

Minutes of Preliminary Meeting for ACG11th

1. **Date:** April 19th, 2007
2. **Venue:** K3 room, Kempinski Hotel, Shenzhen, China
3. **Background:** In order to better prepare for upcoming ACG11 to be held in Beijing early September this year, China Securities Depository and Clearing Corporation (SD&C), the host for ACG11, called this informal meeting. Some of the ACG member organizations who have previously hosted ACG meetings were invited to discuss relevant issues around ACG11 so as to draw their experiences and inputs. The Central Depository Company of Pakistan Limited (CDC), who hosted ACG10 and currently plays the role of ACG Secretariat, was particularly invited. China Government Securities Depository Trust & Clearing Co. Ltd. (CGSDTC), another ACG member from mainland China, was also presented at the meeting.

4. Participants

Name	Title	Organization
Dr. DAI Wenhua	Deputy General Manager	China Securities Depository and Clearing Corporation Ltd. (SD&C)
Mr. ZHANG Fan	Deputy General Manager	
Mr. SHEN Bing	Director ,Research and Development Dept.	
Ms. XIA Liang	Deputy Director ,Research and Development Dept.of Shenzhen Branch	

Name	Title	Organization
Mr. Mohammad Hanif	CEO	Central Depository Company of Pakistan Limited (CDC)
Mr. Fazal Hussain	Chief Internal Auditor	
Mr. ZONG Jun	Senior Manager	China Government Securities Depository Trust & Clearing CO. LTD (CGSDTC)
Mr. ZHU Zhiyong	Manager	
Mr. Stewart Shing	CEO	Hong Kong Securities Clearing Co. Ltd (HKSCC)
Mr. Derrick Fung	Director	
Mr. Yoshinobu Takeuchi	President	Japan Securities Depository Center, Inc. (JASDEC)
Mr. Kyoji Kimura	Director of International Dept.	
Mr. Makoto Sato	Deputy Director of International Dept.	
Ms. Juri Tanaka	Manager. International Dept.	
Mr. Toshitsugu Shimizu	Member of the Board	Japan Securities Clearing Corporation (JSCC) (via conference call)
Mr. Kazuhiro Nishimukai	Division Manager, Risk Management Division	
Mr. Takehiro Hosomura	Chief Manager, Risk Management Division	
Mr. Fortune Ju	President	Taiwan Depository & Clearing Corporation (TDCC)
Mr. Howard Wang	Assistant Manager	

5. Brief Proceedings: Dr. DAI Wenhua, Deputy General Manager of SD&C, chaired the meeting. Mr. Mohammed Hanif, Chairman of ACG Secretariat, and other participants joined the discussion in person or via conference call facilities. After Dr.Dai’s brief welcome and introductory remarks, Mr. SHEN Bing of SD&C made a presentation about SD&C’s preparatory work for ACG11, which covered such areas as draft agenda for ACG11, suggested topics for panel discussion, proposed enhancement to members’

report and task force meetings. Participants actively discussed these issues and provided comments and suggestions for better preparation of the ACG11. Several key consensuses were reached and summarized below. At the end of meeting, Dr. DAI Wenhua expressed his sincere appreciation of the support from the previous hosts and the secretariat.

6. Consensus

6.1 *Draft agenda for ACG11*

Participants made comments and proposed some adjustments to the draft agenda in order to make the meeting more informative and interactive. SD&C would incorporate the inputs and put together a revised draft agenda to be circulated by SD&C in consultation with the Secretariat (Please see the Attachment of the minutes for the revised draft agenda). SD&C shall work together with the Secretariat together to update the Agenda according to members' suggestion.

6.2 *Theme of ACG11 and topics for panel discussion*

Participants supported Mr. Stewart Shing's suggestion to draw a theme for ACG11, such as 'Challenges Ahead of Asia-Pacific CSDs'.

Participants supported to take the most favored topic: "The role of CSD in the context of Dematerialization" as the main topic for panel discussion. A panel will be set up around this topic and allocated in the morning of first day. Panelists would be preferably invited from markets that have entirely dematerialized, semi-dematerialized and not dematerialized respectively.

Participants strongly supported the idea to invite some

members who have not presented in previous ACG meetings to be panelist for ACG11, in order to give chances for those members to participate. The Secretariat will send SD&C a list of previous panelists for reference.

Other suggested topics such as ‘Securities holding and depository model’, ‘Implications of Exchange’s M&A on CSDs’, ‘Payment systems to support simultaneous DVP settlement’, ‘Asian Bond market’, ‘Risk Management’ and etc., could be incorporated in task force presentations (Where possible)

Chairperson American Central Securities Depository Association (ACSDA): Ms. Mary Ann Callahan may be invited to present on ‘Implications of Exchanges’ M&A on CSDs’.

6.3 *Member Report*

Participants supported the suggestion to change the term ‘Country Report’ into ‘Member report’ because there is more than one member in a country.

In order to make the member report session more interesting to the delegates, all members are expected to submit a written ‘Member report’ to the host before the general meeting. These reports would be compiled and circulated among all members by SD&C via ACG website or by email, so that all members could access this information before the general meeting. Presentations of ‘Member report’ during the meeting will be optional for existing members but required for newly accepted members. The chairman should facilitate the ‘Members’ Report’ session in such a way that members can raise questions regarding reports from other markets.

6.4 *Task Force Enhancement*

To enhance the participation and activities of Task Forces, ACG secretariat has been contacting conveners of the task forces. Participants strongly support this initiative and made various suggestions below. The ACG secretariat echoed these suggestions and will continue its efforts in these areas.

6.4.1 Topics of each task force should interest most members. So convener of task force should make topic consultation among members and choose a proper topic for discussion and research. Those interesting topics other than the main panel topic could also be chosen by task forces for task force discussion and presentation.

6.4.2 Besides summary of members' questionnaire, task forces may make specific presentations.

Participants suggested 'Payment systems to support simultaneous DVP settlement' could be incorporated in the special presentations of Technical or New Business Initiative task force.

6.4.3 Task force is expected to promote cooperation among members via more conference calls, website forum or other communication methods.

6.4.4 Participants also suggested each member should take part in one task force as minimum. Members of task forces will be encouraged to send representatives to participate in each of their respective task forces. We may ask members to provide names attending the task force at the time of registration with the secretariat.

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6.5 *Presentations about China*

Some participants suggested that they have learned that many

members are quite interested to know more about the development of financial markets and CSD in mainland China.

SD&C explained that guest speakers from Chinese financial authorities would be invited to address the meeting. Senior executive from SD&C would also deliver welcoming speech to the audience. Information about financial markets and CSD could be incorporated in these sessions.

6.6 *Inviting members and representatives from other CSD groups*

Invitation letter of ACG11th would be sent out by SD&C in due course to facilitate participants' visa application and for other admin matters.

6.7 *Other Suggestions*

Participants also made some very good suggestions or comments, about which SD&C expressed its appreciation and willingness to take in as appropriate.

6.7.1 Some participants contend it would be the best not to have sponsors, so as to keep ACG meeting only among members and to allow more time for members to exchange information. The secretariat suggested this be subject to the host's choice.

6.7.2 TDCC is to give members authorization for full access of ACG Website. Member report from members and documents of task force can be updated on the website.

6.7.3 Some participants suggested a breakfast meeting be organized to facilitate exchanges among members.

Attachment

Draft Agenda

Challenges Ahead of Asia-Pacific CSDs

Beijing, China , Sept. 2-4, 2007

NB: This is still a draft agenda, being subject to further changes as preparation work develops.

Sept.2 nd , 2007, Sunday			
Time	Program	Venue	
9:00-19:00	<u>Registration</u>	Ritz-Carlton Hotel	
18:30-20:30	<u>Welcome Reception</u> <i>(Delegates Only)</i> (Dress Code: To Be Decided)		
Sept.3 rd , 2007, Monday (ACG members and guests)			
Time	Program	Venue	
7:00--9:00	<u>Registration</u>	Ritz-Carlton Hotel	
9:00 - 9:20	<u>Welcome Address</u>		
9:20 - 9:35	<u>Opening Remarks</u>		
9:35-10:30	<u>Keynote Speech</u>		
10:30-11:00	<u>Photo Session</u> <u>Coffee & Tea Break</u>		
11:00-12:30	<u>Panel Discussion</u> <i>The Role of CSD in the Context of Dematerialization</i>		
12:30 - 14:00	<u>Lunch</u>		
14:00-15:45	<u>China Securities Market Forum</u>		
15:45-16:00	<u>Coffee/Tea Break</u>		
16:00-17:30	<u>Guest Speaker's Panel</u> <i>Implications of Exchange's M&A on CSD</i>		
18:30 - 20:30	<u>Dinner</u> <i>(Delegates and Spouse)</i> (Dress Code: To Be Decided)		To Be Decided

Sept.4 th , 2007, Tuesday(ACG members only)		
Time	Program	Venue
9:00 - 10:45	<u>General Meeting Session</u> <ul style="list-style-type: none"> ▪ <i>Introductory remarks</i> ▪ <i>Election of the 11th ACG Chairperson</i> ▪ <i>Welcome to new ACG Members</i> ▪ <i>Confirmation of the minutes of ACG10th General Meeting</i> ▪ <i>Progress report from Secretariat</i> ▪ <i>Member report(From New Members)</i> ▪ <i>Other Topics</i> 	Ritz-Carlton Hotel
10:45 - 11:00	<u>Coffee/Tea Break</u>	
11:00 - 12:30	<u>Task Force Group Meeting</u>	
	▪ <i>Exchange of Information</i>	
	▪ <i>New Business Initiative</i>	
	▪ <i>Technical</i>	
	▪ <i>Settlement Risk Management</i>	
	<u>Top Management Meeting</u>	
12:30-14:00	<u>Lunch</u>	
14:00-15:30	<u>Task Force Reporting & Discussion</u>	
15:30 - 15:45	<u>Coffee/Tea Break</u>	
15:45-17:30	<u>General Meeting Session</u> <ul style="list-style-type: none"> ▪ <i>Approval of ACG Charter</i> ▪ <i>Member report(From Existing Members)</i> ▪ <i>Election of Secretariat '2008'</i> ▪ <i>Invitation to ACG 12 General Meeting by next host</i> 	
17:30	<u>Meeting Closed</u>	
18:30 - 21:30	<u>Farewell Dinner and Performance</u> <i>(Delegates and Spouse)</i>	To Be Decided

Sept.5 th , 2007, Wednesday		
Time	Program	Venue
8:30-17:00	<u>Optional Tour</u> <i>(Delegates and Spouse)</i>	