



P.R.I.M.E. Finance

Panel of Recognised International Market Experts in Finance

P.R.I.M.E. Finance: Projects and Updates

Speakers:

Jeffrey Golden KC (Hon)

Joseph Bauman

Carolyn Jackson





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IFC EMERGING MARKETS DERIVATIVES STUDY

PHASE ONE: Preparation for Study

- Create educational videos
- Develop questionnaire covering legal and market status of derivatives

PHASE TWO: Data Gathering

- Execute questionnaire in designated jurisdictions
- Six countries covered

PHASE THREE: Implementation in Selected Jurisdictions

- Two jurisdictions selected by the IFC
- Joint project with Jones Day
- Capacity building – conducted by PRIME Finance Experts
- Legal and regulatory review and drafting – conducted by Jones Day



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Phase I: TRAINING MODULES

- Introduction to Derivatives (Rick Grove)
- Contractual Netting of Derivatives (Philip Wood)
- Other Contractual Considerations in the Use of Derivatives (Jeffrey Golden)
- Risk Management Considerations in the Use of Derivatives (Joe Bauman)
- Regulatory Capital and Capital Adequacy (Joe Bauman)
- G20 Regulatory Reforms (Carolyn Jackson)
- Collateral and OTC Derivatives Markets (Judith Lawless)
- Public Policy Considerations in the Use of Derivatives (Bob Pickel)



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Phase I: DERIVATIVES GAP ASSESSMENT QUESTIONNAIRE

- Incorporate relevant legal and regulatory considerations to the growth of derivatives markets
- Identify deficiencies and impediments in those environments
- Identify the key stakeholders, their roles and responsibilities
- Provide a framework for benchmarking to the environment to international standards



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PHASE II: DATA GATHERING

EXECUTE THE GAP ASSESSMENT QUESTIONNAIRE

- Focus on benchmarking the existing derivatives environment in six developing market countries
- Identify key gaps in the legal structure and regulatory environment impeding derivatives growth
- Partner with local law firms

COUNTRIES and LOCAL PARTNERS

- | | |
|--------------------------|-------------------------------|
| - Cambodia (HBS Law) | Dominican Republic (Headrick) |
| - Costa Rica (BLP Legal) | Indonesia (AYMP) |
| - Cote D’Ivoire (KPMG) | Morocco (Clifford Chance) |



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Phase III: IMPLEMENTATION

- Select jurisdictions and establish working groups in:

Cambodia

Dominican Republic

- Two areas of focus

Legal and regulatory framework (Jones Day)

- Propose improvements in law and regulation that will facilitate the development of derivatives markets

- Focus on enforceability, netting and collateral



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Phase III: IMPLEMENTATION

Capacity building (P.R.I.M.E. Finance)

- Build an understanding of derivatives fundamentals and associated practices
- On-site workshops (four two-day workshops per country) covering:

Basic product knowledge

Netting and set-off benefits

Risk measurement, management and derivatives risk mitigators

Capital adequacy standards

“Best Practice” standards

Shout-Out to P.R.I.M.E. Experts for their participation in on-site workshops

Josh Cohen

Rick Grove

Romina Lopez

Doug Summa



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Judicial training

