

VIDEO

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Focus on Funds: Expanding Horizons in the Asia-Pacific Fund Market

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Expanding Horizons in the Asia-Pacific Fund Market

APAC fund managers are taking their business beyond its traditional borders. In the July 18, 2014, edition of Focus on Funds, ICI Global Director of Global Funds Policy Giles Swan discusses the challenges and opportunities that accompany this development.

Transcript

Stephanie Ortbals-Tibbs, ICI Director, Media Relations: Welcome to Focus on Funds, the Investment Company Institute's weekly roundup of industry news, ICI activities, and research findings.

Asia-Pacific fund managers are expanding their ambitions, and their horizons. I spoke with ICI Global's Giles Swan about these developments, and began with the driver behind Chinese asset managers' deciding to take their business west.

Giles Swan, ICI Global Director of Global Funds Policy: We're seeing some of the Chinese fund managers in particular capitalizing on the new opportunities driven by the opening up of the mainland Chinese capital markets, the so-called internationalization of the Chinese currency, the renminbi, and they're taking advantage of those opportunities by partnering with other companies and indeed setting up new funds in Europe and in America to offer investors exposure to the mainland Chinese equity and fixed-income markets for the first time. So, it's really capitalizing on those new opportunities that are available through the opening up of the Chinese market.

Stephanie Ortbals-Tibbs: And in terms of opportunities, there are also new opportunities in the region. There are Asian asset managers who are going out of their home markets into new parts of the region. What's going on there?

Giles Swan: Well, there are a number of developments across the Asia-Pacific region both on the regulatory side and also I think the internationalization of some of the markets in Asia. In the regulatory side, you have new initiatives for the cross border distribution, or the passporting, of funds. They're being developed at the moment but I think they will create new opportunities for fund managers to go outside of their home market, to offer their expertise to a broader investor base.

Stephanie Ortvals-Tibbs: And so how does this tie back to ICI Global's policy brief and its work at the moment?

Giles Swan: Well, really, ICI Global's focus is looking at global cross-border issues for fund managers, and so we are looking at the opportunities and the challenges that these developments present for fund managers. So, the opportunities from the investor perspective but also the challenges from an operational perspective. And we're really trying to bring a global focus and a regional focus to these issues.

Stephanie Ortvals-Tibbs: And some expertise that few people have. There are some tax and operational issues involved in the second element of what we discussed—the Asian markets opening—that are tricky and that ICI has particular expertise in.

Giles Swan: Indeed, and we're leveraging that deep expertise in the tax arena and the operational arena to support and assist policymakers in thinking through some of the objectives they want to achieve with these changes, to bring learning and experience from other parts of the world, and to really support development of these initiatives for investors.

Stephanie Ortvals-Tibbs: That's this week in funds. See you next week.

Additional Resources

- [ICI Global Comments on Asia Region Funds Passport Initiative](#)
- [Video: ICI Global's Yang on Fund Passport Proposals](#)

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