

PROGRAMME
for the 26th International Financial Congress
Finance for Development
St. Petersburg, Russia
July 12–14, 2017

Wednesday, July 12, 2017	Arrival and registration
19:00–21:00	Ballet performance of <i>Anna Karenina</i> at the Mariinsky Theatre (new stage)
Thursday, July 13, 2017	26th International Financial Congress: Day 1 Presidential Library, 3, Senatskaya Ploshchad
08:00–09:00	Registration
09:00–10:00	Messages of support received by IFC-2017 Welcome address by the Governor of St. Petersburg Georgy Poltavchenko Presentation by Governor of the Central Bank of Russia Elvira Nabiullina
10:00–10:30	Coffee break
10:30–12:00	<u>Plenary session:</u> Finance for Development <i>Supporting economic development is one of the most difficult tasks facing society, and one which is dependent on coordination among all interested parties, including the financial market regulator. The Central Bank's policies, in all their manifestations, from monetary policy to prudential oversight measures, help to create an atmosphere of trust between market players, to provide the economy with valuable resources, including long-term savings, and to develop technological innovations. No less important is the growing dependence of financial markets on the influence of external factors, and this must be taken into account. When developing its policies, how should the Central Bank take all these factors into account in order to reach its goals and create the conditions necessary for sustained economic growth?</i>
12:00–12:30	Coffee break
12:30–14:00	<u>Panel session I:</u> Banks' fate: how to survive the challenges of fintech and regulatory pressure <i>Banks are experiencing growing competition from fintech companies, while also finding themselves in unfavourable competitive conditions due to elevated risks and strengthening regulatory pressure. How can banks address these new challenges?</i>
14:00–15:30	Lunch
15:30–17:00	<u>Parallel roundtables (RTs):</u> Manege Central Exhibition Hall, 1, Isaakiyevskaya Ploshchad Presidential Library, 3, Senatskaya Ploshchad RT 1.1: Macropprudential policy and its role in ensuring financial stability <i>For discussion:</i> <ul style="list-style-type: none"> • <i>Using DTI and LTV in systemic risk regulation practices</i> • <i>The effectiveness of macropprudential measures: experiences collected from across different countries</i> • <i>Interaction between macropprudential and monetary policy</i>

RT 1.2: Banking regulation for boosting development: opportunities and limitations

Traditionally, the explicit goal of banking regulation is to limit risk. Is it also possible to use banking regulation for the purpose of stimulating economic development without hindering the achievement of this main goal?

RT 1.3: Insurance market growth drivers

For discussion:

- *Trend analysis, search for new points of growth, the possibility of a shift in drivers*
 - *Life insurance – the ‘engine’ of the modern insurance market in Russia (investment life insurance as the main driver of this segment; risks in bancassurance)*
 - *Prospects for the participation of insurers in the Pension System of the Russian Federation (from the positions of insurers, clients, and the regulator)*
 - *Solvency II – challenges and opportunities*
 - *Improving mechanisms for regulating the activities of insurance intermediaries*
 - *Electronic technologies in insurance – outcomes, difficulties encountered, prospects for development:*
 - ✓ *Battling insurance fraud and cyber crime*
 - ✓ *Electronic insurance policies*
 - ✓ *Improving the quality of information exchange*
 - ✓ *Pressing issues related to adapting to new requirements*
 - *Development of practical recommendations*
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RT 1.4: Insider trading and market manipulation

For discussion:

- *Combatting insider trading and market manipulation as a tool to facilitate fair competition and business efficiency*
 - *Effectiveness of existing mechanisms for combatting insider trading and market manipulation, justifiability of expenditure on combatting similar abusive practices*
 - *Corporate culture and procedures as natural internal safeguarding tools*
 - *The latest regulatory innovations for combatting malpractice behaviours*
 - *International experience in developing, introducing, and executing measures to combat insider trading and market manipulation*
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RT 1.5: Protecting the rights of investors and financial services consumers: the role and objectives of conduct oversight

For discussion:

- *Conduct oversight and a risk-based approach to protecting financial services consumers: international experience*
 - *Outcomes of the work done by the Service for Consumer Protection and Financial Inclusion in 2016 and main areas of focus for the current year*
 - *Cooperation between the Bank of Russia and the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing to protect financial services consumers*
 - *The role of self-regulatory organizations in the protection of financial services consumers*
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RT 1.6: The digital economy and innovations in the financial sector

For discussion:

- *The key role of digital technologies in increasing innovation in the economy and the state*
 - *The digital transformation of the financial sector*
 - *The financial sector as a driver of development in the innovation economy*
 - *The role of the state in the formation of modern financial market infrastructure*
 - *Key technology trends that are transforming the financial market*
 - *Remote identification as the foundation for developing digital financial services*
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RT 1.7: Improving the auditing process to ensure investor confidence

For discussion:

- *Market expectations of auditing work: audits of accounting (financial) statements, activities to ensure confidence, related services, the role of auditors in confirming non-financial information*
 - *Choice of auditors: how to move from competition on price to competition on quality*
 - *Adequacy and reliability of information disclosed by auditors, transparency of auditing procedures*
 - *Requirements for proper communication between all participants in the process of preparing financial statements: internal controls and auditing, boards of directors, audit committees, independent auditors, actuaries, assessors*
 - *Competition in the audit market: how to transition to qualitative indicators*
 - *Adopting the International Standards on Auditing, initial results*
 - *Interaction between the auditor and regulators: opportunities and limitations*
 - *New technologies and auditing (challenges in advancing the profession): XBRL, working with big data, automation of auditing processes*
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17:00–17:30

Coffee break

17:30–19:00

Parallel RTs:

RT 2.1: The Russian economy: beyond the horizon (*in cooperation with Vedomosti*)

For discussion:

- *The role of structural factors*
 - *The economic context for implementing monetary policy*
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RT 2.2: Dialogue with the regulator: from cleaning up of the market towards a consultative approach to banking supervision

As the market is cleared of unscrupulous bank owners and managers, approaches to banking supervision must change. How can the relationships between banks and supervisors be made more collaborative?

RT 2.3: OSAGO 2017: what lies ahead for compulsory vehicle insurance?

For discussion:

- *Analysis of the current state of the segment, evaluation of the impact of newly introduced legislative changes, including those aimed at combatting car insurance fraud and guaranteeing accessibility:*
✓ *E-policies*
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✓ Repairs (the priority of natural reimbursement)

✓ The Single Agent system

- Improving the tariff system
 - Improving the EUROPROTOCOL system
 - The ombudsman as an effective tool for protecting the rights of third-party liability insurance (OSAGO) consumers
 - Developing a dialogue with judicial authorities
 - Determining new horizons for development, prospective challenges, and possible paths to overcome them
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RT 2.4: Improving financial literacy: regional perspectives

The need to improve the level of financial literacy is a pressing social issue affecting both the material wellbeing of the Russian population and the development of the financial market. In 2015 and 2016, the Russian Ministry of Education and Science and the Bank of Russia introduced financial literacy to the basic primary and secondary curricula. In early 2017, the two bodies signed a joint action plan stipulating the inclusion of financial literacy components at every level of the educational system, as well as the organization of events devoted to raising financial awareness among the general public.

The determination of a consistent approach and establishment of cooperation between federal and regional state authorities, the Bank of Russia, and social and commercial organizations are vital steps towards the successful realization of these goals. It is also essential to take into account international best practices, the specific nature of existing behavioural stereotypes, and the varying regional characteristics that have taken shape under recent conditions of economic development.

For discussion:

- Prospects for developing interagency cooperation at the regional level
 - International best practices for interagency cooperation
 - Examples of successful support for useful private and public initiatives
 - The effectiveness of technologies based on studying patterns in financial behaviour
 - Regional factors involved in implementing financial awareness programmes for different target audiences
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RT 2.5: The Mir payment system: current and future services and technology

For discussion:

- Objectives for developing the National Card Payment System (NPCS) and promoting national payment tools in accordance with legislative changes
 - Relevant services and technologies within the Mir payment system: perspectives from participants in the Mir ecosystem
 - The Mir card as a key to public services
 - Fintech and the NPCS platform
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RT 2.6: The problems and opportunities of Russia's pensions market

This roundtable will be dedicated to discussing the concept of 'individual pension capital' (IPC).

For discussion:

- Incentives for participation in the new funded system: what kinds of
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benefits can individuals and employers expect?

- *Launching IPC in parallel with the implementation of a new taxation system: why is this necessary?*
 - *Technical implementation of the IPC system, the role of the central administrator*
 - *Legal structure of the IPC: automatic subscription and citizens' rights*
 - *Participation of the Vnesheconombank State Trust Management Company in the new system*
 - *IPC and non-state pension schemes, including voluntary non-state pension schemes*
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RT 2.7: Development of cross-border payments in national currencies

The potential for the development of national currency transactions has been important throughout the CIS member states since the 1990s. In recent years, this subject has also been widely discussed in the context of growing trade and investment cooperation between Russia and non-CIS countries. Traditionally, the focus has been on the macroeconomic conditions and barriers that currently limit the proportion of payments made using national currencies, including existing national currency regulation legislation. The Bank of Russia also considers these issues in connection with the implementation of monetary policy and the impact on financial stability. The following issues are planned for the discussion:

What is the development potential for payments made between the Russian Federation and its main trade and economic partners using national currencies?

What are the main risks to the implementation of monetary policy and ensuring financial stability in Russia associated with the internationalization of the Russian rouble?

What are the limits to the internationalization of the Russian rouble now and in the long term (until 2035) in light of growing regionalization?

Which barriers most hinder current development of cross-border transactions in national currencies?

To what extent can Russia use other countries' experience of the national currency internationalization process?

19:30–22:00

Bank of Russia reception *(by invitation only)*

**Friday
July 14, 2017**

26th International Financial Congress: Day 2
Presidential Library, 3, Senatskaya Ploshchad
Manege Central Exhibition Hall, 1, Isaakiyevskaya Ploshchad

10:00–11:30

Panel session II: Major trends in the development of Russia's financial markets: half-way there

Guidelines for the Development of the Russian Financial Market in 2016–2018 is a widely discussed document published by the Bank of Russia on the development of the financial market. The text is cross-sectoral in nature and contains an explanation of actions the Bank plans to take in order to develop all sectors of the financial market in the medium term (2016–2018).

In order to elaborate on the measures envisioned in the Guidelines for the Development of the Russian Financial Market in 2016–2018, development of a 2016 Action Plan (Roadmap) for the Implementation of the Guidelines for the Development of the Russian Financial Market in 2016–2018 was undertaken. This plan includes concrete tasks and actions to be taken by the Bank of Russia in order to develop the Russian financial market.

	<p><i>Outcomes of the 2016 Roadmap for the Implementation of the Guidelines for the Development of the Russian Financial Market.</i></p> <p><i>Specifics of developing Russian financial market sectors in 2016:</i></p> <ul style="list-style-type: none"> • <i>The banking sector</i> • <i>Payment systems and payment infrastructure</i> • <i>The securities market</i> • <i>The insurance sector</i> • <i>The collective investments and trust management sector</i> • <i>The microfinance sector</i> <p><i>2017 Roadmap: key actions</i></p>
11:30–12:00	Coffee break
12:00–13:00	<p><u>A dialogue between the Minister of Economic Development of the Russian Federation, the Minister of Finance of the Russian Federation, and the Governor of the Central Bank of Russia: The financial sector for the national economy</u></p>
13:00–13:30	Coffee break
13:30–15:00	<p><u>Panel sessions and parallel RTs</u></p> <hr/> <p><u>Panel session III: Information security: current challenges and practices</u></p> <p><i>Information security – is it important for business, the economy, and the state?</i></p> <p><i>Cybercrime: what are we up against?</i></p> <p><i>Key components of information security: is it all about equipment?</i></p> <p><i>It is all about the people: what should be required of staff?</i></p> <hr/> <p><u>Panel session IV: Global economic challenges for central banks</u></p> <p><i>The problem of permeability in the economy, capable of destabilizing national financial systems, is particularly critical for emerging markets. As the global recession has shown, maintaining low inflation should go hand in hand with financial stability. The experiences of emerging economies in implementing low inflation and financial stability policies are all unique, but they nonetheless exhibit patterns which warrant interpretation. The deepening of financial integration – the path chosen by advanced economies – increases the level of mutual influence among the financial systems of all states. How exactly will this impact financial stability and sustainable growth in countries with emerging economies?</i></p> <hr/> <p>RT 3.1: A new role for accounting bodies in corporate relations</p> <p><i>A full year has passed since legislative amendments allowing corporations to use the cascade method went into effect. Accounting infrastructure has become a key element in corporate events and the transport system for information and monetary exchange between the issuer of stocks or bonds and the investor. Holders of securities no longer need to interact directly with the issuer in order to exercise their rights. Both information and declarations of intent can now be transferred electronically. Voting at general shareholder meetings can also be done online.</i></p> <p><i>Have the expectations of shareholders and bond holders been met? Have the lives of issuers been made easier? Has the new system provided an incentive for investors, including foreign investors, to participate more actively in corporate events? What problems has the market faced? Can a boom in electronic voting be</i></p>

expected? What are the paths for further development?

RT 3.2: The role of self-regulation in the financial market

This roundtable will explore approaches to implementing financial monitoring and oversight of the activities of market participants from the perspectives of both the regulator and the market, with the goal of creating a comprehensive regulatory system that meets the needs of professionals working in various segments of the financial market. It will also focus on standardizing the activity of self-regulatory organizations and of their members in the financial market in an attempt to generate a set of transparent rules governing market behaviour that financial organizations and their customers can easily understand.

Self-regulatory organizations in the financial market – tools for regulation and oversight, the role of the regulator and self-regulatory organizations: international experience and Russian practice, including in the context of Federal Law No. 223-FZ dated July 13, 2015, ‘On Financial Self-Regulatory Organizations’, which amends articles 2 and 6 of the Federal Law ‘On Amending Individual Laws of the Russian Federation’.

RT 3.3: Financial inclusion strategy: reaching a new level

Financial inclusion is currently a high-priority topic, not just for national regulators, but also for the majority of ISSBs. In light of this, the Bank of Russia is moving towards systemic measures; more specifically, it is developing a strategy to enhance financial inclusion in the medium term (2017–2019).

The following priority and long-term development focus areas have been set out in the strategy:

- *Development of financing for small and medium-sized enterprises*
- *Improvement of protection mechanisms for financial services consumers and development of financial literacy among the population and SMEs*
- *Development of digital financial services channels*
- *Expansion of access to financial services in remote and rural regions*
- *Improvement of financial inclusion for sections of the population and SMEs that have limited access to financial services*

The discussion will be dedicated to the strategy’s main priorities, as well as to an analysis of the goals to be reached via these priorities, which include:

- *Improvement of infrastructure through the development of mutually profitable collaboration between banks and other non-bank financial institutions*
- *Development of programmes to provide financing (including in alternative forms) to SMEs, including the creation of a system of incentives for those who offer credit/loans to said enterprises*
- *Refinement of the existing set of digital financial services to incorporate those business models and products that would meet the needs of financial services consumers who fall into categories of citizens not included in the financial system*
- *The Bank of Russia’s understanding of the ‘target audiences’ of various financial services*

Improvement by the Bank of Russia of the financial services consumer protection system

RT 3.4: Professional judgement: process justification, procedure, and transparency

For discussion:

- Area of application for professional judgement during decisionmaking
- Professional judgement from the perspectives of both the regulator and participants in the financial market

Procedures for incorporating and approving professional judgement

RT 3.5: 2017 Innoribe Startup Challenge Russia

Presentation of the first SWIFT Innoribe Startup Challenge Russia (Innoribe is one of the most famous international fintech startup competitions, held regularly by the SWIFT cooperative). Pitching sessions (short presentations) by ten fintech startups from Russia and the CIS (the startups were selected by a panel of international experts and participated in a special acceleration programme).

15.00–16:30

Lunch

16:30–18:00

Parallel RTs:

RT 4.1: 4% inflation: what now? International experience in sustaining inflation close to targets

Achievement of the 4% inflation target in 2017 brings to the fore issues related to sustaining levels close to this target in future, the need to anchor inflation expectations to the target level, and the measures the Bank of Russia should be taking in view of the economy's reaction to low inflation and interest rates. In this connection, international experience of implementing inflation targeting policies are vital:

- *To what extent is a deviation from the target in 2018–2020 permissible and what affects the scale of this permitted deviation?*
 - *How do we accelerate the process of lowering inflation expectations when inflation is at the target level?*
 - *What is the role of structural features of the economy, including those of the Russian economy, in the policy implemented by the Bank of Russia to sustain the target inflation level?*
 - *How should a central bank react to temporary and permanent price shocks, including those related to budgetary and structural policy, under inflation targeting?*
 - *Is the Russian inflation target appropriate to ensuring long-term price stability?*
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RT 4.2: Banking: the search for drivers of growth (strategy, products, technology)

Low economic growth rates and rising competition from non-bank financial intermediaries and fintech companies are limiting growth opportunities in the banking sector. Is it possible to successfully engage in banking under these conditions?

RT 4.3: Professional participants: the transformation of professional activity in the securities market

For discussion:

- *Competition as the driving force in the transformation of professional activity and cost reduction (from the point of view of intermediary activity and accounting infrastructure)*
 - *Types of business transformation: interpenetration and expansion of the perimeter of professional activity*
 - *The influence of regulation in transforming professional activity*
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RT 4.4: Bondization: a priority of the Guidelines for the Development of the Russian Financial Market

For discussion:

- *Developing the capital market (including the insertion of new types of security into the financial market)*
- *Simplifying and shortening timelines for issuing debt securities*
- *Improving the simplified mechanism by which bonds are issued (bond programme) and bringing it to the attention of issuers*
- *Creating the conditions needed to grow a market for bonds issued to financial infrastructure projects that fall under concession agreements or public–private partnership agreements*
- *Developing the market for floating-rate bonds, including increasing the reliability of the strategy used to create underlying assets through the establishment of a system of indicators by which to evaluate them*
- *Digitalizing document processing for paperwork used in the placement and circulation of bonds*
- *Attracting investment into the Russian bond market from private and institutional investors*
- *Developing the securitization market*

RT 4.5: The future of microfinance: challenges and opportunities

During this roundtable, participants will discuss prospects for the development of the microfinance market, possibilities for its further expansion, and factors that will allow for its growth in the future.

Particular attention will be given to the topic of lending to small and medium-sized enterprises.

The issues of funding for participants in the microfinance market (access to bank loans, lowering of lending rates) and financing for ‘state microfinance organizations’ will also be discussed, and there will be a review of global best practice.

The factors slowing banks’ lending to participants in the microfinance market will be analysed, including legislative issues and problems associated with credit risk levels, which depend on the quality of loan portfolios.

The prospects for collaboration between banks and participants in the microfinance market will be set out, and proposals will be formulated for actions to be taken by regulators, market participants, self-regulating organizations, and the banking community to further the development of said collaboration.

RT 4.6: Corporate information management

Information management as value management is becoming more and more relevant given the increasing scale of activity performed by financial organizations. Despite the exponential growth in the volume of data being collected and stored, it is increasingly difficult to use traditional descriptive analytics and reporting to find the required information and extract details which are useful in making precise and timely management decisions. Meanwhile, the digitalization of society and the development of information technology are opening up opportunities to make use of new sources of information (big data) and enabling the effective and timely analysis of these sources. Under these conditions, financial organizations are increasingly coming to understand the necessity of using more mature solutions when working with data, first and foremost as pertains to the implementation of centralized data management

systems. This implies the formation of a single, integrated approach to data as the foundation of decisionmaking, as well as the development of organization-wide standards and policies for working with data and standards for guaranteeing quality, a task which categorically requires the engagement of all structural units within an organization.

For discussion:

- *Changing organizational culture – data as one of an organization's main assets*
 - *Building a single data model for regulators and supervised organizations*
 - *Prospective areas for development: a shift towards microdata, predictive analytics, and real-time analytics*
 - *An overview of data quality: principles and approaches to guaranteeing information quality in the era of big data*
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RT 4.7: 2017 Innoribe Startup Challenge Russia

Announcement of the results of the competition, prize-giving ceremony. Open discussion on ways to create a support ecosystem for fintech startups in Russia with the help of best practice from SWIFT.

* The programme is subject to change