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**ABAC urges dialogue on regulatory capital changes, financial reforms**

Meeting in Da Nang, Vietnam on August 24-27, the APEC Business Advisory Council (ABAC) urged the G-20 Finance Ministers to delay changes in regulatory capital requirements until global economic recovery is assured. This is important to avoid restricting lending at a time when it is most needed to fuel economic activity.

In a letter urging APEC Finance Ministers to communicate its views to the G-20, ABAC recommended that such changes be undertaken in dialogue with the private sector. In addition, they should form part of a comprehensive financial reform package that addresses risk management and corporate governance practices, among others.

ABAC also urged governments to carefully implement and coordinate exit strategies from emergency fiscal and monetary measures taken in response to the crisis, in view of their huge scale and impact on the real economy and financial markets.

The Council reiterated its firm and continued support for the work of the G-20 on financial reforms. ABAC expressed its satisfaction with current efforts to promote activity-based regulation and central clearinghouses for credit default swaps, which it proposed in its previous report.

ABAC members will discuss these and other recommendations during their dialogue with finance ministers and leaders of APEC's 21 member economies this coming November in Singapore.

**About ABAC**

ABAC was established by the APEC Economic Leaders in November 1995 in response to a call for a private sector body that could advise them on matters of primary importance to business in the region. It brings together up to three business leaders from each of APEC's 21 economies.

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