

# Support for Developing Administrative Infrastructure of Financial and Capital Markets in Mongolia

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# Basic Information about Relationship between Mongolia and Japan in Financial Sector

## Investment from Japan to Mongolia

- 206.9 million USD  
(As of September 2013)

## Exports from Japan to Mongolia

- 501.5 million USD (As of end-2012)
- Major items: Automobiles, Machinery, Construction and mining machines

## Expansion of Japanese companies in Mongolia

- Representative offices: 29
- Overseas affiliated companies : 189  
(As of October 2012)

## Japanese living in Mongolia

- 420 (As of Oct.2013)

(Data source: JETRO)

## Mutual expansion of Financial institutions between Mongolia and Japan

### Japan to Mongolia

- ◆ Bank of Tokyo Mitsubishi UFJ (BTMU)  
- Representative office in Ulan Bator -
- ◆ Sumitomo Mitsui Banking Corp. (SMBC)  
- Representative office in Ulan Bator -

### Mongolia to Japan

- ◆ Trade and Development Bank (TDB)  
- Representative office in Tokyo –  
(Since July 2014)

# Financial Sector Technical Cooperation of JFSA with Asia

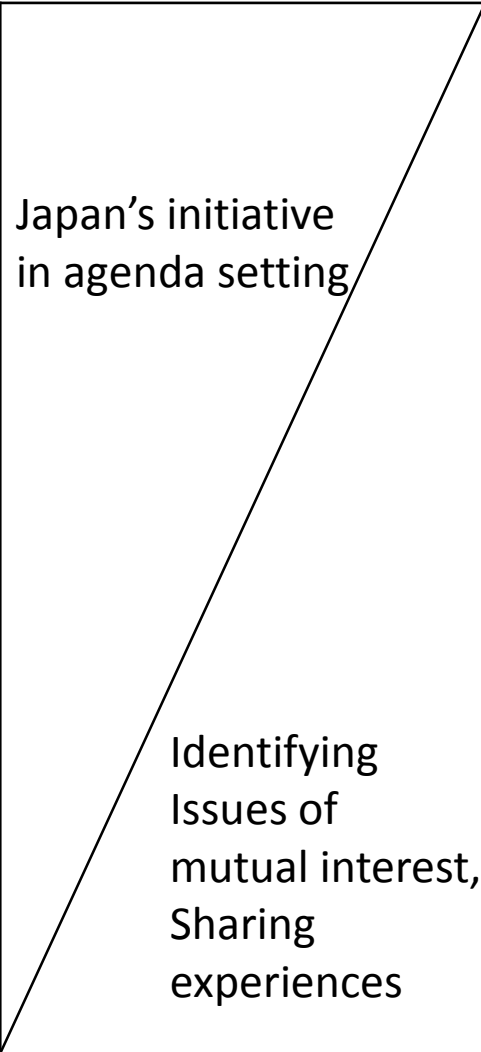
## - Basic Principles on Strategic Financial Sector Technical Cooperation with Asian Countries -

### Status of Development of Financial Infrastructure

<p><b>Developing</b></p> <p>( e.g. Myanmar, Vietnam, Mongolia )</p>
<p><b>Fairly Developed</b></p> <p>( e.g. Indonesia, Thailand )</p>
<p><b>Others (Advanced)</b></p>



### Stance of Assistance



### Technical Cooperation Menu

- Assistance in Developing Institutional Base**
  - Introducing laws/regulations
  - Capacity Building on Supervision/Inspection
  - Facilitating Capital Procurement by SMEs
- Specific Assistance for Financial Infrastructure**
  - IT introduction to Settlement System
  - Establishing Stock Exchange
  - Establishing Non-life Insurance Rating Organization
- Sharing Experiences**
  - Fin. Regulatory Organization
  - Disaster Response
  - Setting Int'l Standards

# Signing of Exchange of Letters between Asian Countries and JFSA

## Mongolia

Banking	Bank of Mongolia	Jun. 2014
Securities	Financial Regulatory Commission	Jan. 2014
Insurance		

## Myanmar

Securities	Ministry of Finance	Jan. 2014
Insurance		

## Thailand

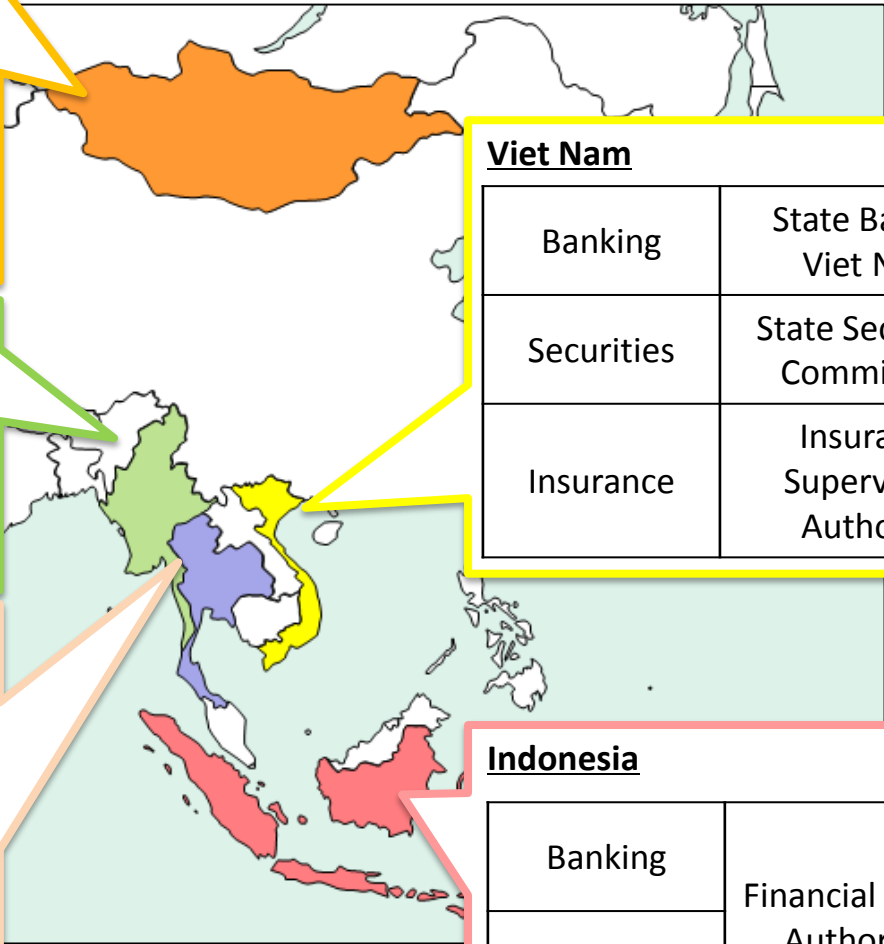
Banking	Bank of Thailand	May. 2014
Securities	Securities and Exchange Commission	Feb. 2014
Insurance	Office of Insurance Commission	Aug. 2014
Bank, Securities, Insurance	Ministry of Finance	Jul. 2014

## Viet Nam

Banking	State Bank of Viet Nam	Jun. 2014
Securities	State Securities Commission	Mar. 2014
Insurance	Insurance Supervisory Authority	Jun. 2014

## Indonesia

Banking	Financial Services Authority of Indonesia (OJK)	Jun. 2014
Securities		Oct. 2013
Insurance		



# The Asian Financial Partnership Center (“AFPAC”)

## [Objectives]

- To address the issues related to the financial and capital markets in Asia and to utilize the outcomes for financial infrastructure development in Asia;
- To contribute to the smooth business operations of Japanese companies and financial institutions in Asia through enhanced cooperative relationships with Asian financial authorities; and
- To effectively express a stronger Asian voice towards global financial regulatory reforms.

## 【Activities】

- The AFPAC was established at the Financial Services Agency of Japan in April 2014. Since this summer, it has started to invite government officials from Asian financial authorities as Visiting Fellows.

(Note) From Mongolia, two officials from the Financial Regulatory Commission of Mongolia (FRC) and one official from the Bank of Mongolia (BOM) have joined the AFPAC program.

- It offers training programs tailored to the areas of interests of each Visiting Fellow.
- The outcomes of the programs are expected to be disseminated at seminars/symposiums and utilized for financial infrastructure development in Asia and contribution towards global financial regulatory reforms.
- Through offering the programs, it will build stronger networks with Asian financial authorities.

# Relationship between Mongolia and Financial Services Agency of Japan (JFSA)

## - Recent Progress -

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### Jan. 2014

- The Financial Regulatory Commission of Mongolia (MFRC) and the JFSA signed the Exchange of Letters (EoLs) for financial sector technical cooperation.

### May. 2014

- The JFSA visited the MFRC and the Bank of Mongolia(BOM) in Mongolia.

### Jun. 2014

- The detailed program of JICA's project, "Capital market regulatory authority's human resource capacity building project," had developed.
- The BOM and the JFSA signed the EoLs for financial sector technical cooperation.
- MFRC Signed IOSCO Multilateral Memorandum of Understanding (MMoU).

### Jul. 2014

- Mr. Zoljargal, the president of the BOM, visited JFSA in Japan.
- Representative office of TDB was established in Tokyo.

### Sep. 2014

- Two officials from the FRC have joined the AFPAC program. (until Nov.2014)

### Oct. 2014

- One official from the BOM has joined the AFPAC program. (until Feb.2015)

### Within next fiscal year

- Efforts for cooperation based on the JICA's project and the EoLs are to be continued...
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## The Way Forward for Cooperation with MFRC

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- Possible topics of our cooperation
    - Development of regulations and guidelines for the new Securities Market Law and Investment Fund Law
    - Enhancement of FRC's capacity of enforcement of laws and regulations
    - Provision of new products and services for securities market
    - Development of banks' implementation regime of custodian business and its supervision approach
    - Introduction of ADR
    - Providing securities business association with self-regulatory functions
    - Appropriate implementation of information disclosure by listed companies
    - Financial education and enlightenment activities for the nation
    - Improvement of securities firms' customer service, such as the procedure for opening accounts
  
  - Taking into account the specific demands of the MFRC, the Japan side will provide cooperation and technical assistance, including long-term internships and short-term seminars, in a continuous and timely manner.
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***Thank You!***

