from net exports, which take a hit when their currencies firm. And this firming merely compounds their problem as trade wars between the United States and some of its key trade partners are already weighing on exports.

The US Dollar Index (DXY) has already weakened by over 10% against a basket of currencies since mid-March to a more than two-year low, prompting European Central Bank (ECB) chief economist Philip Lane to warn last week that the exchange rate mattered, even if the ECB didn't target it.

Indeed, some economists say that the current exchange rate could already deduct 0.2%-0.4% from euro zone growth and analysts polled by Reuters see more dollar weakness.

Normally this would not be too difficult to counter but the ECB and the Bank of Japan are both close to the limits of ultra-easy policy.

Both have cut rates into negative territory and yields are already negative for much of the curve. Both banks also face some domestic opposition to more easing, making further moves politically complicated.

Some economists argue that the ECB should simply shift to a similarly flexible target as part of its own ongoing policy review. But markets price no rate hike at all during Christine Lagarde's eight-year term atop the bank, so a suggestion that policy tightening would be even further pushed out raises credibility issues.

The Fed's now explicit aim to help low-income families is another complication as it elevates the role of the bank in social policy and could be seen as a sort of reinterpretation of its mandate.

Still, some argue that the Fed's shift will prove to be benign. Lower dollar rates will cut funding costs in emerging markets, accelerating growth and providing a bigger market for exports. And letting U.S. inflation run higher now, will raise both long term rates and inflation expectations, making it easier to normalize policy after years of extraordinary accommodation.

These may prove to be true, but that will not be evident for years to come. And until then, central banks must deal with a weaker dollar.

Reuters

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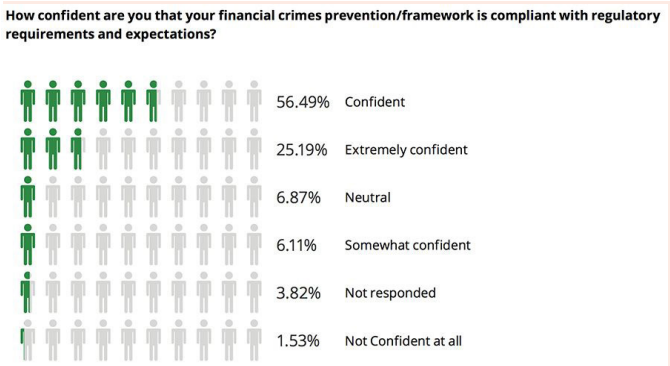
Deloitte: The State of Anti-Money Laundering (AML) in South Asia



While more than 80% believe themselves to be compliant with anti-money laundering (AML) standards, most banks and financial institutions in South Asia find the growing complexity of the compliance landscape to be somewhat overwhelming.

Professional services network Deloitte drew more than 120 responses from leading banks and financial institutions across India, Sri Lanka and Bangladesh to gauge their capacity to deal with the growing menace of money laundering. According to their report, anywhere between 2% and 5% of the global GDP is laundered every year, amounting to $800 billion at the very least and $2 trillion at most.

Additionally, the digitalisation of finance – spanning payments, investments and banking procedures – has opened a whole set of new avenues to dodge regulations, making life tougher for banks and financial institutions that are obligated to mitigate money laundering.

For many in the financial sector, every effort is being made for compliance. Indeed, more than 80% of respondents to the Deloitte report indicate that their financial crimes prevention framework is compliant with regulatory requirements and expectations. That being said, most feel that staying compliant is becoming an increasingly mounting challenge.

Money laundering is always a looming threat. However, the majority of banks and financial institutions report that the biggest challenge to AML compliance is meeting the droves of new regulatory conditions that are emerging. For one, organisations simply lack the capacity to deal with this volume of regulation.

Examining the AML landscape in Asia back in 2018, Alvarez & Marsal's Director for AML and Counter Terrorism Finance in Asia placed human capital at the centre of managing the complex money laundering minefield. According to Deloitte's report, well over half of all banks and financials in Asia report a shortage of adequately trained AML professionals, signaling a key gap in compliance frameworks in the region.

This scenario is made even more complex by regulatory requirements that vary across jurisdictions. In an age of hyper interconnectedness, banks can assume that their customers will be engaged across several jurisdictions, putting the unique regulatory requirement of each area on their ever-expanding mandate.

One solution to this scenario is investing in regulation technology (RegTech), which sifts through large volumes of data to identify anomalies. Not everyone has access to the latest in RegTech, however, and the lack of sufficient technology in itself is among the biggest challenge for many players in the financial services industry.

Those who do manage to invest in RegTech struggle with the technology's reliability. Artificial intelligence (AI) deployed to detect violations creates an alert at the slightest blip, throwing up a flurry of false positives. For Deloitte, this scenario of complex challenges translates into the need for strategic investments to improve compliance systems.

KV Karthik, partner at Deloitte's Forensic practice, pointed out that a more customer focused due diligence is among the chief requirements going forth: "Such an approach that provides a comprehensive view of customers and transactions can make it difficult for criminals to exploit gaps between business systems, databases and countries."

Respondents to Deloitte's survey appear to agree with this assessment, with nearly two-thirds putting customer due diligence as a key focus for AML compliance in the next two years. Efficiency and sustainability of control mechanisms are also at the top of the priority list for the next two years, while a significant chunk also plan to invest on the tech and human capital side of things. Investments and AI and AML training, more specifically, are on the agenda.

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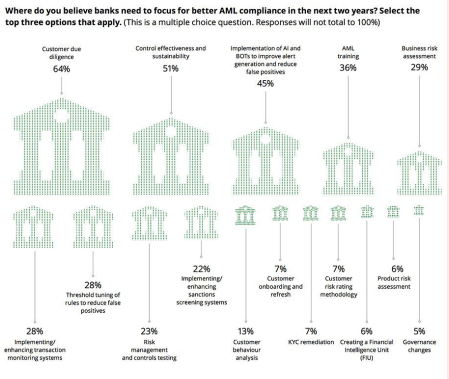


Other areas that according to the respondents need attention are: Business risk assessment; transaction monitoring systems; threshold tuning to minimise false positives; controls testing; and implementing sanctions screening systems. To Karthik, this signals a more comprehensive approach to AML compliance, including more effective technology in the sphere.

"Regulators today expect banks to have a consolidated view of customer transactions across businesses and jurisdictions, to identify any unusual transactions and behaviours, or potential sanctions violations. The current technology frameworks may pose a challenge to doing that and banks need to take a strategic and longer-term view of technology investments," he concluded.

Consultancy Asia

IMF says COVID Crisis 'Far from Over', More Support Needed

The International Monetary Fund on September 9 warned that the coronavirus crisis was "far from over" and underscored the need for multilateral cooperation to ensure adequate supplies once a vaccine is developed.

In an essay published in Foreign Policy magazine, IMF Managing Director Kristalina Georgieva and chief economist Gita Gopinath said the ongoing economic recovery from the crisis was the result of the rapid implementation and unprecedented scale of government and central bank support, but more efforts would be needed.

"The recovery remains very fragile and uneven across regions and sectors. To ensure that the recovery continues, it is essential that support not be prematurely withdrawn," the two economists wrote in the essay.

IMF Managing Director Kristalina Georgieva (Wikimedia Commons)

Covid-19, the disease caused by the new coronavirus, has killed 900,000 worldwide and the IMF estimates the total cost of the crisis will reach US$12 trillion (S$16.40 trillion) by the end of 2021, with low-income countries likely to need continued support.

The IMF has provided emergency funding to 75 countries, including 47 low-income countries, and said it was ready to provide further support to a wider range of middle-income countries.

In addition to supporting workers and businesses, and investing to arrest global warming and reverse rising inequality, the IMF leaders said governments must cooperate internationally to bring the health crisis to an end.

As of September 8, at least 128 vaccines were under development, and 37 had reached human trials, they wrote, forecasting a 90% chance of developing a successful product. But global cooperation was needed to ensure timely production, adequate supplies for all countries - regardless of their financial means - and equitable distribution.

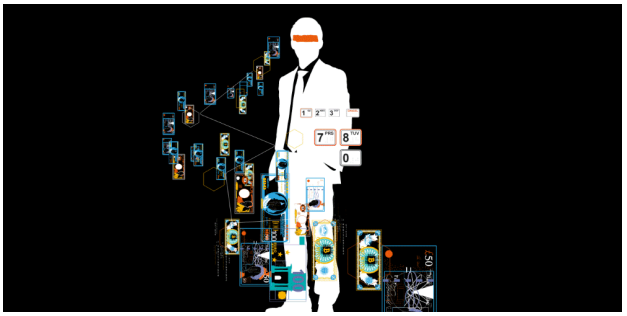
The IMF officials lauded creation of Covax, a global Covid-19 vaccine allocation plan co-led by the World Health Organisation that is backed by 76 rich countries, but not the United States. "Globally synchronised, equitable vaccine distribution is in every country's interest," they wrote.

"An uneven rollout might improve economic conditions in countries that secured the vaccine first, but would not shield them from weak demand from trade partners struggling to recover without a vaccine."

Reuters

News Updates

Money from Bank Hacks Rarely gets Laundered Through Cryptocurrencies



Despite being considered a cybercrime haven, cryptocurrencies play a very small role in laundering funds obtained from bank hacks, the SWIFT financial organization said in a report last week.

"Identified cases of laundering through cryptocurrencies remain relatively small compared to the volumes of cash laundered through traditional methods," said SWIFT, the organization that runs the SWIFT inter-bank messaging system used by almost all banks across the world to wire funds across borders. These traditional methods include the use of money mules, front companies, cash businesses, and investments back into other forms of crime, such as drug trade or human trafficking.

SWIFT said that incidents where hackers laundered money via cryptocurrencies have been rare and far between.

One example listed in the organization's report is the case of a criminal gang who performed an ATM cashout attack. SWIFT says the gang converted the stolen cash funds into cryptocurrency rather than use money mules to buy and re-sale expensive products with the stolen cash.

Another example is an Eastern European gang who set up their own bitcoin farm in East Asia. They used funds stolen from banks to operate the farm, generate bitcoin, and then spent the minted bitcoin in Western Europe.

The Lazarus Group, a group of hackers operating for the benefit of the North Korean government, also used cryptocurrency to launder stolen bank funds. The group stole money from banks, converted it into cryptocurrency, moved the crypto-assets across different exchanges to hide its origin, and then converted them back into fiat currency and had it sent to North Korea.

SWIFT also said it seen "some cases" where hackers used stolen bank funds to buy and load prepaid cryptocurrency cards with funds. These are real debit cards that can store cryptocurrency instead of real (fiat) money. They can be used with special ATMs to withdraw cryptocurrency back into fiat currency, or for real-world card transactions.

But SWIFT says these are only edge cases when compared to the number of incidents and the volume of stolen funds that are being laundered through traditional methods.

Nevertheless, SWIFT believes that the use of cryptocurrency for laundering stolen bank funds will rise in the future. Favorable factors include the growing number of altcoins (alternative cryptocurrencies) that have recently launched and which focus on providing full transaction anonymity.

In addition, criminals are also increasingly seen using services like mixers and tumblers that obscure the source of cryptocurrency transactions by blending stolen/laundered funds with large amounts of other legitimate transactions.

SWIFT also warns about the emergence of online marketplaces where users can sign up with nothing but an email address — hiding their identities — and then purchase high-end products, land, and real-estate assets across the world, from expensive watches and gold bars to luxury penthouses and tropical islands.

These factors provide increased anonymity to criminal groups that traditional methods can never provide, and the reason why SWIFT believes more groups will eventually adopt cryptocurrencies to launder stolen bank funds.

For the time being, however, most stolen bank funds are being laundered through tried and tested techniques that have advanced over time. SWIFT highlighted the ingenuity of some of these money laundering tactics, which can be read in detail in its "Follow The Money" report.

ZDNet

News Updates

Asia Wealth Management hits Snag with Bankers Stuck at Home

Photo: Getty Images

Private bankers in Hong Kong and Singapore had their wings clipped by the pandemic, thwarting their pursuit of millionaires scattered across a region where wealth is growing faster than anywhere else.

For most of the year, relationship managers in two of the world's largest centers for cross-border money management haven't been able to freely travel to China and around Southeast Asia to meet new prospects and verify ownership of private yachts, property and more. They've focused instead on a trading boom among existing clients.

But the shrinking pipeline is an increasing worry as Covid-19 flareups in the region keep them largely grounded, say executives and relationship managers. Already, the likes of UBS Group AG and JPMorgan Chase & Co. have seen the growth of new money in Asia take a hit. And while regulators are easing rules that typically require in-person meetings and on-site visits, banks are still catching up with digitisation and some bankers are reluctant to step away from the traditional checks.

"The challenge is the majority of private bankers' business in Asia is coming from offshore," said Benjamin Quinlan, chief executive officer of Quinlan & Associates, a strategy consultant in Hong Kong. "To service clients from another country, you need some physical travel."

More than half of the assets managed in Hong Kong and Singapore are drawn from outside the two hubs. New relationships for private bankers are often nurtured over months of meetings. On top of that come the regulatory requirements to prove client identities and verify sources of their wealth.

Within the wealth business of UBS, Asia contributed just US$200 million to its US$9.2 billion net new money in the second quarter, down from US$1.1 billion a year earlier. But the region was still its second biggest in terms of profits, buoyed by trading. JPMorgan's number of new private banking clients in Asia dropped more than 10% in the first half from a year earlier, even as brokerage activity increased more than 50%.

A Shanghai-based executive at a Chinese wealth manager, who asked not to be named discussing a private matter, said new offshore clients fell more than 30% in the first half from a year earlier. A Singapore-based regional head for a European private bank said he hasn't been able to bring in any new customers since February.

Private banks require anything from US$1 million to more than US$10 million to be parked with them, and Asia is fertile ground for that kind of cash. Financial wealth in the region, excluding Japan, has grown 10.8% annually since 2009, almost double the global rate, according to a report by Boston Consulting Group. It's seen growing 5.1% to 7.4% annually until 2024, clocking the fastest pace in the world, the report said.

"The second half is going to be critical," said Kam Shing Kwang, chief executive officer of JPMorgan's Asia private bank. "We're learning to adapt to this new world because not everything has to come to a halt."

Some banks are faring better, in particular those with extensive local networks -- often via their retail presence or through partnerships. Bank of Singapore, which oversees US$113 billion in wealth assets, reported a rise in assets of US$9 billion in the second quarter, both from new assets and market gains.

Getting existing clients to add more cash amid resurgent markets has also provided a cushion to the difficulties in wooing new clients. Credit Suisse Group AG saw net new assets in its Asian private banking business swell by 80% in the second quarter after the trading boom.

UBS has accelerated its digital push as transactions on its e-trading platform in Asia rose fourfold from December to June, a Hong Kong-based spokeswoman said in an email. More than 50% of its equity trades in the region are now executed through the online platform.

Bloomberg

News Updates

Joint Communique of the 53rd ASEAN Foreign Ministers' Meeting

The Foreign Ministers of the Association of Southeast Asian Nations (ASEAN), met on September 9, 2020 at the 53rd ASEAN Foreign Ministers' Meeting (AMM), which was conducted via videoconference under the chairmanship of Vietnamese Minister of Foreign Affairs Pham Binh Minh.

According to a joint communique issued after the meeting, the ministers acknowledged that the COVID-19 pandemic has caused a severe and multidimensional impact on the region. Even so, they expressed optimism that ASEAN Community building efforts will continue, and underscored the need for ASEAN to uphold the spirit of a cohesive and responsive ASEAN Community. This is to further strengthen cooperation and advance partnerships, and ensure resilience and sustainable development in Southeast Asia and beyond.

The communique touched upon all aspects, from community building to responding to the current pandemic, to regional economic development and external affairs.

Addressing the pandemic response, the Foreign Ministers agreed to continue to implement the initiatives and priorities for the year, promote cooperation, and prepare a comprehensive post-pandemic recovery plan.

On the human rights front, they welcomed and adopted the five-year Work Plan (2021-2025) of the ASEAN Intergovernmental Commission on Human Rights (AICHR) and the AICHR Priority Programme in 2021.

Regarding external relations, they recommended conducting the ASEAN - Australia Summit annually. They noted the good progress made on several Sectoral Dialogue Partnerships, and welcomed Italy and France becoming Developmental Partners to ASEAN. They also approved measures to improve the ASEAN Regional Forum (ARF) working methods.

Discussing regional and international issues of common concern, the ministers reaffirmed the importance of maintaining and promoting peace, stability, security, safety and freedom of navigation in the East Sea. They agreed that ASEAN should hold onto its principled position, emphasizing peaceful settlement of all disputes in accordance with the principles of international law, including the 1982 UNCLOS.

Participants also reiterated the importance of full and effective implementing the Declaration on the Conduct of Parties in the East Sea (DOC), and striving to build an effective, substantive Code of Conduct in the East Sea (COC). They agreed that ASEAN needs to continue efforts to jointly deal with non-traditional security challenges such as terrorism, transnational crime, maritime security and safety, climate change, and epidemics.

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Global Dividend Plunge to be Worst since Financial Crisis

The coronavirus crisis will see the world's biggest firms slash dividend payouts between 17-23% this year or what could be as much US$400 billion, a new report has shown, although sectors such as tech are fighting the trend.

Global dividend payments plunged US$108 billion to US$382 billion in the second quarter of the year, fund manager Janus Henderson has calculated, equating to a 22% year-on-year drop which will be the worst since at least 2009.

All regions saw lower payouts except North America, where Canadian payments proved to be resilient. Worldwide, 27% of firms cut their dividends, while worst affected Europe saw more than half do so and two thirds of those cancel them outright.

"2020 will see the worst outcome for global dividends since the global financial crisis," Janus Henderson said in a report published on August 24. "We now expect headline global dividends to fall 17% in a best-case scenario, paying US$1.18 trillion ... Our worst-case scenario could see payouts drop 23% to US$1.10 trillion."

A breakdown of the various sectors showed some big differences too. Banks and other financial firms that have been ordered by the European Central Bank to stop paying dividends accounted for half of the 45% reduction in Europe's Q2 dividend drop to US$77 billion.

Miners and oil firms were hit badly by the broad slump in commodity prices and consumer discretionary companies saw their operations hard hit by government lockdowns too, resulting in much lower payments.

In contrast, tech and telecoms and healthcare firms' dividends were relatively unaffected, with dividends up 1.8% and 0.1% respectively on an underlying basis.

That big tech resilience has also helped Microsoft and Apple power their way into the top ten of world dividend payers for the first time this year. That list is still topped by Nestle.

"Dividend trends are reflecting the trends in society and the stock market at the moment," said Janus Henderson's head of global equity income, Ben Lofthouse.

"Probably we are going to see increases from parts of the tech sector," he added. "There are a lot of very strong balance sheets in that area."

Going forward, he said, some key factors will determine how strong the recovery in dividends will be. The most obvious is the path of the coronavirus, but there are also what US firms do later this year and whether Europe's banks get the green light early next year to restart their payments.

"The big question for the US is what will happen in the fourth quarter. If many companies make significant cuts to their dividends, payouts will be fixed at a lower level until towards the end of 2021."

Reuters

Latin America sends a lot of cryptocurrency to Asia, and vice versa

New York-based blockchain analytics firm Chainalysis has published new research highlighting that there have been up to 200,000 crypto transactions in the past year — worth more than $1 billion — between Latin America and Asia.

The study, "Latin America Mitigates Economic Turbulence with Cryptocurrency," analyzed crypto trends in Latin America between July 2019 and June 2020, and shows that banking access issues and the need for remittances are driving unique patterns of cryptocurrency usage, especially in cross-border commercial-related transactions.

While North America and Western Europe are the biggest source of fiat remittances to Latin America,

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East Asia transactions lead the way in the volume of crypto transactions. Many of those payments are commercial transactions between Asia-based exporters and Latin American companies.

Speaking with Cointelegraph, Kim Grauer, head of research at Chainalysis, said the company was unable to point to one single driving factor as there are differences across Latin America among the different countries, with different political and banking systems.

"What we can say: the use of P2P exchanges is a key service for adoption in Venezuela, a large professional market drives adoption in Brazil, and a substantial commercial market drives adoption among Argentina, Paraguay, and Brazil as they trade goods, often imported from China."

The study quotes Luis Pomata, co-founder of the Paraguay-based exchange Cripex, who said that banks in Paraguay are worried about money laundering "and picky with who they'll work with." That's why the banking application process is "long and difficult," adds Pomata, because many companies are rejected by the banks.

Chainalysis clarifies that "many individuals" are also unable to get bank accounts in Latin America, helping to boost crypto adoption in the region.

In July, Bitso, one of the biggest cryptocurrency exchanges in Latin America, hit 1 million users prior to its launch in Brazil. According to Santiago Alvarado, director of cross-border payments at Bitso, the exchange's success in Argentina is connected with extraordinary crypto activity and an increased demand for cross-border payments in the local market.

Coin Telegraph

Asian Economies to Contract in 2020 for First Time Since 60s: ADB

Coronavirus-ravaged economies across the Asian Pacific will contract this year for the first time since the early 1960s, and a "swoosh-shaped" recovery next year could be derailed by a prolonged pandemic, the Asian Development Bank forecast on September 15.

Developing Asia, which groups 45 countries in the Asia-Pacific region - stretching from the Cook Islands in the Pacific to Kazakhstan in Central Asia - is expected to contract by 0.7% in 2020, marking the first negative quarterly figure since 1962, and throwing tens of millions of people into poverty, the Manila-based organisation said.

In June, it estimated economies would expand 0.1%. "The downturn is across the board, with almost three-fourths of regional economies projected to contract - the largest such share in the past six decades," the bank said in the latest update to its outlook.

While the vast region is expected to bounce back next year, with gross domestic product (GDP) projected to grow 6.8%, it will be "substantially smaller" than forecast before COVID-19 struck.

"The regional recovery will be L-shaped or 'swoosh-shaped' rather than V-shaped," the bank said, noting a prolonged pandemic was the main threat to the outlook.

The bank warned that reimposing tough virus restrictions could hamper recovery and even trigger "financial turmoil".

"While economies in developing Asia remain resilient, continued policy support is needed to underpin recovery," ADB chief economist Yasuyuki Sawada said.

Policy support packages announced to the end of August had reached a total of $3.6 trillion - about 15 %of regional GDP, the bank said.

China, where the virus first emerged late last year before developing into a pandemic that has infected more than 29 million people worldwide, is one of the few economies in the region to expand. After successfully beating back the disease, the world's second-largest economy is forecast to grow 1.8% this year and 7.7 %in 2021, the bank said.

In contrast, India, which is one of the hardest-

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Erik De Castro/ AFP

hit countries in the world with more than 4.8 million cases despite lengthy lockdowns, is expected to see its economy shrink by nine %in 2020 before expanding by eight percent next year.

"The path and speed of economic recovery in regional economies will depend on many different factors, the most important of which is [the] ability to control and contain the pandemic," the ADB said.

As regional economies contract this year, the number of poor people will probably rise by at least 78 million, reversing a reduction in poverty over the past three to four years, according to the report.

Inflation, however, is expected to remain "muted" owing to depressed demand and lower oil prices, it said.

Another relative bright spot was trade. While the region's exports had contracted, they had fared better than those in the rest of the world thanks to stronger demand for COVID-related health supplies and electronics.

Aljazeera

ADB Releases Latest Edition of Annual Statistical Report for Asia-Pacific

The Asian Development Bank (ADB) has released the latest edition of its annual statistical report for the Asia-Pacific region.

ADB's Key Indicators for Asia and the Pacific 2020 covers the 49 regional members of ADB from 2009 to 2019. It provides updated statistics on a comprehensive set of economic, financial, social, and environmental measures as well as select indicators for the Sustainable Development Goals.

Additionally, it discusses trends in development progress and the challenges to inclusive and sustainable development that are likely to be amplified by the effects of the coronavirus.

The key data in the report highlights how the region has become the biggest contributor to global gross domestic product (GDP), reaching a 34.9% share in 2019 from 26.3% in 2000.

According to ADB Chief Economist Yasuyuki Sawada, "The Asia and Pacific region has made tremendous development progress over the last two decades, becoming the biggest contributor to global GDP while lifting millions of people out of poverty," said.

"Timely and accurate data enables us to take stock of this progress and areas that require further improvement. Wide access to data, especially amid the coronavirus disease (COVID-19) pandemic, will continue to contribute to the region's progress on the path to more inclusive and sustainable development," he added.

Key Indicators 2020 highlights the expanding influence of Asia and the Pacific in global investment and trade. The region's economies received more than one-third of total global direct investment in 2019, while the region's global export share increased to 36.5% in 2019 from 28.4% in 2000. More than half of the reporting economies in the region recorded a GDP growth rate of 4.0% or higher in 2019.

These gains are threatened, however, by the COVID-19 pandemic, which has brought about rising unemployment and falling incomes as lockdowns cause steep reductions in business operations and people's activities in general, the ADB said in its report.

The report includes a special supplement looking at how the granularity of poverty estimates can be enhanced by integrating household surveys and censuses with data extracted from satellite imagery.

It also identifies practical considerations and technical requirements for this novel approach to mapping the spatial distribution of poverty, while outlining the investments required by national statistics offices to fully capitalise on the benefits of incorporating innovative data sources into conventional work programmes.

The Financial Express

Special Features

Financing Asia-Pacific Economic Recovery in the COVID-19 Era and Beyond

By Armida Salsiah Alisjahbana, United Nations Under-Secretary-General and Executive Secretary of the U.N. Economic and Social Commission for Asia and the Pacific

As the socio-economic impacts of the COVID-19 pandemic spread across the length and breadth of Asia and the Pacific, finance ministries are continuing their relentless efforts to inject trillions of dollars for emergency health responses and fiscal packages. With continued lockdown measures and restricted borders, economic rebound seems uncertain.

Wendra Ajistyatama / Jakarta Post

Compared to 2019's economic situation, over the past six months, countries in Asia and the Pacific have been experiencing sharp drops in foreign exchange inflows due to declines in export earnings, remittances, tourism and FDI. This is worrying as policymakers are tackling difficult choices over how to prioritize development spending, while continuing to expand their squeezed fiscal space.

The United Nations is contributing through a global initiative on Financing for Development in the Era of COVID-19 and Beyond, co-convened by Canada and Jamaica, to articulate a comprehensive financing strategy to safeguard the Sustainable Development Goals (SDGs).

Governments are united together to ensure that adequate financial resources are available to steer an inclusive, sustainable and resilient post-COVID recovery. In the Asia-Pacific region, several countries have already adopted financing plans in three key areas. They aim to address the challenge of diminished fiscal space and debt vulnerability; to ensure sustainable recovery, consistent with the ambitions of the Paris Agreement and the 2030 Agenda; and to harness the potential of regional cooperation in support of financing for development.

The development arm of the United Nations in the region, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) has recently launched its first-ever Regional Conversation Series on Building Back Better. We are joining forces with ministers, decision makers, private sectors and heads of international agencies to share collective insights in sharing pathways to resilient recovery from ongoing health pandemic and economic collapse.

To improve the fiscal space and manage high levels of debt distress, a growing call for extending the debt moratorium under global initiatives like the Debt Service Suspension initiative (DSSI) is timely. Central Banks can continue to keep the balance right of supporting the economy and maintaining financial stability. This further involves enhancing tax reforms and improving debt management capacities, while using limited fiscal space to invest in priority sectors. Exploring sustainability-oriented bonds and innovative financing instruments options such as debt swaps for SDG investment should be explored further.

In addition to economic considerations, the policy paradigm and financing architecture for recovery plans must mainstream affordable, accessible and green infrastructure standards, while promoting social equality

and environmental sustainability principles as enshrined in the Paris Agreement. As we scale up the use of digital technology and innovative applications, the financing support of micro, small and medium-sized enterprises (MSMEs) must go hand in hand with these national job-rich recovery strategies.

The Regional Conversation on Financing for Development highlighted that no country could take this agenda forward alone. Regionally coordinated financing policies can restart trade, reorganize supply chains and revitalize sustainable tourism in a safe manner. Thankfully, several countries in the region have valuable experiences to share.

Across Asia and the Pacific, governments must pool financial resources to create regional investment funds in areas such liquidity funds for sustainability, funds for resilience and travel funds to relaunch our economies. Strengthening regional cooperation platforms to ensure that all countries receive an equitable number of doses of the vaccine on short notice to everyone everywhere is particularly essential. Without an end to the pandemic, the economic and social costs can't be contained.

Through ESCAP, these efforts can be scaled across the region, working closely with member States, the private sector and innovators to build a collective financing response to mobilize the necessary additional resources. Together, the financing strategies of Asia and the Pacific can be charted, thereby enhancing societal well-being and economic resilience to future pandemics and crises.

Jakarta Post

Trade in The Shadow of Covid-19: Going Forward Together, Not Apart

By Steven Beck, Head of Trade & Supply Chain Finance, Asian Development Bank

The global COVID-19 pandemic is a reminder that our world is an intimately connected place. Now is not the time to start cutting the connections that have raised millions from poverty and helped to build the global economy that we have today.

Physical borders can be closed to those who might pass on the virus, but the crisis underlines the importance of other connections, such as trade. At a time when streamlining trade should be at the top of the agenda, so that critical goods such as food and medicine can move to where they are needed, too many have seen the pandemic as a reason to turn inward.

The global trading system has been tested by the pandemic's effects. Weaknesses in the current system have been exposed. There is no denying that. An overreliance on manufacturing in a single location for some goods is one indication that supply chains may be more fragile than previously thought. When factories closed to fight the virus, key medical goods suddenly became scarce. More subtle weaknesses have also been highlighted by the crisis.

Global trade and the financial system that supports it has traditionally been a paper-intensive arena, with hand-delivered documents in triplicate needed to move goods at every stage. That system was already antiquated before the crisis. Now, the need to digitize the trading world is even more urgent.

Digitization has proven to be important in other areas as well. Beyond trade and supply chains, consider the situation in countries in which entire populations have joined the digital ranks—digital identifiers, electronic banking and accounts—versus those that have been slow to adapt. Governments that have been trying to help their citizens have found it much easier to deliver that help when they have access to solid records and mobile and digital banking.

Another weakness exposed by the crisis has been found in the tariffs and other trade barriers that have come into play. As people searched for alternate sources of key products, they found some of them stuck behind trade

Special Features

barriers that seemed to have no reason to exist.

A recent study found that out of 164 members of the World Trade Organization (WTO), only 50 do not tax imported medical devices. Seventy-nine governments went into the crisis taxing imported soap at rates of 15% or more, noted the study by Professor Simon J. Evenett of the Swiss Institute for International Economics and the Department of Economics.

There have been attempts to strengthen the global trade and supply-chain system, even while it is under such a strain. Some have looked to find solutions within the current systems by making it easier to find alternate suppliers of key goods. Others have seen the pandemic as an excuse to abandon the global system, at least when it comes to goods seen as strategically important to their national wellbeing. Instead of providing an opportunity to shore up any weaknesses in the system, there is now a danger that the global crisis will be used as an excuse to "onshore" more and more goods considered to be of key strategic importance. Instead of becoming stronger, the global trading system could be weakened further.

Countries need easy access to medicines, medical equipment and other goods vital to the health of their populations. Few countries make everything they need themselves, which means the flow of trade in those goods needs to be through gates that are opened wider, not shut. If everyone starts trying to make everything themselves, the weaknesses exposed in the global system by the crisis could become gaping wounds. The reality of comparative advantage and its positive impacts on productivity, global growth and development may be in jeopardy. The system that has proven such a benefit to the world, even with its flaws, is now in even more doubt.

That's why it is important that the efforts to strengthen the global trading system continue and that they are ramped up even more as the crisis is overcome.

Even before the pandemic, the ADB was already working alongside other international organizations as well as the private sector to promote the digitization of trade finance. The crisis has underlined the importance of those efforts.

There is a need to drive digitization through all component parts of the ecosystem: from exporters and suppliers to shipping, ports, customs, warehousing, finance, transport, buyers and importers. And interoperability between these component parts is required to realize seamless digital trade and supply chains.

Going forward, close coordination will be key. Now that the scale of the problems being faced is becoming apparent; the entire trade and supply-chain ecosystem needs to lift its digital game. Fixes are needed so that global trade can continue to be an engine of growth and employment for everyone. Implementing those fixes is important, but the weaknesses exposed by the COVID-19 pandemic should not be used as an excuse to give up on globalization. We need to continue striving to make it better, stronger.

The crisis has shown how closely we are connected. Firming up those connections means growth and prosperity can continue once the pandemic is over.

International Banker

Among Member Banks

More Bank of Bhutan agents emerge to improve services

Bank of Bhutan opened six agents in the town of Chamkhar, in Bumthang district on September 5. The bank has 18 existing agents in the four village groups in the district.

The new agents will provide banking services such as cash withdrawal, cash deposit, mobile voucher top-up, loan repayment, and utility bill payment, among other services in the town's six zones.

The shops identified as the agents are among those in the various zones within the district. This is initiated to provide continuous banking service and minimise door-to-door services in case the country will have to initiate a lockdown in the future.

The new agents began operations on September 5, continuing until the pandemic recedes. Each individual is allowed withdraw the maximum amount of Nu 10000 per transaction.

BoB officials in Bumthang also opened over 30 saving accounts for Druk Gyalpos Relief Kidu funds to facilitate online banking services.

Kuensel

BEA Awards Scholarships to Staff Members' Children

The Bank of East Asia, Limited (BEA) held an award presentation ceremony on September 8 at its Head Office in Hong Kong for recipients of the Bank's University Scholarship for Staff Member Dependents for the 2020-21 academic year.

Launched in 2014, BEA Scholarship recognises the academic, extracurricular, and philanthropic achievements of the dependents of BEA Group's staff members who are pursuing bachelor's degrees at accredited tertiary education institutions. This year, ten recipients were selected by the assessment panel and will receive HK$30,000 each.

Speaking at the award presentation ceremony, Mr Adrian Li, Co-Chief Executive of BEA, said "By offering scholarships to dependents of our staff, we at BEA hope to ease the financial burden on staff members' families arising from education expenses. This year, we received an overwhelming response to the programme from staff members' children in Hong Kong, the Mainland, and overseas. We were extremely impressed with the calibre of the applicants, and the scholarship winners truly represent the best of the best."

Education is a pillar of BEA's corporate social responsibility programme, together with social welfare and environmental protection. Apart from the scholarships awarded by the Bank to staff members' dependents, BEA has established numerous scholarships for the wider community over the years. In 2018, The Bank of East Asia Charitable Foundation (BEA Foundation) launched the BEA Inspiring Student Scholarship programme for students with special educational needs. The BEA Foundation also

manages The Bank of East Asia Scholarship Programme, which awards scholarships each year to students of five universities in Hong Kong.

BEA News Room

Shanghai Commercial Bank Announces Appointment of Chief Auditor

Shanghai Commercial Bank Limited announced that Ms. Mandy Ming-wai Chan, Senior Vice President, has been appointed as Chief Auditor on September 1 2020, upon the retirement of Mr. Michael Yiu-wing Fung.

Ms. Chan is a Fellow Chartered Certified Accountant and a member of the Hong Kong Institute of Certified Public Accountants. She joined the Bank in 2000 and has extensive experience in internal audit and control.

The Bank appreciates the contribution of Mr. Fung during his tenure of office.

Shanghai Commercial Bank Announcements

Among Member Banks

State Bank of India planning VRS scheme for over 30,000 employees

State Bank of India has decided to introduce 'Second Innings Tap – Voluntary Retirement Scheme – 2020 (SITVRS-2020) to optimise human resources and costs. It will be kept open every year for three months, from December 1 to the end of February.

As per the proposed eligibility criteria, a total of 11,565 officers (from the Junior Management Grade Scale – I to the Top Executive Grade Special Scale-I) and 18,625 award staff (clerical and sub-staff) members will be eligible for the Scheme.

According to estimates based on the July 2020 salary, India's largest bank expects net saving of ₹2,170.85 crore if 30% of the eligible employees opt for retirement under the scheme.

As of the end of March 2020, SBI had 2,49,448 employees on its rolls. In its fourth quarter FY20 analyst presentation, SBI had emphasised the need to control overhead and staff costs, and improve productivity.

The scheme will be open to all permanent officers and award staff who have put in 25 years of service and completed 55 years of age as of the application date. Those opting for VRS will be paid an ex-gratia amounting to 50% of salary for the residual period of service, but will not exceed the 18-month amount of the existing salary. Also, the amount of income tax would be deducted as per the rules on salaries.

As per the objectives of the scheme, it reportedly provides an option and "respectable" exit route to the employees who have reached a level of saturation in their career; may not be at the peak of their performance; have some personal issues or want to pursue their personal/professional life outside of bank; or have better opportunities elsewhere.

The bank wants to have a balanced age profile providing for mobility, training, development of skills and succession planning to higher positions. The VRS scheme will be used as a balancing tool for yearly manpower planning exercise.

Employees opting for VRS will be eligible for engagement or re-employment in the bank after a cooling period of two years from the date of retirement.

The Hindu Business Line

Mizuho becomes first Japan megabank to set fee for new passbooks

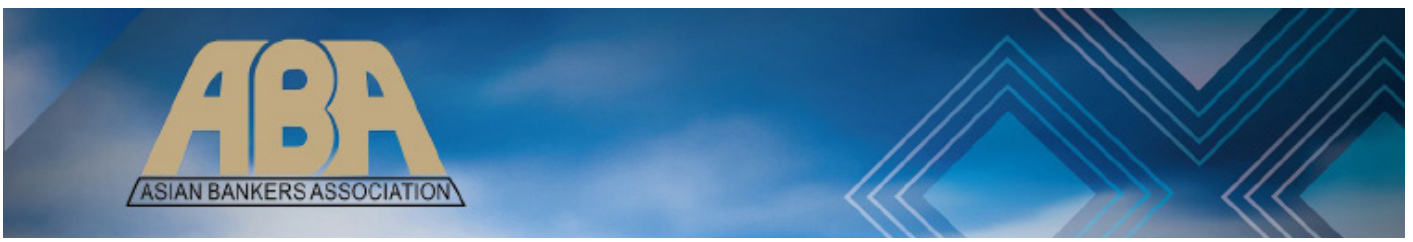
Mizuho Bank has become the first megabank in Japan to charge new customers for issuing a passbook, as part of steps to foster a paperless and green society through the use of digital alternatives and cut costs in the face of dwindling profits amid prolonged superlow interest rates.

The bank, a unit of Mizuho Financial Holdings Group Inc., announced on August 21 that people under age 70 who open new bank accounts from Jan. 18 would be charged ¥1,100 if they choose to have a paper passbook. The bank will also charge the same fee when they need an additional paper passbook issued. People age 70 and older will continue to receive a paper passbook for free.

Mizuho will encourage new customers to use its free online passbook service, with which they can see bank transactions for up to 10 years via smartphone, the bank said in a statement. Existing customers will continue to receive additional passbooks for free.

The bank also said that starting in October, individual customers will be able to make various bank transactions such as money transfers at its branches by typing information onto a tablet without a need to use hanko seals or present a passbook.

Japan Times



Among Member Banks

MUFG Pledges 180 Million Yen to Support Groups for Children

MUFG announced on September 14 that its five main group companies, MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Securities Holdings Co., Ltd., Mitsubishi UFJ NICOS Co., Ltd., and ACOM Co., Ltd., will jointly donate a total of ¥180 million over three years to three groups supporting children who are struggling with illness or come from economically disadvantaged backgrounds.

The beneficiaries of the donation will be Japan CliniClowns Association, an authorized NPO which supports children struggling with illness, and Learning for All, a specified nonprofit corporation, and Chance for Children, a public interest incorporated association, which both support children who come from economically disadvantaged backgrounds.

MUFG will contribute to the sustainable development of society by providing hope and dreams for children, who are our future, as we continue to strive towards the resolution of various social issues.

MUFG Newsroom

SMBC Announces Commencement of Settlement Operations Using CIPS

Sumitomo Mitsui Banking Corporation (SMBC) announces that Sumitomo Mitsui Banking Corporation (China) Limited (SMBCCN), a wholly-owned subsidiary of SMBC, has successfully connected to China's Cross-border Interbank Payment System (CIPS), and has commenced settlement operations through its utilization.

CIPS is a cross-border RMB settlement system between China's onshore and offshore markets introduced by The People's Bank of China as a financial infrastructure to facilitate processing and support settlement of cross-border RMB trade and investment. In addition to conventional settlement methods, the bank would be able to meet customer payment needs utilizing CIPS.

SMBC Newsroom

KDB's Lee Dong-gull begins second term

Korea Development Bank (KDB) Chairman Lee Dong-gull secured a second term on September 10. Lee, who began his first term on Sept. 11, 2017, will head the state-run lender for another three years. His term will end on Sept. 10, 2023. The KDB chief is recommended by the Financial Services Commission chairman and appointed by the President.

Lee is known to have wished to step down from the position, but current circumstances involving COVID-19 are seen to have made authorities persuade the incumbent chairman to stay for another term, given KDB's role as a state-run bank Another factor may be the collapse of the Asiana Airlines deal.

KDB leads Asiana's creditors, and is tasked with supporting Asiana and normalizing operations at the company until the next opportunity comes to sell it. Lee's first appointment as he starts his second term will be attending a meeting with chiefs of government ministries on plans for Asiana.

Attention is also being drawn to Lee's achievements as he begins his second term. Lee had succeeded in leading the sale of Daewoo Shipbuilding & Marine Engineering (DSME) to Hyundai Heavy Industries and restructuring Kumho Tire as well as GM Korea.

KDB has also strengthened funding for innovative startups during Lee's term. The lender began a program in 2016 to bridge promising startups with venture capital. So far, a total of 1.8 trillion won has been invested in 313 firms through KDB's Next Round program.

Lee is the fourth chief of the state-run bank to serve another term. He is the first KDB chairman to serve a second term in 26 years.

Korea Herald

Among Member Banks

BML issues MVR 1.3 billion as loans amid pandemic

Bank of Maldives (BML), on September 14, revealed that it had issued loans worth MVR 1.2 billion to various sectors facing economic repercussions due to the ongoing COVID-19 pandemic.

BML's CEO and Managing Director Tim Sawyer confirmed the figures during a virtual press conference.

Sawyer stated that BML continued to disburse loans to resorts and guesthouses under the Ministry of Finance's COVID-19 Recovery Scheme Fund, with the bank having approved MVR 769 million for 397 loans by the end of August. The aforementioned funds were paid out to resorts and businesses with a minimum turnover of MVR 10 million.

Furthermore, BML has introduced a short-term financing facility in order to support businesses in the Maldivian tourism industry to overcome potential difficulties. Resorts and guesthouses can secure up to USD 2 million (MVR 30 million) using the facility.

"The bank issued USD 4.57 million and MVR 125.29 million as short-term finance by the end of August. Additionally, MVR 400 million was disbursed to businesses as working capital", said Sawyer.

The BML CEO also reiterated the bank's commitment to offering assistance to Maldivian citizens amid efforts to address the COVID-19 pandemic.

"Although the pandemic is not expected to end in the nearby future, the bank is committed to ensuring assistance to customers and offering uninterrupted services. Bank of Maldives will remain standing alongside the Maldivian people no matter what."

The Edition

PNB readies sale of prime property assets

Philippine National Bank (PNB) is moving to unlock values from its prime property assets—a program which could translate to extraordinary earnings that may even exceed its current market capitalization.

In a disclosure to the Philippine Stock Exchange, PNB said its board had approved a program to realize the market value of the bank's prime properties and reduce its low-earning assets to strengthen its financial position.

"A number of options are being considered and the terms of the execution will be disclosed when all the needed approvals are obtained. Our aim is to complete this at the soonest possible time," PNB president Wick Veloso said in a press statement.

In a research note dated September 11, Abacus Securities head of research Raymond Neil Franco said PNB had valuable assets waiting to be monetized, specifically the 10-hectare head office along Macapagal Avenue, the old Allied Bank building on Ayala Avenue and the 8,000-square-meter prime lot foreclosed from musician Ramon "RJ" Jacinto.

"Given that the fair value of these properties is around P50 billion and the historical asset cost is likely to be minimal, the potential windfall could be larger than the bank's current market cap," the research said.

"We expect the value realization of PNB's prime properties to substantially boost capital adequacy ratios to the extent that the bank will not need funding from its parent for a long time," the research said.

This is seen to free up more cash that parent conglomerate LT Group Inc. can use to maintain or even boost its dividends, especially as the group strives to shore up flag carrier Philippine Airlines. The airline business is among those hit hard by the ongoing coronavirus pandemic.

Philippine Daily Inquirer

Among Member Banks

RCBC backs perks for sustainable financing

Rizal Commercial Banking Corp. (RCBC) supports a plan of the Bangko Sentral ng Pilipinas, the Philippines' Central Bank, to extend regulatory incentives for banks which adopted sustainable and inclusive banking practices.

RCBC president and chief executive officer Eugene Acevedo said the plan of the BSP to extend incentives through a sustainable central banking program would help spur interest in sustainability among local banks. He said the COVID-19 pandemic has strengthened the bank's resolve in helping address urgent environmental and social needs such as renewable energy, clean transportation and public health.

In a recent presentation to the Bankers Association of the Philippines (BAP), Acevedo said RCBC has been an early adopter of Philippine sustainable and inclusive banking practices, having started the implementation of an Environmental and Social Management System (ESMS) in 2011.

The ESMS enables RCBC to engage its customers, share best practices and support clients that seek solutions to reduce their impact on the environment and communities.

RCBC's sustainable and inclusive banking practices are also aligned with the objectives of BSP Circular 1085, which mandates lenders to include environmental and social considerations in their governance frameworks, risk management systems, strategies and operations.

RCBC also supports the BSP's recent membership with the Network for Greening the Financial System (NGFS), which is expected to benefit the banking industry through best practices in other jurisdictions, particularly in the areas of risk management and stress testing exercises.

Philippine Star

Doha Bank-ICSS scholarship to promote skills development

Doha Bank has joined forces with the International Centre for Sport Security (ICSS) by supporting the Young Professionals Development Programme (YPDP), as part of its corporate social responsibility (CSR) to promote skills development and young professionals' employability.

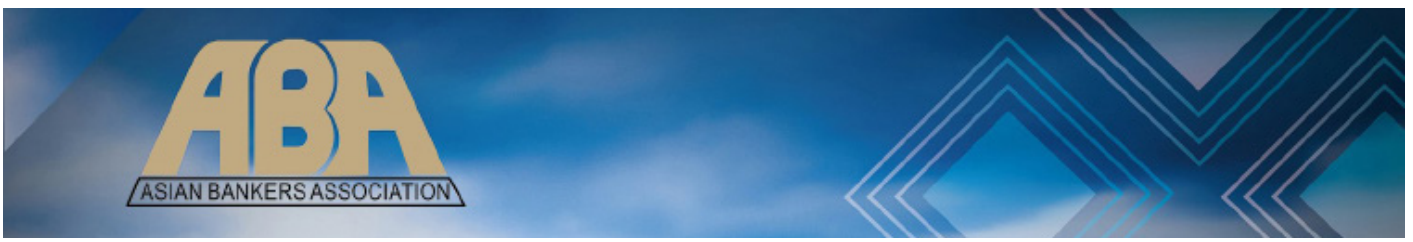
The new initiative, developed by the ICSS, is aimed at providing fresh graduates and emerging young talents, based in Qatar and globally, with a valuable opportunity to advance their skills and increase employability through gaining professional career experience by being involved in the international projects in the field of safeguarding sport.

With the support of Doha Bank and its dedicated approach to CSR, under the mantra of 'doing well by doing good', the programme will award up to eight scholarships annually to young talents, providing them with the opportunity to work on various projects to gain professional experience at the ICSS and its global initiatives such as 'Save the Dream'.

Working both at the ICSS headquarters in Doha and from remote locations across the world, the YPDP participants will be able to gain experience in diverse international work environments by contributing to projects that are being delivered in collaboration with the UN bodies in areas as promotion of social innovation, use of sport in the humanitarian context and protection of children from mistreatment in sports.

Mohamed Hanzab, chairman of ICSS, said the YPDP scholarships will be a launching pad for many young talents and will create the conditions for improved future employability.

Gulf Times



Among Member Banks

DBS to Form Securities Joint Venture in China

DBS Bank has received approval to establish a securities brokerage joint venture in China, which will provide brokerage, securities investment consulting, securities underwriting and sponsorship, as well as proprietary trading, the bank announced in a statement on September 2.

The bank had been in discussions to set up a securities firm in China together with a local partner as far back as 2018, finews.asia previously reported.

DBS Securities (China) will be 51% owned by DBS Bank, 24.67% by Donghao Lansheng Investment Management, 13.33% by Shanghai Huangpu Investment Holdings, 6.5% by Shanghai Huiyang Asset Management, and 4.5% by Shanghai Huangpu Guidance Fund Equity Investment.

DBS chief executive Piyush Gupta called it a "key milestone" for the bank, and said it would "make available the best of DBS' capabilities and offerings, and provide customers in China with a full range of onshore and offshore financial services."

"The establishment of DBS Securities will further support the long-term sustainable development of DBS Group in China and meet the changing needs of customers in multiple aspects,»" according to Neil Ge, China head of DBS Group.

Finews Asia

HNB Club members get access to tax and regulatory services with Frontier Advisory

Sri Lanka's Hatton National Bank (HNB), announced another landmark partnership with Frontier Advisory (Pvt) Ltd. to provide members of its exclusive private banking arm, Club HNB, with elite tax and regulatory consultation services.

Through the new partnership, Club HNB members will now have privileged access to a gamut of advisory services designed to ensure value, convenience and compliance for clients – both in their personal and professional tax obligations.

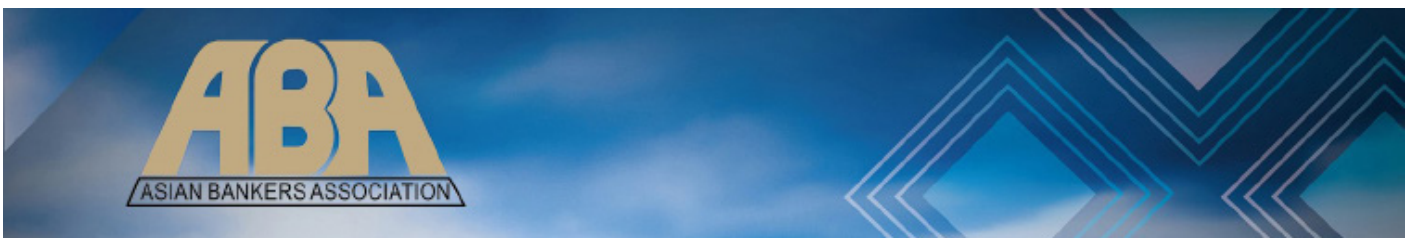
"While taxation is an essential obligation, it can often be a tedious and complex process. For high net worth clients, ensuring complete compliance and elimination of human error can be particularly challenging.

"Through our partnership with Frontier Advisory, we are now able to offer Club HNB members a deeply personalized, affordable and comprehensive solution to rationalizing their tax burden in a holistic manner," HNB DGM Retail & SME Banking, Sanjay Wijemanne stated.

Frontier Advisory ranks among Sri Lanka's most respected business advisory experts, providing clients with a diversity of services aimed at improving businesses through a broad range of value-added consulting services.

With 252 customer centres across the country, HNB is one of Sri Lanka's largest, most technologically innovative banks having won local and global recognition for its efforts to drive forward a new paradigm in digital banking. The bank has continuously won prestigious accolades including being declared Best Retail Bank in Sri Lanka for 2020 by the Asian Banker Magazine for the eleventh occasion in addition to being highest ranked privately owned commercial bank in Sri Lanka by the prestigious Banker Magazine Top 1000 global rankings 2020.

HNB Media Center



Among Member Banks

Cathay United signs on to China deal

Cathay United Bank (China) Co Ltd signed an investment agreement on August 21 to acquire a 10% stake in a new consumer finance company in China, parent company Cathay Financial Holding Co said in a Taiwan Stock Exchange filing.

The agreement with Ant Technology Group Co Ltd to invest 800 million yuan (US$115.62 million) in the company, tentatively named Chongqing Ant Consumer Finance Ltd, would help Cathay United Bank China deepen its operations and capture new business in consumer financing, Cathay Financial spokesman Daniel Teng told the Taipei Times by telephone.

Cathay United Bank China, Cathay Financial's Chinese subsidiary, focuses on corporate financing, investment banking and financial transactions.

The lender would conduct the capital injection in the Chinese company after obtaining approval from regulators in Taiwan and China, Cathay Financial said in the filing.

Ant Technology Group would hold a 50% stake in the new company, with other investors to include Chinese financial, technology and medical equipment companies, according to Chinese media reports.

Taipei Times

CHB mulls revising down 2020 earnings target

Chang Hwa Commercial Bank (CHB) is considering revising down its earnings target for this year after net income plunged 29.23% year-on-year to NT$4.25 billion (US$143.94 million) in the first six months.

The results translated into earnings per share of NT$0.41, as economic uncertainty caused by the COVID-19 pandemic and ensuing global interest rate cuts took a toll on the lender's interest and fee incomes.

"The bank is to strengthen its core operations and diversify its sources of income, while guarding its asset quality," CHB chairwoman Joanne Ling told an online investors' conference on September 1.

The earnings decline came even though the lender enlarged its loan books by 8.35% during the April-to-June period, led by a 10.81% gain in retail banking and an 8.05% pickup in corporate banking, company data showed. Overseas lending last quarter shrank 5.65% on a yearly basis, which was in line with the lender's cautious strategy.

The poor showings warrant revisiting the budget to reflect the unfavorable environment, Ling said.

CHB would seek to shore up its business by reaching out to companies moving production lines away from China amid renewed US-China trade tensions, according to Ling said, adding that capital repatriation and sectors supported by the government's industrial policy also present business potential.

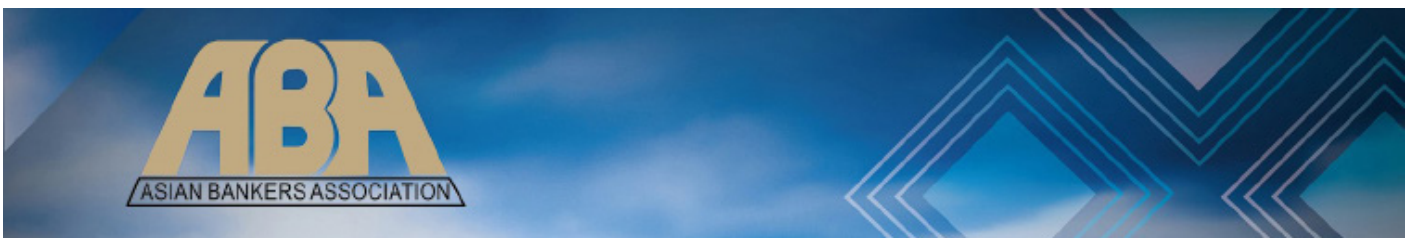
The government aims to build Taiwan into a regional high-tech hub and has encouraged urban renewal projects to retire old and dilapidated buildings.

The lender's interest income weakened 16.77% in the first half of the year, while fee income dropped 0.38% and profit from investment operations soared 20.57%, company data showed. Net interest margin narrowed to 0.87% in the first half of the year, and has a slim chance of an upturn going forward.

Overall, data showed that interest income underpinned the lender's January-to-June earnings with a 67.13% share, followed by investment gains at 15.84% and fee income at 15.8%.

Asset quality deteriorated last quarter as bad loans rose to NT$6.41 billion as of June, an increase of NT$1.77 billion from three months earlier. CHB officials expect the delinquency rate to climb higher than the current 0.43% with the pandemic lingering. The lender said it recovered NT$7 million of bad loans and might salvage another NT$500 million in the second half of the year.

Taipei Times



Among Member Banks

CTBC Holding receives CEM Energy Management Excellence award

Facing the global pressure of soaring energy consumption, CTBC Financial Holding is dedicated to sustainability. Against this backdrop, the United Nations Industrial Development Organization (UNIDO) recently awarded the financial institution the 2020 Clean Energy Ministerial (CEM) Award of Excellence in Energy Management, the highest honorable award.

The CTBC Financial Holding offices in Taipei's Nangang District

CTBC was the first financial institution in Taiwan to implement the "ISO 50001" energy management system, which enhanced its energy management efficiency by 16% and decreased carbon dioxide emission by 5316 metric tons.

CTBC Financial Holding received the highest rating among 46 entrant companies. It is not only the first Taiwanese company to receive this honor, but also the first financial entity in the world.

The organizer of the award remarked that one of the reasons that CTBC Financial Holding received the award is due to the environmentally-friendly design of its headquarters in Taipei's Nangang District, which is equipped with a total of 699 square meters of solar panels.

To decrease its energy consumption, control its emissions of greenhouse gases, and perform load shifting, CTBC Financial Holding has adopted the "Chilled Beam and Ice Storage Systems." The materials and resources purchased were FSC-approved recyclable paper products. CTBC Financial Holding also implemented scales to efficiently manage the weight of trash and recyclables for disposal.

Additionally, the company's office doesn't provide one-time use utensils or paper cups. Office spaces uses LED light bulbs and are equipped with directional lamps. CTBC Financial Holding also uses remotes to constantly adjust the lighting, and utilizes double-layered glass windows to both take advantage of sunlight and block UV rays and heat.

To cooperate with its goal of energy conservation, its subsidiary CTBC Bank analyzes each branch's energy conservation levels and aligns with central planning. For example, there are seasonal adjustments for sign lighting and constant monitoring of air conditioning half an hour before closing hours.

CTBC Bank also installed motion sensor lighting for idle warehouses and hallways, along with water-conserving tap attachments in restrooms. This is all to integrate sustainable energy usage into daily work environments.

Starting in 2011, CTBC Financial Holdings accepted guidance from the Bureau of Energy, Ministry of Economic Affairs and Taiwan Green Productivity Foundation to adopt the ISO 50001 Energy Conservation System.

In 2012, it became the first financial entity in Taiwan to be approved. To proactively reduce carbon emission in light of global warming, CTBC Financial Holdings and all 194 CTBC Bank branches received the approval of the ISO 50001 Energy Conservation System standard by The British Standards Institution (BSI). It then subsequently adopted three other international ISO standards.

CTBC Financial Holdings actively manifests the green sustainability mindset in its operations. CTBC Bank has employee energy conservation competitions, in which the department with the largest energy-saving results receives NT$80,000.

In this way, it hopes to cooperate with its business ecosystem in implementing sustainability-related policies and be the epitome of sustainability.

China Post

Among Member Banks

Taiwan First Bank to make all branches bilingual by 2028

Taiwan's First Commercial Bank announced on September 11 that it was aiming to provide Chinese-English bilingual services at all 188 of its national branches by 2028.

Following the establishment of six bilingual branches in 2019, First Bank has set up English service counters at another six locations this year. The bank said it aims to make all its branches bilingual as part of the government's "2030 Bilingual Country Project" — turning Taiwan into an English proficient nation within 10 years.

First Bank said the Financial Supervisory Commission (FSC) had requested that Taiwan banks offer Chinese-English services at all locations by 2030, but it hopes to accomplish the goal two years early. It added that nearly 2,300 of its employees hold certificates in English proficiency, including 250 who had obtained 900 points or higher on the TOEIC exam.

First Bank President Grace Jeng pointed out the purpose of bilingual branches is to enhance service quality, while meeting the demands of an international operation strategy. She said First Bank has 39 overseas branches across Europe, America, Australia, and Asia.

Jeng stressed that the company has placed a strong focus on employees learning foreign languages and is recruiting more bilingual talents. She said some employees will receive the opportunity to serve at overseas locations in the future.

Taiwan's 2030 Bilingual Country Project was first mentioned by President Tsai Ing-wen in her inauguration speech on May 20. She said the plan would improve the country's overall competitiveness and remove language barriers between Taiwanese and people from other countries.

Taiwan News

Vietinbank issues more $130 million worth of bonds this year

The Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) is selling 30 million bonds, worth 3 trillion VND (130 million USD), to the public in the tier-2 public offering this year which takes place from August 27 to September 24.

The bonds offered are non-convertible, not secured by assets and without an attached warrant.

Of the total, half are 8-year bonds that will mature in 2028 while the remainders are 10-year bonds maturing in 2030.

Interest rates are calculated by reference interest rate plus 0.9% per year for bonds maturing in 2028 and reference interest rate plus 1 %for those in 2030.

On July 30, the bank announced it had successfully distributed all 70 million bonds, worth 7 trillion VND, in the tier-1 public offering.

Vietinbank plans to offer a total of 100 million bonds to the public in 2020 to raise the bank's working capital and expand credit while ensuring prudential ratios are in line with regulations by the State Bank of Vietnam.

In the first half of this year, the bank reported a 39.6% increase in after-tax profit to over 6.01 trillion.

VNA

Banking and Finance Newsbriefs

Bhutan

Lockdown provides opportunity to promote digital banking: RMA

The Royal Monetary Authority (RMA) is urging the people of Bhutan to make cashless payments, with a press release from RMA stating that digital financial services are not only reliable but also provide instant access with efficiency.

The central bank and the financial service providers (FSPs) are providing uninterrupted essential digital financial services to the needs of all sections of society. The press release states, "The lockdown has provided an opportunity to FSPs to promote digital banking. A total of 5,463 new bank account holders on-boarded on to mobile banking during the period (during the first week)."

According to the central bank, digital financial services are the best alternative banking services, which the RMA and FSPs are encouraging clients to use for all times. The RMA is further promoting the use of digital banking platforms during the current situation.

During the first week of the lockdown (August 11 to 17), mobile and internet banking recorded a total of 1.35 million (M) transactions. The Quick Response (QR) Scan Code, which was launched in July, also recorded 8,553 transactions.

bNgul of Bhutan Telecom and eTeeru of TashiCell, which are known as e-Wallets, recorded 1,390 and 14,345 transactions respectively. The Global Interchange for Financial Transaction (GIFT), which is an electronic system that enables individuals and business entities to claim the payments online from the government, recorded 775 transactions.

The GIFT has three payment components—BITS (deferred interbank fund transfer below Nu 1M), RTGS (real-time large value fund transfer above Nu 1M) and BULK (real-time retail payments with no amount ceilings).

ATMs recorded 10,864 transactions, while the Point of Sale (PoS) recorded 20 transactions.

Director of RMA's Department of Payment and Settlement Systems, Tshering Wangmo, said that the authority had increased inter-bank transaction limit on mobile banking from Nu 100,000 to Nu 200,000 per day to promote digital financial services.

Kuensel Online

Hong Kong

Hong Kong extends payment holidays until April 2021

Hong Kong's monetary authority has instructed banks to extend their loan repayment holidays for small businesses for another six months until April 2021, providing more breathing space for some of the biggest job providers as they struggle to crawl out of the city's worst recession on record.

All banks have to allow qualified corporate borrowers to waive the repayment of their corporate loans or mortgages until April 2021, extending the waivers from October 31, according to a statement by the Hong Kong Monetary Authority (HKMA). During the extended holiday period, companies will only need to pay the interest but not the principals on their loans.

The bank's latest move is aimed at helping the city's struggling retail, property and service industries amid the lockdowns and consumption slumps caused by the coronavirus pandemic.

The scheme covers small companies with an annual turnover of less than HK$800 million (US$103 million), without serious overdue loans. There are 130,000 companies qualified under the scheme, and 15,000 of them have applied for the payment holiday break since May. This qualification covers 80% of corporate borrowers in Hong Kong.

Those approved for the first holiday can get another six months of payment break, while applications are open for other companies that have not previously applied, HKMA said. At the end of July 2020, banks had approved over 43,000 applications for loan tenor extension and other forms of relief, involving an aggregate amount of over HK$530 billion, according to the HKMA.

South China Morning Post

Banking and Finance Newsbriefs

India

Government to Infuse ₹ 20,000 Crore in State-Run Banks

The Indian government sought parliamentary approval on September 14 to infuse ₹ 20,000 crore worth of capital in public sector banks this financial year, which ends in March 2021.

The move is aimed at supporting the lenders against a surge in bad loans projected by the Reserve Bank of India due to the coronavirus pandemic and related restrictions. The decision to recapitalise banks comes at a time when the country's banking sector, already reeling under low credit offtake and thousands of crores in frauds, is battered by the spread of COVID-19.

The government has sought parliament approval for a total additional spending of ₹ 2.35 lakh crore for the current financial year (2020-21), including a cash outgo of ₹ 1.67 lakh crore, primarily to meet expenses for combating the coronavirus pandemic. They have directed banks and other financial institutions to roll out their loan resolution schemes for eligible accounts facing stress due to the pandemic, by September 15.

Finance Minister Nirmala Sitharaman has said banks are going to be the catalysts for economic revival, emphasising that all officials in the sector should know the details of government schemes which are to be implemented.

The fallout from the coronavirus pandemic is likely to inflate the ratio of gross non-performing assets - or bad loans - in the country's banking system to at least 12.5% by March 2021, from 8.5% in March 2020, according to a report by the RBI's Financial Stability and Development Council released in June.

The government has already pumped in ₹ 3.5 lakh crore in the last five years to support state-run banks, and brought down the number of state-run lenders to strengthen the ailing sector.

NDTV

Japan

Inflation remains at zero even as Japan's economy starts to reopen

As the Japan's economy continued to reopen, amid weak global oil prices and a rise in domestic virus infections that could damp activity going forward, its key inflation gauge stayed at zero for a second month.

A slow economic recovery from last quarter's record slump is expected to weigh on prices with consumer demand having collapsed amid resurgent infections, which will in turn hit profits, jobs and business investment, analysts say.

The specter of a return to deflation is likely to keep the Bank of Japan under pressure to continue massive monetary stimulus and maintain ultra-low interest rates, to support government fiscal spending aimed at battling the health crisis.

Consumer prices excluding fresh food were unchanged in July from a year earlier, the ministry of internal affairs reported on August 21. Energy continued to weigh on the index, while higher costs for housing and overseas travel packages pushed upward. Economists had forecast an overall gain of 0.1%.

Analysts said they expected inflation to continue to hover around zero for the time being amid weak oil costs, counterbalanced by a feeling among businesses that fearful shoppers are unlikely to respond to discounts amid the pandemic.

According to Yasunari Ueno, chief market economist at Mizuho Securities, "Japan is in a deflationary situation," adding that as the nation shifts towards a 'new normal' following the novel coronavirus, the BOJ's 2% inflation target was starting to drift from reach.

The Bank of Japan has also suggested inflation is now less of priority than making sure that credit flows to businesses.

Bloomberg, Reuters

Banking and Finance Newsbriefs

Korea

Bank of Korea slashes growth forecast

The Bank of Korea on August 27 cut its growth forecast and held its policy rate at a record low amid mounting pressure on policymakers to take more action to counter the economic hit amid the COVID-19 pandemic.

The South Korean central bank maintained its seven-day repurchase rate at 0.5%, as predicted by all 22 analysts surveyed by Bloomberg. The bank said it now expects the economy to shrink 1.3% this year, far worse than the 0.2% contraction it forecast in May.

Its hold on rates underscores the balancing act it faces, as it remains wary of adding stimulus that could further fuel property gains while the economic toll from the pandemic becomes evident.

Bank of Korea Governor Lee Ju-yeol said that there is still room to cut rates more, but caution is needed as there could be side effects from further reductions and the central bank has other policy tools. It would purchase government bonds should yields become volatile, Lee said, but he did not offer details on the scale and timing of such action.

In a statement released after the decision, the central bank said that uncertainties around the growth path are "very high" and the board would keep policy accommodative as the pandemic saps demand-side inflationary pressure.

In its updated forecasts, the bank said its sees inflation picking up slightly to 0.4%, from 0.3% earlier.

So far this year, the bank has cut its benchmark rate by 75 basis points to blunt the impact of the pandemic, in addition to supplying liquidity and purchasing bonds to stabilize markets. The government has also implemented three extra budgets this year, the biggest stimulus of its kind on record.

Still, the bank lowering its projection by a significant margin shows that it sees stimulus falling short of offsetting the fallout from the pandemic.

Bloomberg

Malaysia

Finance minister: Malaysian youths among main target groups under Budget 2021

The Malaysian government will prioritise the youth as one of the target groups under Budget 2021, said Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz.

"Various measures will be studied in order to sustain the youth in Malaysia," he said during the 2020 Corporate Fellowship Handover ceremony at the Youth and Sports Ministry in Putrajaya.

The government has allocated RM3.5 billion for various initiatives under the Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and National Economic Recovery Plan (PENJANA) in an effort to empower the youth.

Among the initiatives that directly impact this group are the RM1.5 billion Hiring Incentive Programme and Reskilling and Upskilling Programmes, which involves an additional RM2 billion allocation.

Tengku Zafrul said the implementation of PRIHATIN and PENJANA would help to stimulate the job market and hence the country's economy.

"We have seen the unemployment rate fall from 5.3% in May to 4.9% in June and further to 4.7% in July following the implementation of the Wage Subsidy Programme and Employment Retention Programme.

Tengku Zafrul said the country's economy was recovering gradually since the resumption of economic activities in May and the momentum was expected to continue in the second half of this year.

According to Bank Negara Malaysia, the economic growth projection for 2020 has been revised to between -5.5% and -3.5%. For 2021, the economy is forecast to expand by 5.5% to 8.0%.

Tengku Zafrul said the projected growth rates for 2021 reflected firm signs of improvement for Malaysia's economy.

Malay Mail

Banking and Finance Newsbriefs

Maldives

Maldives Finance Ministry to revise state budget for 2020

The Maldives Ministry of Finance on September 13 decided to reassess and amend the state budget declared for the year 2020, due to the significant reduction in revenue generated by the state, in the wake of the ongoing COVID-19 pandemic.

According to the ministry, the revised budget will be submitted to the Parliament, as soon as sittings begin. The 19th Parliament will conclude the recess period and commence its third session on the first week of November.

In June, President Ibrahim Mohamed Solih had tasked the "Working Group of Finance", established under the national taskforce assembled for the COVID-19 response, to conduct the necessary research and review state resources.

Despite confirming its intent to tweak the government's budget, the finance ministry did not disclose further details pertaining to the specific alternations that are being considered.

Nevertheless, local media Mihaaru has reported that certain projects listed in the 2020 budget are to be postponed while overall alterations shall be made to reduce government expenditure.

In 2019, Maldives' Parliament approved MVR 37.8 billion as the 2020's state budget, with the assumption of generating MVR 30 billion as revenue. However, by the end of August, the state had only received MVR 8.8 billion, which marks a 46% decrease, compared to the revenue generated during the same period of the previous year.

As with numerous countries around the world, amid the ongoing COVID-19 pandemic, Maldives closed its air and sea borders to tourist arrivals on March 27, halting the issuance of on-arrival visas. The closure of borders remained in place until June 15.

Heavily reliant on tourism for revenue, the restrictions on international travel left the country vulnerable to severe economic impacts.

Overall, the Maldivian government estimates a shortfall of approximately USD 450 million (MVR 6.9 billion) in foreign currency and a state deficit of MVR 13 billion in 2020 as a result of the pandemic's impact on the tourism industry, and subsequently the economy.

The Edition

Mongolia

Interest rate in Mongolia reduced to 8%

The central bank of Mongolia said on September 14 that it has reduced its benchmark interest rate from 9% to 8%.

The Monetary Policy Council of the Bank of Mongolia said that "after taking into account the current and future state of the economy and financial markets, and external and internal uncertainties or risks to the economy, the monetary policy council made the decision to cut the benchmark interest rate by 1% to increase the amount of loans provided by the banking sector to the real sector of the economy and lower interest rates."

They added that "our experts believe that the decision will slow down the economic downturn and support the recovery."

The gross domestic product of the country declined 9.7% since a year ago in H1 of 2020 over restrictive measures to stop the spread of coronavirus, showing the strongest decline in over 20 years, the bank said.

MENAFN

Banking and Finance Newsbriefs

Nepal

Nepal central bank considers licensing companies to make payments for social media ads

Nepal Rastra Bank is considering licensing companies that deal with payments of social media advertisements from Nepal in order to bring the informal transactions to a formal channel, officials at the central bank and advertising agencies say.

Most advertising agencies are making payments of advertisements posted on social media, such as Facebook, Instagram, Twitter and YouTube, through foreign currency cards held by their relatives and friends abroad while reimbursing the amount to the families of the card holders back home.

Finding that a large amount of foreign currency is being siphoned off through informal channels, the central bank in February had directed companies involved in sending foreign currency abroad to route all such payments through the local banking channel.

According to the notice, such payment would be deemed illegal and punishable as per the Foreign Exchange Regulation Act. In response, advertising agencies have demanded a specific policy on how to make payments for the foreign services.

"We are discussing the option of allowing licensed institutions to make payments for advertisements placed from Nepal on social media sites," a senior official at the central bank told the Post on condition of anonymity because the official is not authorised to speak to the media. "They can get licences from the central bank like money transfer agencies."

The official said that the idea is still in the conceptual phase and has not taken any concrete form. The Nepal Rastra Bank has also conveyed the same idea to advertising agencies.

One of the options advertising agencies had suggested in response to the central bank's notice is that they should be provided international cards worth up to $5,000 to pay for social media advertisements.

However, the official said that Rastra Bank was alarmed by the possibility of losing foreign exchange in large amounts not only for social media advertisements but also to procure films and books online as most people now own smartphones.

As per the central bank's circular, the country's commercial banks can provide up to $3,000 for service imports against payment in Nepali rupees. The banks can also provide between $3,000 and $10,000 for service imports, based on the recommendation of the regulator for the sector the company is operating in.

For making payments valued higher than $10,000, the central bank's approval is mandatory. However, the central bank directive does not specify whether the payment for advertisements on social media could be considered payment for service imports.

Kathmandu Post

Philippines

Philippine banks ramp up efforts to deter cyberattacks

Philippine banks are stepping up their cybersecurity structure and awareness campaign to increase the resilience of the banking industry against cyberattacks, according to the Bank Marketing Association of the Philippines (BMAP).

BMAP said cyberthreats such as phishing and smishing are fast evolving and growing as scammers take advantage of the shift in consumer behavior amid the coronavirus disease 2019 or COVID-19 pandemic.

The association urged the public to remain vigilant and confident in the banking industry's cybersecurity measures against fraud attacks to ensure the delivery of secure and safe financial services.

To stay cybersafe, BMAP urged the banking public to avoid using shared network or shared computer when doing financial or other sensitive transactions since hackers may access personal information. Likewise, bank clients were also encouraged to install and update the anti-virus software in their devices.

Banking and Finance Newsbriefs

BMAP also said cybercriminals are creating fake emails and social media accounts purporting to be from financial institutions and government agencies to obtain personal and account information for seemingly legitimate purposes.

The industry also warned the public not to open or reply to unsolicited emails as this lets the sender know that your address is valid and can be used for future scams. “Be wary of email attachments and free software from unknown sources,” it said.

BMAP also said clients should be cautious, particularly when making online payments to a bank by making sure the website is secured.

It said clients should create and use a strong password for all their accounts and preferably set a different password for each account.

“Should a hacker or phisher obtain one of your passwords, at least only one account will be compromised. Activate account notification if available. Some banks have notification alert tools where they send text messages or email notifications after every transaction,” BMAP said.

The banking sector is working closely with the Bangko Sentral ng Pilipinas (BSP) for collaborative measures to collectively safeguard the industry and the financial consumers against cyberfraud and attacks.

Philippine Star

Singapore

MAS to ensure Singapore banks' smooth transition to Sora by end-2021

The Monetary Authority of Singapore (MAS) will be stepping up supervisory engagement to ensure that banks in the Republic are well prepared to transition from Swap Offer Rate (SOR) - a key interest rate benchmark - to the Singapore Overnight Rate Average (Sora) by the end of 2021, said a top official.

Jacqueline Loh, Deputy Managing Director of Markets and Development at MAS, warned on September 9 that banks which do not keep pace with industry transition timelines potentially expose themselves to additional market, liquidity, operational, technology and legal risk, and can expect to have more "intensive supervisory engagement" at the senior management level.

Singapore is in the midst of its move from SOR to Sora as the new interest rate benchmark, on the back of the discontinuation of the London Interbank Offered Rate (Libor) at end-2021, which would affect SOR as it uses the US-dollar Libor in its computation.

SOR is used in pricing of bonds and loans to large institutions with hedging requirements, as it is also the reference benchmark in SGD derivatives.

Sora was selected as the new interest rate benchmark as it was found to be the "most robust and suitable alternative", underpinned by a deep and liquid overnight funding market.

Focusing on achieving a smooth and well-coordinated transition is a key pillar, but the main challenge is how to encourage market participants to shift from a SOR-based market which is still deep and liquid, to the nascent but developing Sora-based market, she said.

To do so, MAS will expand its inaugural $500 million SORA floating-rate notes issuance following the "strong market response", through increasing the issuance sizes and lengthening the range of tenors. More details will be announced before the end of the year.

In addition, to inject greater impetus for market participants to shift from SOR to Sora, guidance on specific deadlines to cease the usage of SOR in new financial products will be outlined by MAS and the steering committee in October this year.

Straits Times

Banking and Finance Newsbriefs

Sri Lanka

Sri Lanka planning SME development bank, credit guarantee agency: CB Governor

Sri Lanka is planning a new development bank to fund small and medium enterprises and a credit guarantee fund, as part of building a 'developmental state' and directed lending, Central Bank Governor W D Lakshman said.

"Discussions are underway in the central bank now to establish a National Entrepreneurship Development Bank which could support SMEs and start-ups," Governor Lakshman said delivering a lecture marking 70 years of its establishment. "Also under discussion is a plan to introduce a permanent credit guaranteeing institution."

Sri Lanka's central bank said it will guarantee risky credit given by banks to Coronavirus hit firms earlier in 2020 after the Treasury, which should take on such tasks apparently declined to do so.

The central bank is also giving re-finance (printed money) to given loans, which could potentially put pressure on the rupee, amid a rising budget deficit though private credit was negative in May and June.

Lakshman said central banks had contributed equity to industrial and agricultural banks. Sri Lanka had a poor record in development banking, he claimed.

He said up to now directed credit has been given through 'isolated types of exercises' but directed credit will have to be given through "well defined economic plans."

Economy Next

Taiwan

Chinese yuan deposits in Taiwan banks fall to lowest in over 6 years

Chinese yuan deposits held by banks in Taiwan fell to the lowest in six and a half years at the end of July, due to a drop in interest rates, according to the central bank.

Central bank data showed yuan deposits in domestic banks dropped to 240.99 billion yuan (US$34.83 billion) in July, down 184 million yuan from the previous month. It was the lowest level since February 2014, when yuan deposits stood at 247.05 billion yuan, according to the data.

A continued decline in interest rates on the yuan made the currency less attractive to many investors, who moved their funds into other holdings, the central bank said.

Yuan deposits hit their all-time high of 338.22 billion yuan in June 2015, but fell below 300 billion at the end of 2018 and have been mostly in decline since then.

The domestic banking units (DBUs) of local banks have been conducting yuan-denominated transactions since February 2013. Prior to that, only offshore banking units (OBUs) were allowed to carry out yuan transactions.

At the end of July, yuan deposits at the DBUs rose 969 million yuan from a month earlier to 209.23 billion yuan, as many enterprises were remitting yuan-denominated earnings back to Taiwan, according to the central bank.

However, yuan deposits at the OBUs fell US$1.15 billion from a month earlier to 31.76 billion in July, as many retail investors were discouraged by falling interest rates, the central bank said.

Meanwhile, yuan-denominated remittances in July totaled 120.51 billion yuan, down from 135.62 billion in June, the data showed.

Remittances through DBUs were 82.17 billion yuan in July, up from 72.91 billion yuan in June, while those via OBUs dropped to 38.34 billion from 62.71 billion yuan the previous month, according to the central bank.

Focus Taiwan

Banking and Finance Newsbriefs

Thailand

New Thai finance minister resigns

Thailand's minister of finance has resigned less than a month after he took office, injecting more uncertainty into an economy already reeling from its worst crisis in decades.

The resignation of Predee Daochai, a former copresident of Kasikornbank PCL, took effect from September 2, according to a Royal Gazette announcement. 61-year-old Predee was named as the new minister of finance on August 6 and joined Thai Prime Minister Prayuth Chan-ocha's Cabinet on August 12. He resigned because of ill health, Prayuth said, adding that the minister's resignation would not derail government policies. He told reporters in Bangkok that a new minister of finance would be appointed at the "appropriate time."

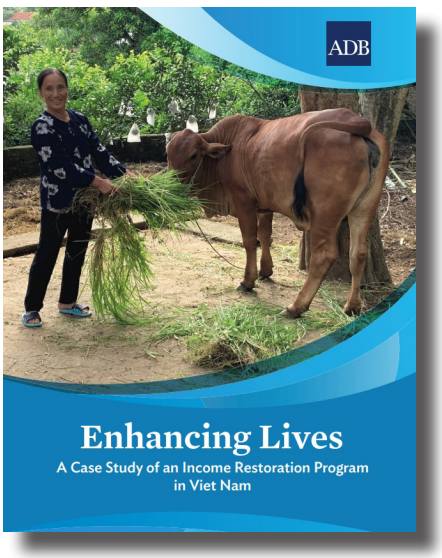
Prayuth might approach and former PTT PCL president Pailin Chuchottaworn to replace Predee, Thai-language newspaper Krungthep Turakij reported earlier, citing a source from the government house.

Prayuth last month made several changes to his economic team to help shape the government's response to the economic crisis. However, Predee's resignation would hurt investor confidence, said Amornthep Chawla, head of research at CIMB Thai Bank PCL in Bangkok.

Taipei Times

Publications

Enhancing Lives: A Case Study of an Income Restoration Program in Viet Nam



This publication prepared by the Asian Development Bank (ADB) highlights the key achievements and lessons learned from the income restoration program (IRP) for households affected by land acquisition and resettlement for the Noi Bai–Lao Cai Highway Project in Viet Nam.

The IRP was implemented from 2010 to 2014 by the Ministry of Transport through Viet Nam Expressway Corporation, with financial support from ADB. A total of 12,548 severely affected and vulnerable households participated in the program. The planning and implementation process as well as the benefits and outcomes of the IRP are outlined in this publication to share knowledge and promote governance and institutional capacity in upholding social safeguards among key stakeholders.

Contact Details: ADB Publishing

Website: https://www.adb.org/publications/enhancing-lives-income-restoration-viet-nam

Publications

Key Indicators for Asia and the Pacific 2020

This publication prepared by the Asian Development Bank (ADB) provides updated statistics on a comprehensive set of economic, financial, social, and environmental measures as well as select indicators for the Sustainable Development Goals.

The vital data within Key Indicators are accessible in a digitized format, with the new Key Indicators Database.

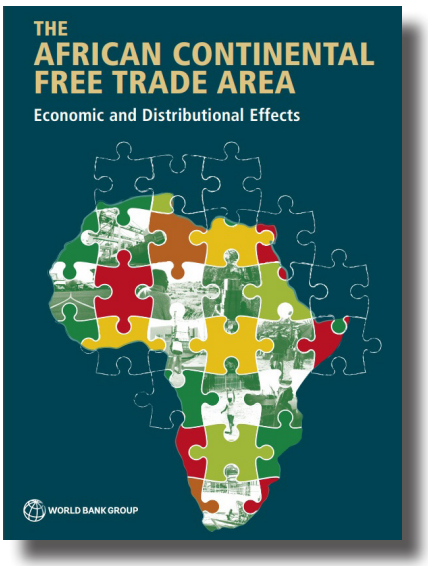
The report covers the 49 regional members of ADB. It discusses trends in development progress and the challenges to inclusive and sustainable development that are likely to be amplified by the effects of the coronavirus disease (COVID-19) pandemic.

To put into practice the "leave no one behind" principle of the SDGs, the availability of more detailed and informative data is crucial. The report is accompanied by a special supplement, Mapping Poverty through Data Integration and Artificial Intelligence. This explores how poverty estimates can be enhanced by integrating household surveys and censuses with data extracted from satellite imagery to provide more detailed guidance for policy makers.

Contact Details: ADB Publishing

Website: https://www.adb.org/publications/key-indicators-asia-and-pacific-2020

The African Continental Free Trade Area: Economic and Distributional Effects



This report, prepared by the World Bank, quantifies the long-term implications of the African Continental Free Trade Area (AfCFTA) agreement for growth, trade, poverty reduction, and employment. Its analysis goes beyond that in previous studies that have largely focused on tariff and nontariff barriers in goods—by including the effects of services and trade facilitation measures, as well as the distributional impacts on poverty, employment, and wages of female and male workers. It is designed to guide policy makers as they develop and implement the extensive range of reforms needed to realize the substantial rewards that the agreement offers.

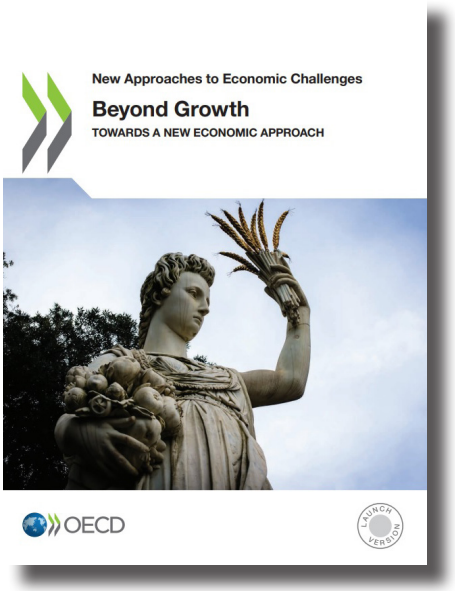
The analysis shows that full implementation of AfCFTA could boost income by 7%, or nearly $450 billion, in 2014 prices and market exchange rates. The agreement would also significantly expand African trade—particularly intraregional trade in manufacturing. In addition, it would increase employment opportunities and wages for unskilled workers and help close the wage gap between men and women.

Contact Details: World Bank Group

Website: https://openknowledge.worldbank.org/handle/10986/34139

Publications

Beyond Growth: Towards a New Economic Approach



We are facing a series of converging planetary emergencies linked to the environment, the economy, and our social and political systems, but we will not meet these challenges using the tools of the last century. We need to rethink the role of the economy in improving the well-being of people and the planet.

As the world's leading intergovernmental forum on economic policy, the Organisation for Economic Co-operation and Development (OECD) has a central role to play in creating a new economic narrative. OECD Secretary-General Angel Gurría therefore invited a high-level group of experts to contribute their proposals on what needs to change in economic policy and policymaking.

This report prepared by the OECD summarises their conclusions. The Advisory Group argues that we need to go beyond growth, to stop seeing growth as an end in itself, but rather as a means to achieving societal goals including environmental sustainability, reduced inequality, greater wellbeing and improved resilience. This requires updating the philosophy, tools and methods underpinning the analysis that influences economic decision-making. Drawing on developments across the modern field of economics and political economy, the report argues for a new approach which recognises the rootedness of economic systems and behaviour in the relationship between people, social institutions and the environment.

Contact Details: OECD Publications

Website: http://www.oecd.org/publications/beyond-growth-33a25ba3-en.htm

About ABA

The ABA aims to provide a forum for advancing the cause of the banking and finance industry in the region and promoting regional economic cooperation. Its primary objectives include the following:

- To provide a venue for an exchange of views and information on banking opportunities in the Asia-Pacific region;
- To facilitate the meeting of bankers in the region in an atmosphere of fellowship and friendship;
- To encourage joint activities that would enhance the role of its members in servicing the financial needs of their respective economies and in promoting regional development; and
- To undertake projects that will encourage trade, industrial, and investment cooperation in the Asia-Pacific region.

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