

Committee: Policy and Resources	Date: 21 November
Subject: Chairman's visit to Singapore	Public
Report of: Director of Economic Development	For Information
Summary	
<p>This report informs Members of the Committee on the outcomes of the recent visit by your Chairman to Singapore from 27 to 29 October 2013. The visit followed approval by the Committee on 25 July 2013 to develop a strategy for engagement with Singapore, the world's 4th most important international financial centre.</p> <p>The visit provided an opportunity to meet with financial institutions, professional services firms, the Singaporean regulatory authorities and government departments to determine areas for potential collaboration and to learn more about current policy priorities in Singapore.</p> <p>The visit also saw the launch of a discussion paper on the potential for a more structured regulatory dialogue to be facilitated by your Chairman, in support of the work of the International Regulatory Strategy Group (IRSG). This work also builds on the engagement developed by visits of successive Lord Mayors to Singapore.</p> <p>Members are requested to note that a more detailed engagement strategy with Singapore will be sent to your Committee for approval in March 2014.</p>	
Recommendation	
Members are asked to note this report.	

Background

1. On the 25 July 2013, your Committee approved funding for the initial development of a strategy of engagement with Singapore. This was to include a visit by your Chairman to meet financial and professional services businesses and the regulatory authorities and government departments in Singapore.

2. Singapore has become a truly global financial centre and is now ranked 4th in the Global Financial Centres Index, behind only London, New York and Hong Kong. The City of London Corporation has strong links with other financial centres in the USA, Europe, India and China, but less so with Singapore.
3. By developing a more structured regulatory dialogue with the Singaporean authorities, we will be able to build on the relations established by Lord Mayoral visits in recent years, and respond to the request by businesses on the International Regulatory Strategy Group's Council and Executive to examine areas for collaboration with Singapore, particularly in the development of the offshore Renminbi market, global regulatory developments, arbitration and asset management.

Visit Programme

4. The Policy Chairman visited Singapore from 27 to 29 October, and his schedule included meetings and events with representatives from both the public and private sector. The Chairman was accompanied by the Assistant Director of Economic Development and the chief representative from the City Office in Mumbai. The programme was organised by the International Affairs team in the Economic Development Office and Cicero Consulting.
5. The programme began with a meeting with the Singapore Tourist Board (STB), to support discussions taking place between the Museum of London to and galleries and museums in Singapore to work together in partnership. The STB is focussing on attracting 'high spend' tourists and see world class exhibitions as a way to support this objective. The meeting was followed by a tour of the Marina Bay Sands development.
6. The first full day of the visit began with a roundtable discussion with representatives of financial institutions in Singapore and UK Trade & Investment (UKTI). The firms confirmed that having significant representation in Singapore was a key part of their global strategy, with Singapore the financial hub for the fast growing ASEAN (Association of South East Asian Nations) region. The firms were very supportive of the business and regulatory environment in Singapore and felt the Monetary Authority of Singapore (MAS), the key government financial services regulator (and central bank), worked in partnership with the industry to find solutions to problems. The only area of concern raised about policy was the increasing difficulty in obtaining visas for international staff. This was a response to a 'voter backlash' in the 2011 general election, where Singaporeans expressed concern at the number of foreigners

working in Singapore, particularly in high paid jobs. These were messages that were to be heard consistently throughout the visit.

7. The discussion paper produced for the visit on the global regulatory agenda was launched at an event organised in partnership with the European Chamber of Commerce in Singapore. The event was attended by a wide range of businesses operating in Singapore and the discussion highlighted the areas for growth for financial services in the region, such as infrastructure development and the internationalisation of the Renminbi (RMB). Whilst there is some uncertainty as to what the newly established Free Trade Zone (FTZ) in Shanghai will actually mean for financial services firms, there was optimism that it could be a way for the Chinese authorities to develop a more liberalised approach in the medium term.
8. The Chairman had a meeting with Government of Singapore Investment Corporation (GIC), one of the two Sovereign Wealth Funds in Singapore, who have an office (130 staff) in London and a long record of investment in the UK. Recent newspaper reports suggest GIC is buying a major stake in the Broadgate development. GIC said it continues to regard London as the pre-eminent international financial centre; that the UK benefits from its membership of the European Union, but also from being outside the Eurozone; UKTI is regarded as the most business-friendly government agency in Europe; that there is an opportunity for the UK and Singapore to collaborate on the development of buy-side asset management.
9. The Chairman met Mr Peter Ong, Head of the Singaporean Civil Service and Permanent Secretary at the Ministry of Finance. This was a very productive meeting, where Mr Ong said the Singaporean regulatory authorities work closely with the UK in the Financial Stability Board (FSB) and at G20, although they could do more together. Mr Ong thought the appointment of Mark Carney as Governor of the Bank of England was a very good one and would help with international coordination of regulatory dialogue. He was similarly complimentary of senior HM Treasury officials who he knows well. The Chairman and the Minister discussed issues relating to extra-territoriality, the performance of the UK economy, the Financial Transaction Tax, the Eurozone, the internationalisation of the RMB and the newly created Shanghai free Trade Zone. The Minister said he believes that London and Singapore could find more areas for collaboration and this could be discussed with the MAS.
10. The afternoon of the first full day of engagement saw the Chairman host a roundtable discussion on the internationalisation of the RMB. The event

was well attended by Western and Asian banks involved in the Singaporean and London offshore RMB business. It was agreed that London and Singapore were not in direct competition for RMB business, serving the European and South-Asian markets respectively. The businesses felt the MAS was better at publicly promoting the internationalisation of the RMB, and that perhaps the UK could do more, such as establishing a clearing bank. International coordination of the development of the market was seen as essential. Some concern was raised over the transparency of new RMB products and the development of the Shanghai FTZ, but businesses hoped for greater clarity after the November meeting of the Chinese Communist Party Congress.

11. The first day of the visit concluded with a roundtable discussion with legal firms operating in Singapore. The discussion focused on the development of Singapore as a centre for arbitration and the new international commercial court.
12. The second day began with meetings with Credit Suisse and Standard Life. The Credit Suisse office in Singapore is the company's fourth largest in the world with 4,000 employees, whereas the Standard Life office opened last year. For Credit Suisse, Singapore is a 'pan-Asian centre' with some of the best infrastructure in the world, whereas Hong Kong serves the 'greater China' market. On policy issues, Credit Suisse felt recent changes on visas hadn't affected the ability to hire international talent, but is keen to develop local employees; the MAS' approach was one of 'no surprises' and was focused on global regulatory developments; and that the markets growing in Singapore were asset management, Foreign Exchange, commodities and hedge funds. Standard Life focuses on the expatriate community and chose to establish in Singapore because of the excellent regulatory regime.
13. UKTI organised a lunch with representatives from Singaporean asset management and alternative investment funds. The discussion highlighted the advantages and challenges of investing in the UK.
14. The final two meetings with Government departments saw the Chairman meet with the Accounting Corporate Regulatory Authority and the Ministry of Law. The meetings provided an opportunity to discuss issues around ease of doing business in Singapore, and the growth of the legal services industry, including Singapore's ambitions to develop as a centre for international arbitration, as an IP hub and the opening of the international commercial court. Singapore is increasingly the centre for India-related legal work, especially arbitration. This was a point highlighted both by commercial firms, many of whom have dedicated

‘India desks’ in Singapore, and the Ministry of Law. One challenge for international law firms in Singapore is compliance with the stringent data security regulations.

15. The Chairman was interviewed by Channel News Asia on the development of the offshore RMB market in both London and Singapore.
16. The visit concluded with a roundtable dinner organised in partnership with the British and European Chambers of Commerce in Singapore with representatives from financial and professional services firms. The discussion focussed on the opportunities for collaboration between London and Singapore as international financial centres, and the shared challenges and opportunities they face. The discussion endorsed the conclusions drawn from the rest of the visit.
17. Finally, on Wednesday 30 October, the Chairman met with Leong Sing Chiong, Assistant Managing Director of the Monetary Authority of Singapore who was visiting London. The meeting gave the Chairman an opportunity to share his experiences from the visit to Singapore and discuss areas for potential collaboration. Mr Chiong, agreed that London and Singapore should work in partnership, particularly on the global regulatory agenda. He added that collaboration between London, Singapore and New York would be valuable.

Conclusion

18. The visit highlighted the importance of Singapore as an international financial centre and the extent of the ambition for its development, both within the business community and in government. The regulatory authorities have clear, well researched, long-term plans and work with the industry to achieve them, e.g. RMB internationalisation, international commercial court and asset management. Singapore has an ASEAN focus, but Singapore is seen as an international hub along with London and New York. The regulatory authorities have some concerns with issues of extra-territoriality, but see London and the UK as natural partners to respond to these issues. The government in Singapore is facing similar challenges on issues of migration and visas as the government in the UK. ASEAN continues to be a region of potential high growth, but little sign of a coordinated ‘single market’ developing.
19. On the basis of these conclusions the City Corporation will produce a strategy for sustained engagement with Singapore, for both the Policy Chairman and the Lord Mayor, to be considered by your Committee in March 2014.

Contacts:

Giles French

Assistant Director of Economic Development

020 7332 3644

giles.french@cityoflondon.gov.uk

Annex 1

Full list of meetings

Sunday 27 October		
15.05	Arrive Singapore	
17.30 - 19.15	Meeting with Yap Chin Siang , Assistant Chief Executive, Policy & Planning and Edward Koh , Executive Director for the Strategy and Planning Division, Singapore Tourist Board. Meeting focused on the relationship between the Museum of London and Singapore	High Society Marina Bay Sands The Shoppes @ MBS #B2-47/48
20.00	Briefing dinner meeting with Andrew Naylor, Cicero	Asian Market Café Swissotel The Stamford
Monday 28 October		
08.30 – 10.00	Breakfast meeting - UKTI, international banks and financial institutions.	Venue: Ord Raffles City Convention Centre, Swissotel (hotel)
10.00-11.00	Meeting with Rachel Armstrong - Thomson Reuters Singapore Bureau Chief	Venue: meet at the Swissotel (lobby)
11.30 - 11.55	Lunch preceding the Panel discussion.	Venue: European Chamber Singapore Raffles City Tower
12.00 – 13.30	Panel discussion and release of City of London special interest paper. Eduardo Pedrossa , Secretary-General of the Pacific Economic Cooperation Council (speaker)	Venue: European Chamber Singapore Raffles City Tower

14.00 – 14.45	Meeting with Dr Jeffrey Jaensubhakij, President, GIC (Government of Singapore Investment Corporation) Asset Management	Address: 168 Robinson Road #37-01 Capital Tower, 068912 CTC: feliciatang@gic.com.sg +65 6889 8332
15.15 – 16.00	Meeting with Peter Ong, Ministry of Finance , Permanent Secretary (and Head of the Civil Service)	Address: 100 High Street, #10-00, The Treasury, 179434 CTC: lim_suat_kim@mof.gov.sg +65 6332 7207
16.30 – 18.00	RMB offshore centres roundtable discussion	Venue: Ord Raffles City Convention Centre, Swissotel The Stamford
19.30 – 21.30	Legal & professional services dinner	Venue: Ord Raffles City Convention Centre, Swissotel The Stamford
Tuesday 29 October		
8.00- 9.00	Meeting with Parag Khanna	Venue: Café Swiss Swissotel The Stamford
09.30 – 10.30	Credit Suisse, Jose (Lito) Camacho – Vice Chairman	Address: 3rd Floor South Lobby, One Raffles Link
11.00 – 12.00	Standard Life, Neal Armstrong, Chief Executive	Address: 30 Cecil Street #26-00 , The Prudential Tower, 049712 CTC: neal_armstrong@standardlife.sg +65 6631 3290
12.45 – 14.00	UKTI lunch Discussion with the Singapore based asset management community, following from the recent visit of Sajid Javid MP, Economic Secretary to the Treasury	Venue: OTTO Ristorante, 28 Maxwell Road,
14.30 – 15.00	Channel News Asia – TV interview	Address: Caldecott Broadcast Centre, Andrew Road, 299939 CTC: KristieNeo@mediacorp.com.sg
15.45 – 16.30	Meeting with ACRA – Toh Wee San, Deputy Chief Executive	Address: 10 Anson Road
17.00 – 18.00	Ministry of Law – Indranee Rajah MP, Senior Minister and Valerie Thean, Deputy Permanent Secretary	Address: Byrne Room, Treasury Building 100 High Street
19.00- 19.30	EU ASEAN Business Council Stefano Poli, President, EuroCham Singapore	Equinox Private Dining Rooms, Swissôtel The Stamford

19.30 – 21.30	Sit-down dinner with BritCham and EuroCham	Equinox Private Dining Rooms, Swissôtel The Stamford
21.30	Depart for Changi airport	