



6 April 2023

EU-Asia-Pacific Forum on Financial Regulation - Joint Statement – 28 March

The seventh meeting of the EU-Asia-Pacific Forum on Financial Regulation (the Forum) took place via videoconference on 28 March 2023. Since its launch in 2016, the Forum has become a regular venue for discussing and assessing financial regulatory and supervisory developments of mutual interest, in order to enhance cross-border cooperation between EU authorities and competent authorities from Asia Pacific jurisdictions.

Participants discussed the impact of the current developments on the EU, Asia Pacific and global financial systems and noted the high level of uncertainty in this context. The participants also discussed developments related to sustainable and digital finance. A number of specific regulatory and supervisory issues were also discussed.

The seventh Forum was co-chaired by Mr. Shigeru Ariizumi, IOSCO (International Organization of Securities Commissions) APRC (Asia-Pacific Regional Committee) Chair, Vice Commissioner for International Affairs of the Financial Services Agency (JFSA), and Mr. Ugo Bassi, Director, Financial Markets, DG FISMA, European Commission. Ms Verena Ross, Chair of the European Securities and Market Authority also represented the EU delegation.

Participants discussed trends in the global, EU and Asia Pacific financial services sectors impacted by the current market situation coupled with uncertainties regarding the global economic outlook. However, financial systems have so far proven to be resilient in the EU and Asia Pacific. International cooperation in monitoring vulnerabilities and building resilience against stability risks remains essential, amidst tightening global financial conditions, the negative impacts of global energy and commodities markets, and future market developments.

During the Forum, the participating authorities also discussed several issues of global interest currently for financial regulators, such as cross-border regulatory developments, sustainable finance as well as digitalisation.

In the context of cross-border regulatory developments, the European Commission provided an update on the regulation on digital operational resilience (DORA), which has just entered into force. Participants also exchanged views on the issues around T+1 settlement, where India SEBI (Securities and Exchange Board of India) provided an update regarding the recent transition made to 'T+1' settlement in the Indian Securities Market. The European Commission presented the state of play of discussions on 'T+1' settlement. ESMA also provided an update on cooperation arrangements for EU recognised CCPs.

Participants exchanged updates on developments in the area of sustainable finance within their respective jurisdictions. They discussed the importance of developing global baseline reporting standards under the International Financial Reporting Standards (IFRS) Foundation, allowing flexibility for interoperability with national and regional requirements.

Participants also discussed ongoing work on climate in particular sustainability-related financial disclosures. The European Commission presented the progress made on the development of European Sustainability Reporting Standards, as mandated under the Corporate Sustainability Reporting Directive. ESMA provided an update on its consultation on ESG fund names and work on ESG rating and data providers. From the APRC, Hong Kong SFC (Securities and Futures Commission) provided an overview of the SFC's initiatives in the areas of corporate disclosure, expectations of asset managers, use of ESG ratings and data and ESG fund disclosures. Japan FSA provided an update on the introduction of a code of conduct for ESG evaluation and data providers and mandatory disclosure on sustainability information. The European Commission made a presentation on transition finance and the international work in the field of sustainable finance including the work of the International Platform on Sustainable Finance (IPSF).

Participants addressed developments in digital finance and exchanged views on the potential risks from crypto-assets for the international financial system and market integrity given their cross-border nature and rapid technological development. In that context, the European Commission gave a presentation of the EU Regulation on Markets in Crypto-Assets (MiCA) which is at the final stages of adoption, while ESMA provided an update on its work with EU national authorities on investor protection risks posed by crypto-assets. From the APRC, Singapore MAS, chair of the IOSCO Fintech Task Force, provided an update on the work of the Task Force. India SEBI provided an update on Suptech/Regtech.

Participants reaffirmed the importance of the cross-border cooperation between regions and agreed to engage further on the various topics discussed during the meeting, as well as on the other topics of mutual interest ahead of the next Forum meeting.