

ASIFMA Conference 2019: The Future State: Cost Efficiencies, New Technologies, and Operational Challenges

2-3 April 2019 | Hong Kong

Program (as of 11 Feb 2019)

Dates: Tuesday-Wednesday, 2-3 April 2019
Location: JW Marriott Hong Kong (JW Marriott Ballroom, Level 3)

DAY 1

Morning Plenary Session		
09:00-09:10 Welcome Remarks		
09:10-09:30 Keynote 1		
09:30-09:50 Keynote 2		
09:50-10:50 Plenary Panel 1 - How will Capital Markets be Transformed by Technology by 2025?		
10:50-11:30 Morning Coffee Break		
11:30-12:30 Plenary Panel 2 - HBS Customer Value Triangle: Product Leadership vs Customer Intimacy vs Operational Excellence		
12:30-13:30 Buffet Lunch, Networking		
13:00-13:30 Lunch and Learn: The Coming ISO 20022 Revolution: Are You Ready Yet?		
Markets Stream	Technologies Stream	Operations Stream
13:30-14:15 Panel M1- Industry Operational Resilience	13:30-14:15 Panel T1- Partnering with Fintechs: Lessons Learned	13:30-14:15 Panel O1 - DLT as a Use Case in Capital Markets
14:15-15:00 Panel M2 - The Challenges of Client Onboarding	14:15-15:00 Panel T2- Sandboxes - Are They Really Helping to Promote Innovation and Clarify Regulatory Obligations?	14:15-15:00 Panel O2 - China Challenge – Is there an Opportunity to Leapfrog Legacy Markets for Operational Effectiveness
15:00-15:30 Afternoon Coffee Break	15:00-15:30 Afternoon Coffee Break	15:00-15:30 Afternoon Coffee Break
15:30-16:15 Panel M3 - Regulatory Implementation: Humans vs. Machines	15:30-16:15 Panel T3 - AI Governance	15:30-16:15 Panel O3 - Harmonization Across Regional Markets in the Post Trade Space
16:15-17:00 Case Study M4- Lowering the Cost of Change OR Cyber Hack Demo	16:15-17:00 Case Study T4 - HSBC Journey on Cloud – Strategies and Challenges	16:15-17:00 Case Study O4 - Too Many KPIs and KRIs? How Many is Too Much?
<i>(*Sponsored Workshop Opportunities)</i>		<i>(*Sponsored Workshop Opportunities)</i>
17:00 Closing		
<i>(*17:00-18:00 Sponsored Networking Cocktail Opportunity)</i>		

DAY 2

Morning Plenary Session		
09:00-09:10 Welcome Remarks 09:10-10:10 Plenary Panel 1 - Data and Risk: The Intersection of Privacy, Data Localization, Cybersecurity and Third Party Risk Management 10:10-10:55 Morning Coffee Break 10:55-11:15 Keynote / Fireside Chat 11:15-12:15 Plenary Panel 2 - Workforce of Tomorrow		
12:15-13:15 Networking Lunch <i>(*Sponsored Learning Lab Opportunities)</i>		
Stream A	Stream B	Stream C
13:15-14:15 Roundtable A1 - Open Banking 14:15-15:15 Roundtable A2 - Crypto Custody 15:15-15:45 Afternoon Coffee Break 15:45-16:45 Roundtable A3 - Utilities <i>(*Sponsored Workshop Opportunities)</i>	13:15-14:15 Roundtable B1 - Diversity in Fintech 14:15-15:15 Roundtable B2 - DLT: Standards and Interoperability 15:15-15:45 Afternoon Coffee Break 15:45-16:45 Roundtable B3 - Machine Learning and Machine-Readable Regulations <i>(*Sponsored Workshop Opportunities)</i>	13:15-14:15 Roundtable C1 - Regional Nuances in the Post-Trade Space 14:15-15:15 Roundtable C2 - China Fintech - Shenzhen Disruptors 15:15-15:45 Afternoon Coffee Break 15:45-16:45 Roundtable C3 - Data Handling, the Cloud and Capital Markets <i>(*Sponsored Workshop Opportunities)</i>
16:45-17:45 Closed-Door Session with Regulators (by invitation only)		

**Sponsored Learning Lab:*

Sponsor delivers a Ted-Talk-styled session on preferred topics for 15 minutes during lunch break.

**Sponsored Workshop:*

Sponsor hosts a session on preferred topics with speakers invited by the sponsor for 45-60 minutes.

DAY 1

Morning - Plenary Session

09:00-09:10 **Welcome Remarks**

- **Alain Raes**, Chief Executive Officer, APAC and EMEA, **SWIFT**

09:10-09:30 **Keynote 1**

- [HKMA]

09:30-09:50 **Keynote 2**

- **Darryl West**, Global Chief Information Officer (GCIO), **HSBC**

09:50-10:50 **Plenary Panel 1: How will Capital Markets be Transformed by Technology by 2025?**

- Present high level the findings of the GFMA paper on innovation in capital markets (will be published in February 2018)
- Digital transformation – what does it mean?
- How to deal with legacy systems? Patching or building it in the core?
- Rearchitecting technology risk management
- Predicting the next disruptor in financial services
- The power of incumbents versus disruptors: are the incumbents sitting on an arsenal of weapons and tools that they are set to develop?
- Are the incumbents innovating quick enough to remain relevant?
- **Mark Austen**, CEO, **ASIFMA**
- **Rakesh Vengayil**, Deputy CEO of APAC, CEO of Hong Kong, **BNP Paribas Asset Management**
- **Arvind Swami**, Director of FSI Solutions, APAC, **Red Hat**
- **Nomura**
- [Asset Manager]
- [Consultant]

10:50-11:30 Morning Coffee Break

DAY 1

Morning - Plenary Session (Con't)

11:30-12:30 Plenary Panel 2 - Harvard Business School (HBS) Customer Value Triangle: Product Leadership vs Customer Intimacy vs Operational Excellence

- A classic HBS case study maintains that companies need to choose amongst these three disciplines in their business strategy in order to be effective in creating value. Is it impossible to juggle all three?
- Post GFC, the priority for most banks has been to lower costs and to lower risks, and the focus has been on creating value for customers and shareholders with focus on operational excellence; business and people strategies have become realigned in pursuit of squeezing costs out of the system. Has this strategy worked well?
- However, amidst tectonic shifts in the industry with geopolitical risks and market volatility both on the rise coupled with a market structure significantly transformed by algos and bots, is the industry prepared for what appears to be an increasing frequency of black swan events amidst what appears to be evolution towards a new world order?
- What are the risks and the opportunities? Do banks have the right business and people strategy in place? Should more focus be directed towards innovation and product leadership or towards reversing the prior trend of streamlining client service to save costs? How do you square the circle of upgrading your technology, evolving your workforce, and managing the regulatory burden while costs pressures intensify and while the customer “wallet” is not getting larger?
- **Gang Chu**, COO, Chairman of Capital Markets Committee, **China International Capital Corporation (CICC)**
- **Stephen Davison**, MD, Head of Strategy and Chief of Staff, **J.P. Morgan**
- [Consultant]
- [Western challenger]
- [Chinese challenger]

12:30-13:30 Buffet Networking Lunch

13:00-13:30 Lunch and Learn: The Coming ISO 2022 Revolution: Are You Ready Yet?

- ISO 2022 is approaching rapidly. ISO 2022-based messages are already essential components of new HK real-time gross settlement system, faster payment services, as well as playing an increasing importance in the technological evolution in the capital markets. These initiatives and others promise to further embed ISO 2022 and to enable innovation in the business processes of corporations and financial institutions. Join us to hear more about how your institution can create a roadmap to make the most of ISO 2022.
- **Tom Alaerts**, Lead Standards Specialist, APAC, **SWIFT**

DAY 1

Afternoon - Markets Stream

13:30-14:15 Concurrent Panel M1: Industry Operational Resilience

- How do you define operational resilience? Cybersecurity, business continuity, etc. but what else? What is the regulatory approach to this?
- What happens in a real scenario – are business continuity plans followed? Are programs such as Wise / Raffles useful for preparation? How do they work cross-border? What about mandated recovery times?
- What are the largest challenges related to cybersecurity both domestically and globally?
- Is cybersecurity a red herring? Are not the bigger concerns the resiliency of business's own technology?
- Can robotics play a role in resilience and what is its role?
- How are firms preparing for flash crashes?
- How do firms put in place the proper internal governance frameworks to deal with operational resilience? How to comply with self-assessment frameworks and international standards?
- How to adjust the culture of victim-blaming?
- **Jim Fitzsimmons, Director, Cyber Consulting, Control Risks**
- **HSBC**
- [FCA]
- [Bank - head of IT security]
- [Buy-side - head of IT security]

14:15-15:00 Concurrent Panel M2: The Challenges of Client Onboarding

- What is driving financial crime compliance globally and how are firms responding? What has been the fall out of the recent penalties leveled at firms?
- What are the challenges of fragmented KYC/AML regulations in Asia? Are there solutions?
- Is there a path towards KYC/AML regulation standardization globally and within Asia? Or is this a pipe dream? Could we at least set a common baseline KYC/AML standard?
- Is an industry standard AML utility achievable? Can we learn from the failed attempt in Singapore to establish a utility? Can a firm rely somewhat on a utility to satisfy its regulatory liabilities?
- Can we leverage developing technology to smooth the process?
- **Hannah Cassidy, Partner, Herbert Smith Freehills (HSF)**
- **Raymond Wong, Director, Intermediaries Supervision, Intermediaries, Securities and Futures Commission (SFC)**
- [Bank - head of AML Compliance]
- [Buy-side - head of AML Compliance]
- [Technology vendor]
- [Utility Provider]

15:00-15:30 Afternoon Coffee Break

DAY 1

Afternoon - Markets Stream (Con't)

15:30-16:15 Concurrent Panel M3: Regulatory Implementation: Humans vs. Machines

- What are the challenges faced by the COOs and CIOs in implementing regulations across the business including best execution, conduct, front office control and surveillance, etc.? How do you manage regulatory implementation workflow and what tools can be used to help? Is the burden shifting from humans to machines?
- How can technology play an increasing role in making regulatory compliance easier through for example the use of AI to understand/interpret regulations in different jurisdictions and identify the highest bar? Or to interpret data and identify patterns in behavior (eg. Fraud) that can be flagged for further internal investigation? Or for which the regulator can use directly to do the same?
- What are pain points that technology could solve or should be focusing on solving that are better than current manual driven processes?
- What is the future of regulatory reporting? Could we move to a “pull” rather than “push” environment with globally standardized reporting formats in some sort of utility? Or is this a pipe dream? Is there a middle way?
- **Urszula McCormack, Partner, King & Wood Mallesons**
- **Thomas Eitenmueller, Managing Partner, Lucht Probst Associates (LPA)**
- [Bank]
- [Asset manager]
- [Regtech vendor]

16:15-17:00 Case Study M4: Lowering the Cost of Change OR Cyber Hack Demo

DAY 1

Afternoon - Technologies Stream

13:30-14:15 Concurrent Panel T1: Partnering with Fintechs: Lessons Learned

- What can fintech firms and incumbents learn from each other (e.g. organization of data centres, core computer technology; credit evaluation; digital distribution; etc.)?
- Are there good case studies on how this cooperation can work? What were the lessons learned? How can this be applied in the future?
- How can challengers and incumbents work together – what is the ideal partnership? How does that work from an operational standpoint?
- Fintechs vs banks – who are the real disruptors? What sectors are most ripe for disruption or cooperation or both?
- **Rakesh Vengayil**, Deputy CEO of APAC, CEO of Hong Kong, **BNP Paribas Asset Management**
- [Tencent]
- [Ant Financial]
- [Cloud providers]
- [WeBank]
- [Facebook]
- [Bank]
- [Consultant]

14:15-15:00 Concurrent Panel T2: Sandboxes - Are They Really Helping to Promote Innovation and Clarify Regulatory Obligations?

- After a period of the invent of sandboxes, where do the major jurisdictions globally stand on their development?
- There are many different regional/global sandboxes with different requirements. How can this be bridged? Can GFIN help to address fragmentation? What is next?
- Are sandboxes helping firms move from the proof of concept (PoC) to the production stage? Do sandboxes help to clarify the applicable regulatory requirements and promote innovation? Do they offer anything beyond individual firms' own PoC processes?
- **James Lloyd**, Partner, FinTech Leader, Asia-Pacific, **EY**
- **Vadim Sobolevski**, Co-founder, **FutureFlow**
- **Clara Chiu**, Head, Fintech Unit, and Director of Licensing, Intermediaries, **Securities and Futures Commission (SFC)**
- [ASEAN Innovation Network / APIX]
- [MAS]
- [HKMA]
- [FCA]

15:00-15:30 Afternoon Coffee Break

DAY 1

Afternoon - Technologies Stream (Con't)

15:30-16:15 Concurrent Panel T3: AI Governance

- What is the current role of regulators on AI and is there convergence forming on the regulatory approach to AI globally? Will we get consistency?
- How is the industry approaching the ethical use of AI? Should machines be held to a higher standard than humans?
- What are the biases in algo's and data sets?
- What are the legal liability issues and how to address them?
- How to design your AI governance frameworks in a way that is safe, future proof and does not stifle innovation?
- **Huayi Dong, ED, Global head of Electronic Trading Solutions, Equity, Daiwa Capital Markets**
- **David Knott, Chief Architect, HSBC Technology**
- [bank]
- [MAS]

16:15-17:00 Case Study T4: HSBC Journey on Cloud – Strategies and Challenges

- HSBC has embraced public cloud computing as an enabler of change and innovation helping them to better serve their customers in nearly 70 countries around the world. Their strategic plan, relying on multiple vendors and making use of open source technology helps them adopt cloud computing without increasing our risk profile. Cloud computing also increases the security of the bank and its customers thanks to the resilience and expertise that hyperscale providers bring. But that journey has not always been easy or smooth. They have worked tirelessly as a business and with their regulators around the world. They continue to evolve their approach and expand their knowledge. In this workshop, HSBC's Chief architect David Knott will reflect on some of the lessons learned and where he sees the future of the industry moving forward.
- **David Knott, Chief Architect, HSBC Technology**

DAY 1

Afternoon - Operations Stream

13:30-14:15 Concurrent Panel O1: DLT as a Use Case in Capital Markets

- How can DLT be used in capital markets and what are the current challenges to its implementation? Has it been over-hyped?
- What are some of the current use cases that can be learned from? Why did they succeed while others failed? What needed to be standardized?
- How do you deal with the complexities in coordination across multiple counterparties and timezones? How might a block chain solution address these issues?
- **Lisa O'Connor**, Head of Securities Initiatives & Standards, Asia Pacific, **SWIFT**
- **Jame DiBiasio**, Co-founder and Editor, **DigFin Group** (*Moderator*)
- [HKEX]
- [Digital Asset]
- [Asset Manager Operations]
- [Broker Dealer Operations]

14:15-15:00 Concurrent Panel O2: China Challenge – Is there an Opportunity to Leapfrog Legacy Markets for Operational Effectiveness

- What are the biggest pain points supporting clients trading China A shares (ID market, settlement cycle, RMB settlement, regulatory constraints, etc)? How can custodians identify currencies such as CNY and CNH in their systems?
- Which opportunities should be prioritized for advocacy to achieve the highest ROI and deliver better value to investing clients?
- Rather than aligning China to current practice in other markets, are there opportunities for innovation and alternative approaches to achieve even higher levels of efficiency/effectiveness (technology / market structure)?
- **Stuart Jones**, Chairman, **Pan Asia Securities Lending Association (PASLA)**
- **Gordon Russell**, Head of Asia, **Torstone Technology**
- [Equities Sales and Trading]
- [Market Structure]
- [Operations]
- [Exchanges]

15:00-15:30 Afternoon Coffee Break

DAY 1

Afternoon - Operations Stream (Con't)

15:30-16:15 Concurrent Panel O3: Harmonization Across Regional Markets in the Post Trade Space

- Omnibus vs ID market structures within Emerging Asia: opportunity to proactively propose a happy hybrid? Or leave lying dogs alone?
- Settlement Cycles: is T+2 the optimal end state? What has been done in the region and what remains to be done? How to get there?
- Opportunity to leverage new technologies in historically under invested post trade systems to significantly improve efficiency and effectiveness?
- Opportunity to leverage new and improved data architecture to maintain local nuances built on top of a harmonized infrastructure and standards?
- [APAC Operations]
- [Country Operations Heads]
- [Technology]
- [Market Infrastructure]
- [Standards]

16:15-17:00 Case Study O4: Too Many KPIs and KRIs? How Many is Too Much?

- How are KPIs and KRIs used by Banks to manage productivity and risks?
- Have Bank Operations evolved into a modern day factory assembly line?
- Have costs really gone down? How about price/performance?
- How can KPIs and KRIs be better leveraged to better promote a stronger ownership mentality and higher productivity? Case studies to share?
- [APAC Operations]
- [Consultancies]

DAY 2

Morning - Plenary Session

09:00-09:10 **Welcome Remarks**

- Data handling paper launch
- **Mark Austen, CEO, ASIFMA**

09:10-10:10 **Plenary Panel 1: Data and Risk: The Intersection of Privacy, Data Localization, Cybersecurity and Third Party Risk Management**

- As data is the raw material of all fintech applications, what challenges do firms face by existing privacy regulations, cybersecurity threats, and the move in Asia to data onshoring? These risks are usually looked at separately. How do they interact? Are the sum of the risks greater?
- How specifically will data localization requirements impact the use of new technology as well as existing systems in the financial sector? Will privacy regulations make this even more difficult or can they be amended to allow technology to flourish? Can we draw a distinction between personal and non-personal data as a way forward? Are trade agreements a possible solution to all of this?
- Are cybersecurity concerns an impediment to the use of data?
- What will be the cost of all of these new regulations?
- In spite of all of this, how can technology (both developed internally or purchased externally) drive operational efficiency by better use of data? How can data governance be internalized? Is the industry moving to data lakes, creating catalogs, using other technologies? Which are most valuable, cheapest/easiest to implement, etc?
- **Rakshit Kapoor, Group Chief Data Officer, HSBC**
- **Simon Chan, Head of Data Analytics Group, Securities and Futures Commission (SFC)**
- [MAS]
- [European Commission (Digital Single Market), Data Policy and Innovation]
- [RBI]
- [China MII]
- [Indonesia, Vietnam]
- [Challenger that is impacted]

10:10-10:55 Morning Coffee Break

DAY 2

Morning - Plenary Session (Con't)

10:55-11:15 Keynote / Fireside Chat

- **Google**
- [HKCIO, SGCIO]
- [WeBank]

11:15-12:15 Plenary Panel 2: Workforce of Tomorrow

- What will the workforce of tomorrow look like? What jobs will be replaced by technology and which ones will be created? Will our current organizational hierarchies survive (eg. VPs, EDs, MDs, etc.)? How do we prepare ourselves to work with machines? Are there use cases to be shared?
- What challenges do firms face in attracting and retaining the right talent in this highly competitive environment? What are the trends both globally and regionally? How are firms dealing with this? Are millennials changing the way firms do this?
- What are Hong Kong and Singapore doing to develop the right talent in their markets? Are there things to learn from other markets?
- How do we encourage more ownership mentality for higher productivity?
- How do we help develop the right skillset at the regulators?
- **Josianne Robb**, Chief Digital Officer Asia, **Manulife**
- **Vince Natteri**, Managing Director, **Pinpoint Asia**
- **Benjamin Quinlan**, CEO & Managing Partner, **Quinlan & Associates**
- **Christian Bucholdt**, Head of IT Digital Factory, **UBS**
- [Bank - head of markets / HR]

12:15-13:15 Buffet Lunch

DAY 2

Afternoon - Stream A Roundtables

13:15-14:15 Roundtable A1: Open Banking

- Should regulators mandate open banking or not?
- Should it be extended to Bigtech to level the playing field?
- What are the cybersecurity risks and how can these be tackled?
- What are the recent case studies of banks working together by leveraging on open APIs?
- **Bill Genovese**, VP, Corporate Strategy Planning, Banking, Financial Services and IT Services Solutions, **Huawei**
- **HKMA**

14:15-15:15 Roundtable A2: Crypto Custody

- The lack of independent custody solutions are hampering institutional investor interest especially as over \$2 billion in digital assets were stolen last year. What are the custody solutions that exist or will exist in the near future? And will they address this concern?
- What is the impact of the SFC conceptual framework for digital asset platforms requiring custody?
- What are the advantages of omnibus accounts vs segregated user accounts in the crypto space?
- How to deal with custody of private keys?
- **Olivier Dang**, MD, Head of Strategy, Asia ex-Japan, **Nomura**
- **Alexandre Kech**, CEO, **Onchain Custodian**
- **Clara Chiu**, Head, Fintech Unit, and Director of Licensing, Intermediaries, **Securities and Futures Commission (SFC)**
- [Statestreet]
- [Northern Trust]
- [Crypto Exchange]

15:15-15:45 Afternoon Coffee Break

15:45-16:45 Roundtable A3: Utilities

- How can banks work together to drive utilisation of non-core, non-competitive processes? Or have we missed the opportunities in the 10 years on from the GFC?
- Are utilities the solution to building better/more efficient infrastructure? Or is it an outmoded concept that no longer should play a significant role in financial markets?
- Is there a role for the regulators? Can they help address liability issues or endorse the utility to help bring the industry together?
- What is the appropriate operating model? Profit or non-profit?
- Are there any good examples of recent use cases?
- [Utility providers]
- [MAS]
- [HKMA]
- [Consultant]
- [Senior business person from a Bank]

DAY 2

Afternoon - Stream B Roundtables

- 13:15-14:15 **Roundtable B1: Diversity in Fintech**
- Is Fintech a pathway towards achieving gender balance at leadership levels within the banks?
 - Is there data to support that?
 - Diversity is more than gender. How to deal with age, race, sexual orientation? Does it include class, professional background or even culture?
 - [Women in Tech delegate]
- 14:15-15:15 **Roundtable B2: DLT: Standards and Interoperability**
- Complexities around moving from current use cases/POC to larger, industry-wide interoperable platforms
 - How to drive interoperability among DLTs and standards
 - Addressing security concerns
 - **Lisa O'Connor**, Head of Securities Initiatives & Standards, Asia Pacific, **SWIFT**
 - [Digital Assets]
 - [Use case firm]
- 15:15-15:45 Afternoon Coffee Break
- 15:45-16:45 **Roundtable B3: Machine Learning and Machine-Readable Regulations**
- Are firms leveraging on the FCA machine-readable regulation?
 - What are the challenges for regulators and financial services firms?
 - **HKMA**
 - [FCA]
 - [ISDA]

DAY 2

Afternoon - Stream C Roundtables

13:15-14:15 Roundtable C1: Regional Nuances in the Post-Trade Space

- Why is harmonization of market structure so difficult?
- What is it that the global firms do not understand about local issues?
- What is it that the local firms do not understand about the bigger picture?

14:15-15:15 Roundtable C2: China Fintech - Shenzhen Disruptors

- What is happening in Shenzhen that is relevant to our industry?
- Is China really developing cutting edge technological innovations in the financial services sector, or are they just able to take advantage of a backward local industry by offering scale and customer service?
- Can the Greater Bay Area helped facilitate greater cooperation or is it just a distraction as the legal and regulatory hurdles are too great?

15:15-15:45 Afternoon Coffee Break

15:45-16:45 Roundtable C3: Data Handling, the Cloud and Capital Markets

- What are a financial institutions modern data storage practices?
- How do we address regulatory concerns and considerations around cybersecurity, encryption, concentration risk, impact on regulators enforcement powers, data portability?
- Is data localization the solution in the region whether we like it or not?
- Can open API initiatives help bring the industry together to find solutions?
- **Rakshit Kapoor, Group Chief Data Officer, HSBC**
- **Standard Chartered**
- [Cloud providers]
- [ACCA]
- [Cloud service alliance]

DAY 2

Afternoon - Closed-Door Session (by invitation only)

16:45-17:45 Closed-Door Session with Regulators: The Cloud and Capital Markets

- **Irene Tsao, Director, Intermediaries Supervision, Securities and Futures Commission (SFC)**
- [Cloud provider(s)]
- [Regulators]

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