

HIGHLIGHTS OF THE SEACEN POLICY SUMMIT 2026

**The Future of the International
Monetary System and the Role of Asia**

April 2026

The South East Asian Central Banks (SEACEN)
Research and Training Centre



The SEACEN Centre

HIGHLIGHTS OF THE SEACEN POLICY SUMMIT 2026

The Future of the International
Monetary System and the Role of Asia

April 2026





© 2026 The South East Asian Central Banks (SEACEN)
Research and Training Centre, 198201000672 (80416-M)
(The SEACEN Centre)
Level 5, Sasana Kijang, Bank Negara Malaysia,
2, Jalan Dato' Onn, 50480 Kuala Lumpur, Malaysia
Tel. No.: +603 5891 2900
Email: enquiries@seacen.org; and rsu@seacen.org

HIGHLIGHTS OF THE SEACEN POLICY SUMMIT 2026: THE FUTURE OF THE INTERNATIONAL MONETARY SYSTEM AND THE ROLE OF ASIA

This SEACEN conference highlights, entitled: "Highlights of the SEACEN Policy Summit 2026: The Future of the International Monetary System and the Role of Asia", should not be reported as representing the views of SEACEN member central banks/monetary authorities. The views expressed in this report are those of The SEACEN Centre and do not necessarily represent those of its member central banks/monetary authorities.

Notes:

- The SEACEN Centre recognises "China" as the People's Republic of China," "Hong Kong, China" as the Hong Kong SAR, China, and "Korea" as the Republic of Korea.
- USD or US\$ refers to the U.S. dollar.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form by any system, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright holder.

Designed by Swift Cursor Design

FOREWORD

The SEACEN Policy Summit 2026 on “The Future of the International Monetary System and the Role of Asia” convened at a pivotal moment of transition for the global economy. While the rapid globalisation that once powered Asia’s ascent has lost its momentum, the region has emerged as a sophisticated hub of global trade, production, and innovation. However, this progress is met with heightened uncertainty as the global economic landscape undergoes a fundamental reconfiguration. It is now imperative that Asia transcends its historical role as a passive observer of international norms and assumes a leadership position in designing the financial architecture of the future. Our collective prosperity depends on an international monetary system that is no longer just durable by legacy, but purposefully designed to manage global imbalances and provide reliable liquidity in an increasingly fragmented world.

A central theme of the summit’s discussions was the need to address the structural vulnerabilities inherent in a dollar-centric international monetary system. While the U.S. dollar remains a global anchor owing to its powerful network effects, its dominance frequently exposes Asian economies to vulnerabilities and spillovers—ranging from volatile capital flows to sudden liquidity squeezes. To enhance financial resilience and stability, the discussions highlighted the importance of looking beyond simple currency realignment and tackling the underlying causes of global imbalances.

In this endeavour, regional cooperation serves as the vital pillar of our collective resilience. Asia has already made significant strides in reinforcing macroeconomic surveillance and deepening capital markets, but the next phase of evolution can be more ambitious. The distinguished panellists stressed the need to modernise our financial systems to meet the demands of the digital era, embracing the transformative power of artificial intelligence and tokenisation while mitigating the risks of market fragmentation. By exploring the expanded use of local and regional currencies through innovative frameworks and regulatory cooperation—as evidenced by the growing success of bilateral trade settlements in the region—Asia can create a diversified financial architecture that better reflects its modern economic dynamism.

This publication captures the highlights of an open, high-level dialogue aimed at translating technical challenges into practical policy choices. From evaluating the feasibility of dollar diversification to strengthening regional safety nets like the CMIM, the Summit provided a forum to take stock of past lessons while charting a clear path forward. Our goal is to ensure that next-generation systems, including CBDCs and stablecoins, maintain the integrity of money and enhance trust through cross-border interoperability. The SEACEN Policy Summit hopes to encourage reflection on these insights and aims to support the ongoing efforts of our member central banks and monetary authorities in actively contributing to shape the future of the international monetary and financial system.

The SEACEN Policy Summit would not have been a success without the strong support from its co-host, Bank Negara Malaysia, led by Governor Abdul Rasheed Ghaffour and Deputy Governor Marzunisham Omar as well as its member central banks and monetary authorities. I would like to thank all keynote speakers, panellists, and moderators for joining us at the summit and sharing with us their valuable policy insights. In particular, I would like to thank Jeffrey Frankel, Hanno Lustig, Jon Danielsson, Cedric Tille, Bambang Brodjonegoro, Gene Ma, Reiner Martin, Arindam Sandilya, Duvvuri Subbarao, Masahiro Kawai, Yasuto Watanabe, Soyung Kim, Marc Uzan, Thorsten Beck, Chandranath Amarasekara, Jin Penghui, Bam Bahadur Mishra, Zeno Abenoja, Donghyun Park, Meltem Chadwick, Ashutosh Jaiswal and Donna Lumbo who served as the emcee.



My thanks are also extended to Dreamory Entertainment Group, Aliff Afrizal, Zainul Firdaus, YunYee Seow, Aizul Fazli Zulkifli and Swift Cursor Design. The publication highlights draw from the contributions of Jeffrey Frankel, Hanno Lustig, Cedric Tille, Jon Danielsson, Donghyun Park, Rogelio Mercado Jr., Meltem Chadwick, Nur Ain Shahrier, Ashutosh Jaiswal, Masyitah Rosmin, Adryan Rosli, and Ahmad Aizudeen.

Finally, special thanks go to the SEACEN Policy Summit Secretariat comprised of SEACEN and BNM staff, namely Rogelio Mercado Jr., Azharin Yusof, Adryan Rosli, Rozan Mohamed, Ahmad Tris, Siti Anis, Masyitah Rosmin, Jamalia Hamira, Muhamad Hafiza, Luvnie Heidi Nalis, and Ahmad Wared Mokhtar.

.....
Dr. Cynyoung Park
Executive Director
The SEACEN Centre



CONTENTS

Foreword	ii
Welcome Remarks	1
Opening Remarks	4
Keynote Address	8
Session 1: U.S. Dollar in International Trade and Financial Systems	14
Session 2: Shaping the Future International Monetary System: Scope for Regional Cooperation	19
Keynote Address	24
Session 3: Policy Roundtable: Reshaping the International Monetary System and Implications for SEACEN Members	28
Closing Remarks	32
Programme Agenda	35
Policy Summit 2026 Secretariat	37



Cynyoung Park

Dr Cynyoung Park is the Executive Director of The SEACEN Centre. She is responsible for setting the Centre's strategic direction and providing the leadership for the Centre's in-house faculty experts and support staff to realise its vision of becoming the premier regional Learning Hub for Central Banks in the Asia-Pacific Region. Dr Park holds a Ph.D. in Economics from Columbia University in the City of New York and a Bachelor's Degree in International Economics from Seoul National University.



"Governor Abdul Rasheed Ghaffour of Bank Negara Malaysia, Deputy Governor Marzunisham Omar (Bank Negara Malaysia), DG Chandranath Amarasekara (Central Bank of Sri Lanka), DG Mei-Lie Chu (Central Bank of Chinese Taipei), DG Bam Bahadur Mishra (Nepal Rastra Bank), DG Zeno Abenoja (Bangko Sentral ng Pilipinas), DG Sannisith Sum (National Bank of Cambodia), former Governor Zeti Akhtar Aziz (Bank Negara Malaysia), former Governor Duvvuri Subbarao (Reserve Bank of India), heads of delegates from SEACEN member central banks and monetary authorities, distinguished presenters and panellists on this Policy Summit, and colleagues.

It is my great pleasure to welcome all of you to the SEACEN Policy Summit 2026, where we will discuss the future of the international monetary system and the role of Asia. Now is an especially opportune time to explore this topic in view of the heightened global trade and economic uncertainty which currently hangs over Asia and the world. Globalisation, which drove the cross-border trade and investment that powered Asia's rapid growth during the last few decades, has clearly lost its momentum. Furthermore, the rise of Asia and the consequent re-configuration of the global economic landscape means that Asia must play a bigger role in the international monetary

system. After all, this system governs the exchange of currencies and facilitates international trade and investment, which are vital to Asia's prosperity and stability. Let me now turn to four inter-related issues that provide the background for this year's summit.

First, the international monetary system (IMS) suffers from several structural weaknesses that pose a risk to financial instability. Those weaknesses are related to the central role of the USD, volatile capital flows, and inadequate global adjustment mechanisms. The current IMS lacks a comprehensive, globally agreed-upon framework to facilitate the adjustment of global imbalances. Instead, the IMS relies on national policies, which are not coordinated between deficit and surplus economies. The lack of international policy coordination can let major imbalances continue to grow to unsustainable levels. Yet there is no systematic, permanent mechanism for providing sufficient international liquidity during a widespread crisis. Despite central bank swap lines and IMF credit lines, many emerging market economies, in particular, remain vulnerable to severe funding squeezes when global liquidity dries up.

Second, the current IMS continues to rely heavily on the supply of a single national currency, namely the U.S. dollar. However, the U.S. economy does not face any systemic pressure for macroeconomic policy adjustments that would help reduce global imbalances. Dollar dominance means that a well-functioning IMS is predicated on the U.S. maintaining sound macroeconomic policies, a robust financial regulatory framework, and a healthy and stable financial system. Such heavy dependence on a single country to safeguard its currency and pursue sound policies can become a source of instability and uncertainty. This is especially true for emerging market economies which consequently accumulate high levels of FX reserves to protect themselves against financial instability. Furthermore, against economic logic, capital often moves from fast-growing emerging market economies to mature economies.

Third, correcting the global imbalances associated with the current IMS cannot be corrected solely through currency realignment. The bigger priority is addressing the underlying causes, which requires major policy adjustments by both deficit and surplus economies. Currency realignment alone can trigger an abrupt and sharp decline in the U.S. dollar that could severely disrupt global financial markets and economy. First, fiscal discipline must be restored in

the U.S. Second, China needs to accelerate structural reforms to shift its growth engines from manufacturing and investment to services and consumption. Third, exchange rates should still play a pivotal role in correcting global imbalances. In this connection, some Asian economies are meaningfully freeing up their exchange rates. However, more flexible exchange rates must go hand in hand with structural reforms that strengthen domestic demand.

Fourth, regional cooperation can also contribute to financial stability. Asian economies have reinforced regional cooperation to enhance regional monetary and financial stability in three areas, namely regional macroeconomic and financial surveillance, regional mechanism for liquidity support and crisis management; and capital market deepening. Moving forward, the next phase of regional financial cooperation needs to focus on embracing technological progress, modernising financial governance for the digital era, and addressing the challenges of fragmentation in financial markets and systems. Furthermore, as the world's most economically dynamic region, the region should no longer just be a bystander in the reform of the international monetary system, but collectively play an active role in the process.

At SEACEN Policy Summit 2026, we will take stock of past lessons and engage SEACEN member central bank colleagues in an open and free-flowing dialogue on their perspectives about the current state and future directions of the international monetary system. The ultimate aim is, of course, to strengthen economic and financial resilience in an uncertain and rapidly changing world. In particular, we will collectively explore regional avenues for expanding the use of local or regional currencies through innovation, regulation, and regional cooperation.

The following are some potential questions that will be addressed in the Policy Summit:

- How can we bring about orderly adjustment to global imbalances that safeguards economic and financial resilience? Can expanding the use of regional currencies offer a viable alternative in trade invoicing and cross-border financial transactions?
- Can the regional arrangements be further strengthened to reduce the risks of financial crises?
- What are the key challenges and potential options in the reform of the international

monetary system? How can Asia play a significant role?

- How will the international monetary system evolve, in light of artificial intelligence and other game-changing technological advances?

I hope that the large number of eminent speakers we lined up for this summit will give you plenty of food for thought. Please ask the speakers a lot of questions and interact actively with each other. Thank you for coming and have a great summit and, if you are from overseas, a wonderful time in Malaysia."



Abdul Rasheed Ghaffour



Abdul Rasheed Ghaffour is the 10th Governor of Bank Negara Malaysia. He was appointed for a five-year term effective 1 July 2023. In his role as Governor, Rasheed also serves as the chair of the Bank's Board of Directors, Monetary Policy Committee and Financial Stability Executive Committee. Rasheed has also played a leading role in driving the Bank's advocacy efforts on economic affairs, including in the areas of social protection and labour market reforms. This includes to support and advise the Government on issues relating to the management of the pandemic. He also played key roles in the development and implementation of the Financial Sector Masterplan and Financial Sector Blueprints.



"We are very privileged to have with us today two distinguished former Governors, Governor Zeti and Governor Subbarao. Both have played an instrumental role in shaping and strengthening the International Monetary System. In many ways, the work we continue today builds upon the foundations they laid.

Welcome to Kuala Lumpur. It is an honour for Bank Negara Malaysia to co-host this SEACEN Policy Summit. This gathering marks the return of this flagship Summit - not only in presence, but in

purpose. It brings together policymakers across Asia to exchange perspectives on one of the most consequential questions of our time - the future of the international monetary system, and Asia's role within it.

While the phrase may appear technical or distant, its implications are anything but abstract. It influences the cost of funding trade, the ease of obtaining foreign currency liquidity when markets turn, and the policy space available when global conditions shift, including moments of stress. These are the realities felt across all our economies.

Our region has faced defining tests before. The Asian Financial Crisis, for instance – reshaped institutions, households and, importantly, our understanding of resilience. We responded in the way resilient systems respond – not with slogans, but with hard reforms. We strengthened capital and liquidity. We built foreign exchange reserves. We invested in supervision. And we built regional arrangements – because we learnt, that – resilience is not only national – it is collective.

Since then, Asia has risen with conviction. Our economies are now more integrated, more sophisticated and more central to global trade and production. Asia is also where much of global growth is generated today.

Yet, we meet today at another moment of transition. And this time, it is not defined by one shock, but several forces unfolding simultaneously.

So, the question for us is not whether the international monetary system will evolve. It will. The real question is whether Asia will take its place as a shaper of what comes next, or be a passive taker of what others design.

Let me outline the forces at work shaping the international monetary system – how they began, how they are developing, and what they mean for the next decade.

For decades, the international monetary system has been anchored predominantly around a single currency – the US dollar. Internationally, we priced goods in it. We borrowed in it. We hedged in it. We measured reserve adequacy through it. Over time, this created powerful habits – and powerful network effects. The IMF's recent monitoring work on the international monetary system describes how such 'complementarities' and 'network externalities' reinforce the incumbent currency's centrality, making the system durable and slow to shift^[1].

But for many economies, including in Asia, that durability came with a cost: vulnerability to foreign-currency liquidity condition; and sensitivity to risk-off episodes – when dollar funding tightens.

The Asian Financial Crisis was one such episode. When external funding conditions turned, currency mismatches and sudden stops – exposed weaknesses. It was a stark reminder that when the main channel constricts, countries without alternative channels can find themselves short of room; short of time; and short of options.

Even today, many operational aspects of reserves and treasury functions still assume the centrality of the dollar, because the system was built that way. It is efficient – until it is stressed.

And while we are still living with this structural legacy, we must also recognise the forces shaping the system now.

Today, we see three dynamics reshaping the international monetary system.

First, while the US dollar is still dominant in the international monetary system, its position is slowly being tested.

It remains the world's anchor currency, but pressure points are starting to show.

During periods of stress, dollar liquidity can tighten quickly. In fact, we have seen episodes of dollar funding stress coincide with periods of major global shocks. For emerging and open economies, we feel these strains immediately, especially when tapping into dollar liquidity lines remain exclusive to only a selected few countries.

At the same time, there is a slow but persistent diversification away from the US dollar. The data from the IMF still shows the US dollar at the centre, but with a declining share of global FX reserves from 62% in 2012, to 57% in 2025, while Euro and other currencies gradually holding an increasing collective share.

This is by no means a wholesale move away from the dollar but a gradual rebalancing. Part of it is driven by risk management, where reserve managers do not want to be overly reliant on any single currency. But it is also about building resilience through diversification, especially in a risk landscape where geopolitics and policy uncertainty matter more than ever.

The second dynamic is that geoeconomic fragmentation and regionalisation are becoming more pronounced.

Supply chains, trade links and financial channels are being reorganised into regional blocs. Risk today, is not only about price and credit – it is also about access; continuity; and ability to maintain payments and liquidity under stress.

Asia is responding – and it is responding on multiple

fronts: through trade and investment; strengthening regional safety nets; building payment connectivity; developing local-currency frameworks; and improving surveillance. The direction is clear: when the main channel tightens, a region that has alternative channels can keep economic activity moving.

The third dynamic is, digitalisation and advances in technology, which are presenting us with both opportunities and disruption.

AI, tokenisation, CBDCs and USD backed stablecoins are no longer fringe topics. They are reshaping how value moves; how liquidity flows; and where regulatory perimeters sit.

The IMF's work on the international monetary system is explicit: while cross border CBDC use remains largely experimental, the international use of crypto assets, particularly USD backed stablecoins, has been increasing. The paper further suggests that if widely adopted, stablecoins can introduce run risks; contribute to currency substitution; and fragment payment systems – unless interoperability and supervision keep pace.

The BIS reminds us why central banks have to be clear-eyed here: in any next generation system, trust in money and settlement at par remain non-negotiable. Technology does not remove the need for integrity. It raises the stakes for it.

If these are the forces shaping the system today, what will define the next five to ten years? I would suggest three priorities:

First: an orderly diversification, not a disorderly break. The credibility of central banking is built on stability. So is the credibility of the international monetary system. The aim is not to replace one concentration with another, or to create a system of competing payment blocs. The aim is to reduce concentration risk in a way that is gradual, well-managed, and anchored in market development and sound macroeconomic frameworks. For Malaysia, the diversification we have undertaken can be seen, among others, with deepened local-currency settlements with Thailand from RM1.9 billion or 6.4% of our bilateral trade settlements in 2009 to RM11.7 billion (18.7%) in 2024; with Indonesia – from RM1.2 billion (4.5%) in 2009 to RM8.8 billion (11.9%) in 2024; and China – from RM1 billion (1.7%) in 2011 to RM73.9 billion (28.4%) in 2024.

Second priority: having a stronger regional financial architecture. The case for regional resilience has been reinforced, not as ideology but as risk management. In 2025, ASEAN+3 finance leaders not only agreed to enhance the CMIM by establishing the rapid financing facility for shocks such as pandemics and natural disasters; – but they have also agreed to commence work to transition the CMIM to a paid-in-capital model. We have also advanced payment connectivity across ASEAN member states from 18 to 28 cross-border payment linkages in 2025, with the volume of cross-border QR and P2P transactions seeing an increase of 190% and 41% respectively in 2025, compared to the first half of 2024.

Third: Interoperability and a data driven international monetary system. Diversification strengthens resilience only if our systems remain connected. Without interoperability, it risks deepening fragmentation instead of reducing it. Our priority, therefore, must be to ensure that payment systems, data standards, reporting frameworks and policy tools continue to 'speak' to one another across borders. By bringing greater harmonisation across countries and equipping policymakers with timely, reliable insights for informed decisions – we can act with foresight rather than hindsight.

The transition is already underway. The question is whether we design it, or let it design us – this is our moment – and the answer lies with all of us here.

Ladies and Gentlemen,

Let me now turn to why these forces matter particularly for Asia.

First, Asia remains exposed to 'weather set elsewhere'.

In a world of powerful global financial cycles – spillovers from the policies and financial conditions of major economies can transmit rapidly into our exchange rates; capital flows and domestic financial conditions adjust. These altogether – narrows policy space and constrains how finely we can calibrate for domestic needs.

The AFC taught us the cost of mismatches, while the GFC and pandemic years reminded us of 'dollar droughts'. Asia has learnt to manage this reality with stronger frameworks, macroprudential tools and buffers. But the direction of travel is clear – external shocks propagate faster, and policy trade-offs

become sharper.

Second, fragmentation raises the premium on regional buffers and regional plumbing.

When supply chains are reorganised and geopolitical uncertainty rises, resilience depends on whether trade and finance can keep moving even under stress.

This is why stronger regional safety nets, surveillance capacity, interoperable payment systems and local currency ecosystems are not just 'nice-to-haves'. They help cushion shocks collectively and ensure that economic activity can continue even when external conditions become more challenging.

This is the rationale of CMIM and AMRO; behind the growth of local currency bond markets from Kuala Lumpur to Bangkok and Jakarta; behind ASEAN's fast payment and QR linkages. Our task now is to ensure that these channels operate efficiently and serve the region as a whole.

Thirdly, technology requires a new vigilance.

As new rails emerge, risks do not disappear – in fact, they migrate. Stablecoins and tokenised assets can increase the speed of runs, they can complicate capital flow measures and they can fragment payments – unless interoperability is built in^[4].

We cannot meet these challenges alone as our economies grow 'ever more connected'. So our task here is clear: to capture efficiency while containing vulnerabilities; with stronger cross border data cooperation, clearer regulatory perimeters and practical interoperability. In short, to adapt to the

future international monetary system – Asia must move faster, be more coordinated and be more technologically prepared than ever.

All of this brings me to what I hope we will examine candidly in the discussions ahead. I suggest that we engage these three questions:

First, how do we bring orderly adjustment to Asia's reliance on the US dollar? What degree of diversification is feasible, over what time horizon and with what guardrails to avoid instability?

Second, what options and constraints should guide broader international monetary system reform? How can we be more inclusive and reflective of Asia's economic weight without undermining global stability?

Finally, how should the international monetary system evolve in a technology driven world? What guardrails are needed for AI, tokenised assets, stablecoins and CBDCs so that innovation strengthens trust rather than eroding it?

These are not merely academic questions. They are design choices that will determine the structure and resilience of the international monetary system.

Ladies and Gentlemen,

Our purpose today is clear: to sharpen the questions that matter, so that together, we can shape a more resilient and inclusive international monetary system for the years ahead.

Thank you, and I wish you a productive Summit."



KEYNOTE ADDRESS

Rethinking the Dollar: The International Monetary System at a Crossroads

APRIL 2026



Jeffrey Frankel

Jeffrey Frankel is James W. Harpel Professor of Capital Formation and Growth at Harvard Kennedy School. He is a Research Associate of the National Bureau of Economic Research, where he also co-chairs the International Seminar on Macroeconomics. He served at the US President's Council of Economic Advisers in 1983-84 and 1996-99; he was appointed by Bill Clinton as CEA Member with responsibility for macroeconomics, international economics, and the environment.



At the 2026 SEACEN Policy Summit, Harvard economist Jeffrey Frankel delivered a timely and sharp critique of the evolving international monetary and financial system. The address highlighted growing global discontent with the U.S.-led system, the durability of the dollar, the rise of alternative payment systems, and the uncertain path forward in a world where geopolitics and financial strategy are increasingly entangled.

The Dollar’s Legacy and Its “Exorbitant Privilege”

The presentation began by revisiting the historical foundations of the dollar’s dominance. The U.S. dollar supplanted the British pound as the premier international currency in the 20th century, a transition underpinned by the United States’ economic strength and commitment to supplying global public goods,

most notably, financial stability and liquidity.

This arrangement granted the U.S. what French finance minister Valéry Giscard d’Estaing (1960) famously called an “exorbitant privilege”: the ability to finance deficits and earn seigniorage by issuing the

global reserve currency. For decades, the world accepted this trade-off, as U.S. leadership was seen as a stabilizing force that upheld an open international economic order.

Cracks in the System: Decline in Dollar Share

Yet in recent decades, the relative decline of the U.S. economy is eroding the dollar’s supremacy. Its share in global foreign exchange reserves fell gradually from around 70% in 2001 to just under 57% in 2025. While the dollar still remains the dominant reserve currency by a wide margin, this downward trend has accelerated in recent years due to both U.S. specific and global economic and geopolitical factors.

One key factor is the misuse of the dollar’s exorbitant privilege status. Rising concerns about U.S. fiscal policy, especially soaring deficits, money financing, and risk of default, led some to question the long-term sustainability of dollar assets. Moreover, the frequent and excessive use of financial sanctions by the U.S. without multilateral backing has led many countries to reassess the currency composition of their reserves.

According to recent research by Chinn, Frankel, and Ito (2025), bilateral financial sanctions and trade policy uncertainty have significant negative impacts on the US dollar holdings of 50 central banks over the period 1990–2022. The weakening of the safe-haven status was illustrated on “Liberation Day,” April 2, 2025, when markets, facing heightened global risk, shifted out of the dollar, in sharp contrast to the Global Financial Crisis, which saw the greenback rise despite the crisis originating in the U.S. More broadly, many central banks reserve managers are gradually reducing their exposure to the US dollar while increasing allocations to other reserve assets, especially gold.

From Hegemony to Multipolarity?

Given the dollar’s decline, could we be heading toward a multiplex or multi-currency system? Such a transition is both plausible and already unfolding. While the euro and Chinese renminbi are often cited as potential challengers, they lack the deep, liquid, and open financial markets required for global reserve currency status. Even so, modest shifts are occurring. Some central banks are incrementally allocating reserves to RMB and gold (Arslanalp, Eichengreen & Simpson-Bell (2023), signalling their

dissatisfaction with the dollar despite the lack of a viable alternative currency.

There is a fundamental trade-off at the heart of the international monetary system. A dominant international currency like the dollar offers low transaction costs and global stability but entails the risk of significant abuse by the issuing country. A multi-currency system, while more complex, could impose discipline by making it harder for any one country to exploit its position unchecked. That seems to be the direction the system is evolving toward, albeit only slowly.



The Role of Digital and Regional Currencies

Adding further complexity to the monetary landscape is the rise of digital currencies. Scepticism toward cryptocurrencies persists, with critics viewing them largely as vehicles for speculation or regulatory evasion. In contrast, central bank digital currencies (CBDCs) may offer more credible innovations by reinforcing central banks' role in the financial system.

Regional currencies, too, are gaining traction. Asia, for example, is witnessing the growing use of the Japanese yen and the Singapore dollar in regional trade. Yet it is China’s RMB, the currency of the region’s economic heavyweight, that garners the most attention. However, its rise has been hampered by Beijing’s reluctance to fully liberalise capital controls.

An Unpredictable Hegemon

But U.S. behaviour in recent years has gone beyond the abuse of its traditional exorbitant privilege. In fact, the US has undermined the very international system it helped build after World War II. The postwar order of multilateral cooperation, free trade, freedom of the seas, world health cooperation, 80 years of relative peace, and much more is fraying due to America's own retreat from its leadership role.

Through erratic tariff policies, attacks on the independence of the Federal Reserve, flirting with government default or with taxing foreign-held debt, quitting international institutions, gratuitous ruptures with allies, and threatening to violate the territorial sovereignty of another country, the U.S. administrations have severely disrupted the global economic and financial system. The erosion of the dollar's global status due to economic and financial forces is thus compounded by institutional weakness

and geopolitical uncertainty.

The Path Ahead

So, what lies ahead for the international monetary system? The continued dollar dominance is likely but not guaranteed in the medium term. Its dominance ultimately rests on the credibility and predictability of U.S. policy, strong U.S. institutions, deep, safe and liquid American financial markets, and the absence of a viable alternative. If these conditions erode further, the transition to a more balanced, multipolar arrangement will accelerate.

In the meantime, a cautious evolution already appears underway, evident in modest reserve diversification into gold and alternative currencies, growing interest in CBDCs, and a latent desire for reform. Whether this path eventually leads to greater stability and predictability or to fragmentation, uncertainty, and volatility, remains to be seen.



KEYNOTE ADDRESS

The End of Dollar Dominance

APRIL 2026



Hanno Lustig

Hanno Lustig is the Mizuho Financial Group Professor of Finance at the Stanford GSB. Lustig graduated with a Ph.D. in Economics from Stanford. Prior to Stanford, Lustig has taught at the University of Chicago and UCLA. Lustig has applied tools from finance to develop a better understanding of exchange rates, highlighting the role of currency risk premia and convenience yields on safe assets as key drivers of exchange rates. More recently, his work has focused on the valuation of government debt in advanced economies. Lustig is also a Research Associate of the NBER IFM, EFG and AP programs.



At the 2026 SEACEN Policy Summit, Stanford Graduate School of Business economist Hanno Lustig delivered a timely discussion on the supremacy of the U.S. dollar, which has been treated as a permanent feature of the international monetary system. His talk highlighted recent shifts in global finance, suggesting that we are entering a period in which the fundamental equilibrium supporting this dominance is being tested.

The Dollar Equilibrium: Safety as a Convenience Yield

To understand the potential end of dollar dominance, one must first understand what has sustained it. The system rests on a unique equilibrium: the United States supplies the world with safe, liquid assets, primarily U.S. Treasury securities, while global investors, central banks, and reserve managers

absorb these assets at a premium. These assets deliver convenience yields, reflecting investors' willingness to accept lower expected returns on Treasuries because they provide unparalleled safety and liquidity, particularly during periods of global stress.

This relationship creates a structural bargain. The United States runs persistent current account deficits, essentially issuing dollar IOUs to the rest of the world. In exchange, it receives capital inflows that finance its debt at unusually favourable terms, a phenomenon often described as the exorbitant privilege. Another way to put it is, the United States is effectively “selling bonds to the rest of the world, not cars.”

The Pricing of Dominance: The Treasury Basis

The quantitative signature of this dominance is the Treasury basis. This metric compares the yield of an actual U.S. Treasury bond with that of a synthetic dollar bond constructed from other safe instruments. Historically, this basis was positive, indicating that the world was willing to pay a premium for the specific safety and liquidity of Treasuries. During the Global Financial Crisis of 2008, this premium spiked as investors scrambled for the world’s most trusted collateral, which created a self-reinforcing cycle: in a crisis, demand for safety rose, Treasury prices increased (yields fell), and the dollar appreciated. Thus, the global financial cycle became, in effect, a dollar cycle.

Signals of Erosion: From Premium to Discount

The most compelling evidence for the erosion of the dollar's dominance lies in market pricing. For the first time in the post-crisis era, the marginal pricing of the Treasury's safety services is shifting. Recent data show that Treasuries are now frequently trading at a discount rather than a premium relative to substitutes in the following 3 markets.

1. **Foreign Bonds:** Synthetic Treasuries constructed from safe foreign government bonds (like the German Bund) with currency hedges now often offer lower yields than actual U.S. Treasuries.
2. **Corporate Bonds:** The yield on actual Treasuries has converged with the yield of AAA-rated corporate bonds protected by credit default swaps.
3. **Swaps:** The swap spread has turned negative, meaning cash Treasuries sometimes offer higher yields than synthetic derivatives.

These technical shifts signal that the world is no longer willing to warehouse ever-increasing quantities of U.S. debt at the same convenience-adjusted price. The system is beginning to reprice the risks associated with the dollar.

Triffin’s Dilemma and the Supply-Demand Paradox

This erosion is driven by a modern version of Triffin's Dilemma. The global economy requires a growing stock of safe dollar assets to function, but providing those assets requires the United States to run massive fiscal deficits and expand its public debt. As the U.S. federal debt approaches 120% of GDP and interest outlays become a primary driver of the deficit, the very safety of the “safe asset” is called into question.

When supply increases beyond the market's natural appetite, the convenience yield must decline to attract buyers. Simultaneously, an inward shift in demand is occurring as investors reassess the reliability of U.S. markets amid political tail risks, debt-ceiling manoeuvring, and the growing use of financial sanctions.

Shattering the Flight-to-Safety Mechanism

The true test of dollar dominance is how the system behaves under extreme stress. Historically, a crisis meant a flight to safety into the dollar. However, two recent episodes suggest this mechanism is broken.

In March 2020 (the first episode), the onset of the pandemic triggered a “dash for cash”, with the foreign



sector not serving as a stabilising buyer. Instead, the Treasury market faced selling pressure as investors sought immediate liquidity. The system cleared only because the Federal Reserve intervened as the “dealer of last resort”, absorbing a substantial share of the supply to prevent a market breakdown. More telling is the second episode, “Liberation Day,” in April 2025. During a period of heightened market volatility (a VIX spike), U.S. long-term interest rates rose while the dollar depreciated by 3.6%. This is the exact opposite of the classic flight-to-safety pattern. It indicates that the market treated Treasuries not as a safe haven but as an asset that required a yield concession to hold.

Policy Implications for a Multipolar World

For central banks and policy makers, particularly in Asia, the end of this specific dollar equilibrium has first-order implications. If the dollar begins to trade like a standard currency, traditional reserve-management strategies must change.

A world with a less dominant dollar could offer some

benefits, such as reduced currency mismatch in emerging markets. If borrowing in dollars becomes less attractive, the mechanical tightening of financial conditions caused by a strengthening dollar during crises might dampen. However, a fragmented or multipolar system also carries risks: higher hedging costs, reduced market depth, and greater volatility in the absence of a singular safe-asset anchor.

Conclusion

The “End of Dollar Dominance” is likely to be a gradual repricing of the global safe-asset equilibrium. The evidence suggests that the special “convenience yield” that has underpinned the U.S. dollar for decades is fading. As the United States struggles with an unsustainable fiscal path and the flight-to-safety mechanism becomes increasingly state-dependent, the international monetary system is moving toward an uncertain, multipolar future. For the global policy community, the challenge is no longer merely managing the dollar cycle but preparing for a world in which the dollar no longer provides the insurance it once did.



SESSION 1

U.S. Dollar in International Trade and Financial Systems

APRIL 2026

Bambang Brodjonegoro



Bambang Brodjonegoro, an Indonesian national, is the Dean and CEO of the Asian Development Bank Institute (ADBI). Before joining ADBI in April 2025, he was Special Advisor to the President of the Republic of Indonesia for Economic Affairs and National Development. He served the Government of Indonesia in several senior leadership roles from 2011. He was Indonesia's Minister of Finance (2014–2016), Minister of National Development Planning (2016–2019), and Minister of Research and Technology (2019–2021).

Cédric Tille



Cédric Tille is Professor of International Economics at the Graduate Institute of International and Development Studies. Before joining the Graduate Institute in 2007, he was an economist at the International Research Department of the Federal Reserve Bank of New York for nine years. Professor Tille's main area of research focuses on international capital flows, and the use of currencies in international trade. It includes both theoretical contributions towards adapting economic models to reflect financial globalisation, and applied work on the impact of financial globalisation on countries' external transactions.

Gene Ma



Gene Ma is the Chief APAC Representative and Head of China Research at IIF (Institute of International Finance). Prior to IIF, Gene was the China economist and strategist at Tudor Investment; Managing Director and China economist at ISI Group (Now Evercore ISI); Chief Macro Analyst at Citic Securities; and a staff at China's Ministry of Finance. Gene graduated from Peking University and Cornell University. He is currently based in Singapore.

Reiner Martin



Dr. Reiner Martin is Executive Director at the National Bank of Slovakia (NBS), in charge of Research, Statistics and Economic Education. He is chairing the NBS Climate Committee and is accompanying person at the ECB Governing Council.

Dr. Martin has more than 20 years of previous professional experience, from the ECB, the Joint Vienna Institute (JVI) and the Austrian National Bank (OeNB). He is Visiting Professor at the Diplomatic Academy in Vienna and provided technical assistance for the Asian Development Bank, the IMF and the World Bank.

Arindam Sandilya



Arindam Sandilya is a Managing Director at J.P. Morgan based in Singapore. He is the Co-head of Global FX Strategy and Head of Macro Strategy for Asia. Before his current role, Arindam headed up FX and Commodities Derivatives Strategy for the bank. Arindam joined J.P. Morgan in New York in 2006. Previously, he was an FX analyst at Lehman Brothers. He holds a B.Tech in Mechanical Engineering from the Indian Institute of Technology and an MBA from the Indian Institute of Management.

Duvvuri Subbarao



Duvvuri Subbarao (Subba) served as Governor of the Reserve Bank of India (RBI) for five years (2008-13). Prior to that, he was Finance Secretary to the Government of India (2007-08) and Secretary to the Prime Minister's Economic Advisory Council (2005-07). As a career civil servant in India for over three decades, Subbarao worked in various positions in the state government of Andhra Pradesh and in the central government in New Delhi. He was a Lead Economist in the World Bank (1999 - 2004) where his responsibilities involved advising developing countries on public finance management.

Presenter:

Cedric Tille,
Graduate Institute for International and
Development Studies

Moderator:

Bambang Brodjonegoro,
ADB Institute

Panellists:

1. Cedric Tille,
Graduate Institute for International
and Development Studies
2. Gene Ma,
Institute of International Finance
3. Reiner Martin,
National Bank of Slovakia
4. Arindam Sandilya,
JPMorgan Singapore
5. Duvvuri Subbarao,
Former Reserve Bank of India



Session 1 explored the role of the United States dollar in international trade and financial systems, focusing on the structural factors underpinning its dominance and the evolving forces shaping the global monetary order. The discussion covered trade invoicing patterns, financial market dynamics, geopolitical influences, and technological developments that may affect the international currency landscape.

The session opened with a presentation by Prof. Cédric Tille, who presented empirical evidence on global trade invoicing. Drawing on international datasets, he highlighted that the U.S. dollar remains the dominant currency in global trade invoicing, even in transactions that do not directly involve the United States. This dominance reflects strong network effects, the pricing of key commodities such as oil in U.S. dollars, and the depth and liquidity of U.S. financial markets.

Prof. Tille noted that firms make strategic decisions when selecting invoicing currencies. Exporters often invoice in the same currency as their competitors to avoid fluctuations in relative prices and maintain competitiveness, a phenomenon known as the “coalescing effect.” This behaviour reinforces the dollar’s dominance and slows the transition to alternative currencies.

He also emphasised the distinction between trade

settlement. While transactions may be priced in one currency, they can be settled in another. In recent years, currencies such as the renminbi have seen growing use in trade settlement due to policy initiatives and improvements in cross-border payment infrastructure, although this has not yet translated into significant changes in trade invoicing patterns.

Prof. Tille further highlighted the growing role of geopolitical considerations in shaping international trade and financial relationships. Political alignment and strategic partnerships can influence trade flows and currency usage. While these developments may encourage some diversification away from the U.S. dollar, the structural advantages of the US currency remain substantial.

Beyond trade, the presentation addressed the financial dimension of dollar dominance. The U.S. dollar continues to play a central role in international funding markets and cross-border financial transactions, meaning that changes in U.S. monetary policy generate significant global spillovers. The effects on emerging markets depend on the drivers of U.S. interest rate movements: increases linked to stronger U.S. growth may have positive spillovers, while tightening driven by inflationary pressures can have contractionary effects.

The panel discussion brought together perspectives from policymakers and financial market practitioners on the evolving international monetary landscape.

Dr. Duwuri Subbarao highlighted structural barriers to local currency trade invoicing. Emerging and developing economies remain highly reliant on the U.S. dollar due to its deep financial markets, strong network effects, and availability of hedging instruments. In contrast, many local currencies lack developed derivative markets and trade finance infrastructure. Efforts to promote local currency trade are further complicated by trade imbalances that lead to the accumulation of partner currencies that are difficult to redeploy.

From a microeconomic perspective, Prof. Tille noted that firms' invoicing choices are strongly influenced by competitive considerations. Exporters tend to follow prevailing market practices and use the same currency as competitors. As financial infrastructure remains more developed for dominant currencies such as the U.S. dollar, firms have limited incentives to shift toward domestic currency invoicing.

Mr. Reiner Martin discussed the international role of the euro, noting that while it is widely used in global trade invoicing, its international expansion has remained relatively stable. Structural constraints, including fragmented capital markets and a limited supply of safe euro-denominated assets, continue to limit its broader global role. Initiatives such as the Savings and Investment Union aim to address these challenges.

From an Asian perspective, Mr. Gene Ma highlighted China's efforts to internationalise the renminbi (RMB),



including initiatives such as the Cross-Border Interbank Payment System (CIPS), offshore RMB markets, bilateral currency swap agreements, and Panda bonds. While these measures have increased RMB usage in certain transactions, the currency's global share remains modest relative to the US dollar.

The panellists also emphasised the continued importance of U.S. dollar funding. Mr. Ma noted that funding currencies typically benefit from low borrowing costs and deep financial markets, conditions that continue to favour the U.S. dollar. Mr. Martin added that expanding the euro's role in funding markets will require deeper financial integration within Europe and a greater supply of euro-denominated safe assets.

On safe-haven assets, Mr. Sandilya observed that central banks have increasingly turned to gold amid rising geopolitical uncertainty. Although currencies such as the Swiss franc and Australian dollar may serve as alternative safe havens, the relatively small size of these economies limits their ability to substitute for U.S. Treasuries at a global scale.

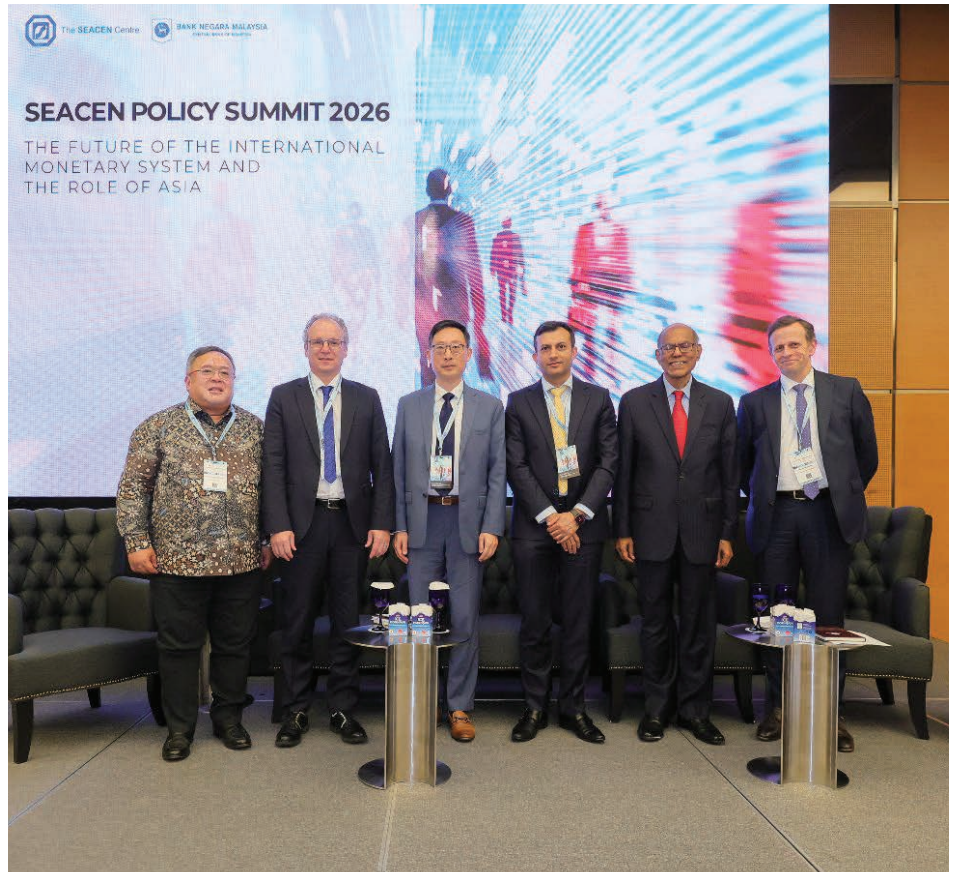
The discussion also addressed monetary policy spillovers from the United States. Dr. Subbarao referred to the "impossible trinity," noting that emerging markets often adopt hybrid policy frameworks combining exchange rate flexibility, capital flow management, and monetary policy adjustments. Prof. Tille added that strong banking systems and macroprudential frameworks are essential to enhance resilience against external shocks.



Finally, the panellists discussed the role of digital assets and central bank digital currencies (CBDCs) in cross-border payments. Wholesale CBDCs may improve settlement efficiency and reduce reliance on correspondent banking networks, though risks such as capital flow volatility and regulatory fragmentation remain. Mr. Ma highlighted initiatives such as the mBridge project, while Mr. Martin provided an update on the digital euro, which remains in a preparatory

phase pending legislative approval.

Overall, the discussion underscored that while diversification toward other currencies is gradually occurring, the US dollar remains central to global trade and finance due to its deep financial markets, liquidity, and network effects. Any transition toward a more multipolar currency system is likely to be gradual.



SESSION 2

APRIL 2026

Shaping the Future International Monetary System: Scope for Regional Cooperation

Masahiro Kawai



Dr. Masahiro Kawai is Professor Emeritus of the University of Tokyo and an honorary fellow of the Asian Development Bank Institute (ADBI). He is also a Senior Fellow of the Policy Research Institute (PRI) of Japan's Ministry of Finance (MOF) and a Distinguished Research Fellow of the Japan Forum on International Relations. Dr. Kawai began his professional career as a Research Fellow at the Brookings Institution and then taught economics as Associate Professor at The Johns Hopkins University and as Professor at the University of Tokyo.

Cédric Tille



Cédric Tille is Professor of International Economics at the Graduate Institute of International and Development Studies. Before joining the Graduate Institute in 2007, he was an economist at the International Research Department of the Federal Reserve Bank of New York for nine years. Professor Tille's main area of research focuses on international capital flows, and the use of currencies in international trade. It includes both theoretical contributions towards adapting economic models to reflect financial globalisation, and applied work on the impact of financial globalisation on countries' external transactions.

Bambang Brodjonegoro



Bambang Brodjonegoro, an Indonesian national, is the Dean and CEO of the Asian Development Bank Institute (ADBI). Before joining ADBI in April 2025, he was Special Advisor to the President of the Republic of Indonesia for Economic Affairs and National Development. He served the Government of Indonesia in several senior leadership roles from 2011. He was Indonesia's Minister of Finance (2014–2016), Minister of National Development Planning (2016–2019), and Minister of Research and Technology (2019–2021).

Yasuto Watanabe



Mr. Yasuto Watanabe is Director/CEO of the ASEAN+3 Macroeconomic Research Office (AMRO), bringing more than 30 years of experience in international finance, development finance, financial regulation, and regional financial cooperation. Prior to joining AMRO, he served as Senior Deputy Vice Finance Minister in Japan, overseeing Asia-Pacific regional and international financial issues. Mr. Watanabe has held senior leadership roles at major international financial institutions, including Director General and Alternate Executive Director at the Asian Development Bank.

Soyoung Kim



Soyoung Kim is a Professor in the Department of Economics at Seoul National University. He was the Vice Chairman of the Financial Services Commission (2022–2025), Chairman of the Securities and Futures Commission, and the Chairman of the Virtual Asset Committee (in the FSC) in Korea. He received his Ph.D. in Economics from Yale University. Prior to his current position, he was on the faculty at the University of Illinois at Urbana-Champaign and Korea University.

Marc Uzan



Marc Uzan is the Executive Director and founder of the Reinventing Bretton Woods Committee, a non-profit organisation established in 1994 that is internationally recognised for its work addressing issues related to international financial architecture (hosting more than 250 conferences and seminars worldwide through partnerships with central banks, think tanks, MDBs, and governments). He has edited several books on international finance including most recently, *Regional Integration in Central Asia*, United Nations University 2024, *The New Kazakhstan* 2023.

Presenter:

Mr Masahiro Kawai,
Professor Emeritus, University of Tokyo

Moderator:

Professor Cedric Tille
Graduate Institute for International and
Development Studies

Panellists:

1. Mr Masahiro Kawai,
Professor Emeritus,
University of Tokyo
2. Mr Yasuto Watanabe,
Director & CEO, ASEAN+3
Macroeconomic Research Office
(AMRO)
3. Professor Soyoung Kim,
Department of Economics,
Seoul National University
4. Mr Marc Uzan,
Executive Director & Founder,
Reinventing Bretton Woods
Committee
5. Mr Bambang Brodjonegoro,
Dean & CEO, Asian
Development Bank Institute



Digital transformation and geopolitical shifts are reshaping the foundations of the international monetary and financial system. Against this backdrop, Session 2 examined the scope for deeper regional cooperation in Asia and its implications for the future global order. The discussion centred on the continued dominance of the U.S. dollar, emerging alternatives, institutional reform, and the growing impact of digitalisation.

The session began with the presentation of Prof. Masahiro Kawai on The SEACEN Centre's collaborative research project on U.S. dollar dominance. He explained that since the global financial crisis of 2008 to 09, Asia, including ASEAN economies and Korea, has effectively formed a de facto dollar bloc, with the

Federal Reserve acting as lender of last resort. This configuration has supported trade integration, supply chain resilience, strong investment flows, and financial stability, underpinned by extensive use of the U.S. dollar in trade invoicing, financial transactions, and reserve holdings.

However, concerns over heavy reliance on the dollar have intensified. Over several decades, Asian economies, individually and collectively, have sought to reduce vulnerabilities stemming from rapid financial globalisation, volatile short-term capital flows, and exchange rate instability. The moderated panel discussion that followed explored how regional cooperation could shape both the current and future architecture of the international monetary system.

Professor Masahiro Kawai also examined the evolving landscape of international currencies and the balance between the U.S. dollar and emerging alternatives. He introduced the concept of currency zones, defined by the degree to which peripheral countries' exchange rates co-move with major currencies. His analysis highlighted the rapid rise of the Renminbi zone, which now accounts for approximately 19% of the global market, surpassing the euro zone. Despite this expansion, the U.S. dollar remains dominant, supported by the size of the U.S. economy, the depth and liquidity of its financial markets, and the persistence of historical usage patterns. Nonetheless, long-term erosion of dollar dominance could occur if China or Europe undertakes significant institutional and political reforms.

The shift to alternative currencies is becoming more visible among emerging economies, many of which perceive the costs of dollar dependence as high. Within ASEAN, the Local Currency Settlement Framework encourages the use of local currencies in

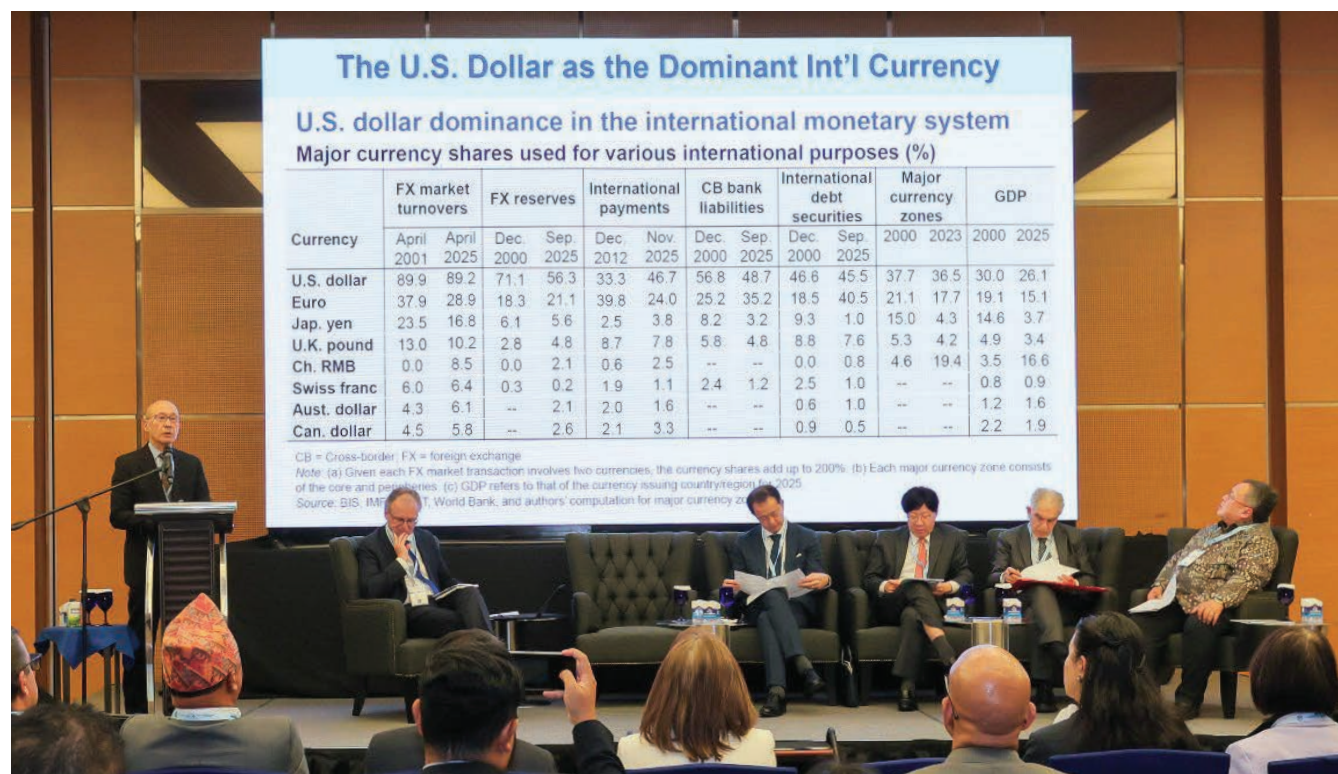
regional trade and financial transactions to reduce exposure.

Digitalisation was identified as a transformative force. Central bank digital currencies, stablecoins, and crypto assets are reshaping monetary systems globally. Asia leads in adoption, with India identified as a global leader in crypto usage. However, rapid digital adoption presents new challenges for capital flow management, cybersecurity resilience, and anti-money laundering compliance.

The panellists discussed whether the region should seek to replace the dollar or instead complement it. Yasuto Watanabe argued that, for the foreseeable future, the U.S. dollar will remain hegemonic due to market depth and liquidity. Rather than pursuing direct replacement, regional efforts should focus on reducing vulnerabilities arising from over-reliance and currency mismatches by strengthening policy buffers and expanding local-currency use.

Marc Uzan opined that the accumulation of dollar reserves, once a source of resilience, has increasingly become a source of geopolitical vulnerability in an era characterised by financial sanctions and greater economic interdependence.

A central theme of the Session 2 moderated panel discussion was the strengthening of regional financial safety nets. Professor Kawai advocated merging the Chiang Mai Initiative Multilateralisation (CMIM) and



The U.S. Dollar as the Dominant Int'l Currency

U.S. dollar dominance in the international monetary system

Major currency shares used for various international purposes (%)

Currency	FX market turnovers		FX reserves		International payments		CB bank liabilities		International debt securities		Major currency zones		GDP	
	April 2001	April 2025	Dec 2000	Sep 2025	Dec 2012	Nov 2025	Dec 2000	Sep 2025	Dec 2000	Sep 2025	2000	2023	2000	2025
U.S. dollar	89.9	89.2	71.1	56.3	33.3	46.7	56.8	48.7	46.6	45.5	37.7	36.5	30.0	26.1
Euro	37.9	28.9	18.3	21.1	39.8	24.0	25.2	35.2	18.5	40.5	21.1	17.7	19.1	15.1
Jap. yen	23.5	16.8	6.1	5.6	2.5	3.8	8.2	3.2	9.3	1.0	15.0	4.3	14.6	3.7
U.K. pound	13.0	10.2	2.8	4.8	8.7	7.8	5.8	4.8	8.8	7.6	5.3	4.2	4.9	3.4
Ch. RMB	0.0	8.5	0.0	2.1	0.6	2.5	--	--	0.0	0.8	4.6	19.4	3.5	16.6
Swiss franc	6.0	6.4	0.3	0.2	1.9	1.1	2.4	1.2	2.5	1.0	--	--	0.8	0.9
Aust. dollar	4.3	6.1	--	2.1	2.0	1.6	--	--	0.6	1.0	--	--	1.2	1.6
Can. dollar	4.5	5.8	--	2.6	2.1	3.3	--	--	0.9	0.5	--	--	2.2	1.9

CB = Cross-border; FX = foreign exchange
 Note: (a) Given each FX market transaction involves two currencies, the currency shares add up to 200%. (b) Each major currency zone consists of the core and peripheries. (c) GDP refers to that of the currency issuing country/region by 2025
 Source: BIS, IMF, ILO, World Bank, and authors' computation for major currency zone



the ASEAN+3 Macroeconomic Research Office into a single legal entity, effectively establishing an Asian Monetary Fund. Mr. Watanabe confirmed that authorities are discussing transforming the CMIM into a paid-in capital structure, similar to the quota-based system of the International Monetary Fund, to create a stronger and more credible regional financing mechanism. Prof. Kawai also recommended increasing the IMF de-linked portion of CMIM financing to eventually reach 100%, enabling Asian economies to address regional crises independently.

Digitalisation was further examined as a tool for strengthening regional integration. Professor Soyoung Kim highlighted the diversity of approaches across Asia. China has prioritised retail central bank digital currencies, while financial hubs such as Singapore and Hong Kong have focused on wholesale central bank digital currencies. He noted that capital flows through stablecoins in Korea are now comparable to official flows and exert measurable effects on exchange rates. In addition, Mr. Watanabe stressed that interoperability remains the highest priority for regional payment systems, pointing to the ASEAN Regional Payment Connectivity initiative which

leverages QR codes to link national fast payment systems across borders.

On the lessons from the European experience, the panel session drew comparisons with European integration. Mr. Marc Uzan described the introduction of the euro as the most significant monetary innovation since the Bretton Woods system, noting that while it delivered trade benefits and price stability, its primary lesson is that a common currency alone is insufficient without strong institutions and effective risk-sharing mechanisms.

Bambang Brodjonegoro highlighted Europe's experience in helping countries avoid the middle-income trap, attributing success to the institutional discipline and cohesion policies required for membership in the European Union and participation in the euro area. He suggested that an Asian Monetary Fund could offer a comparable framework by linking membership to fiscal and macroeconomic discipline.

Session 2 concluded with recognition that the U.S.-led global governance system is undergoing significant

strain. In this context, regional cooperation can serve as a vital complement to weakening global structures. Panellists agreed that strengthening regional governance in Asia and Europe, and

fostering dialogue between the two regions, will be essential to building resilience and safeguarding stability in an increasingly uncertain global environment.



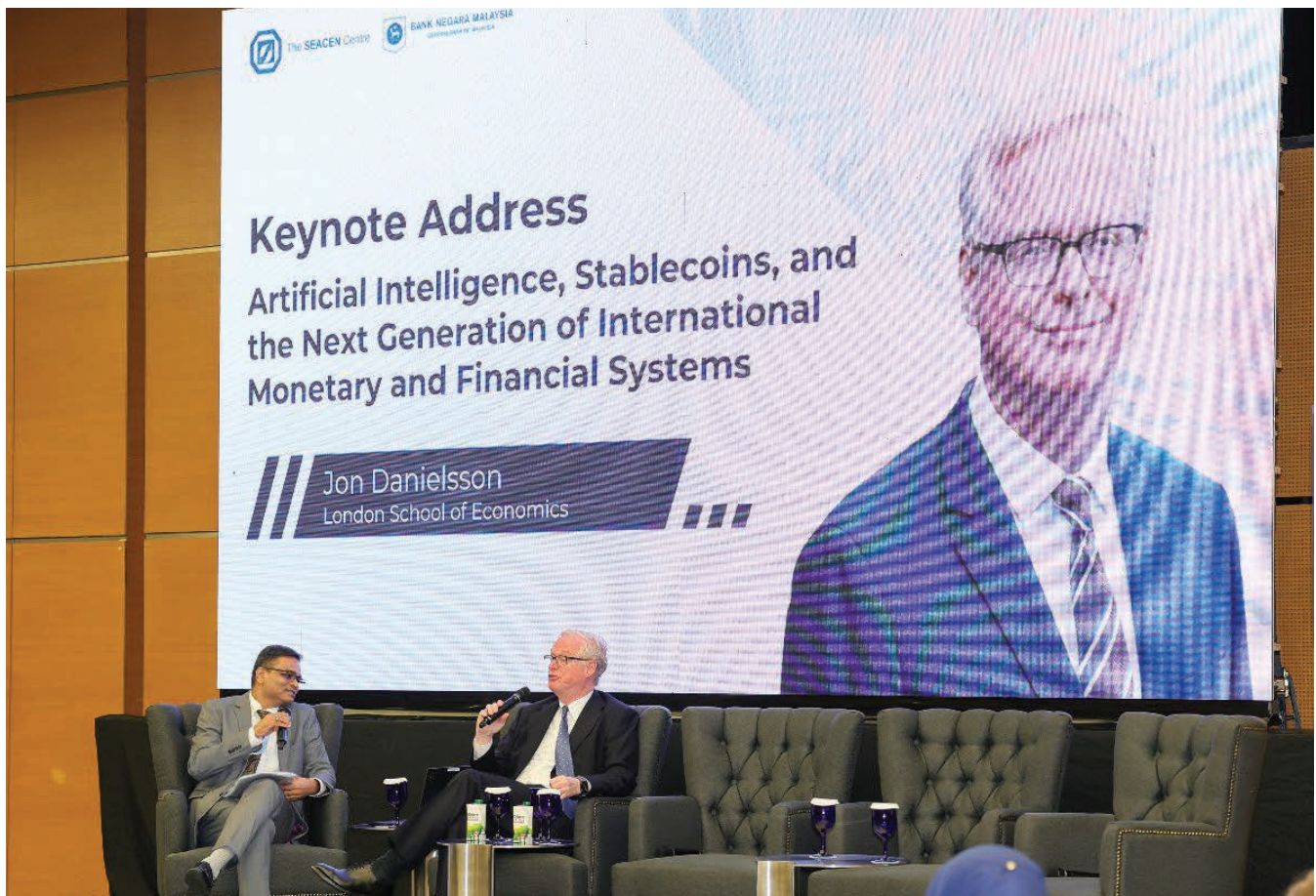
KEYNOTE ADDRESS

Artificial Intelligence, Stablecoins, and the Next Generation of International Monetary and Financial Systems



Jón Daníelsson

Jón Daníelsson is a Director of the Systemic Risk Centre and Professor of Finance at LSE. His research spans financial risk, artificial intelligence, systemic risk, financial regulation, and how economic policy affects prosperity or disaster, and extensively published on those topics in academic journals, policy outlets, and blogs. He authored three notable books including “The Illusion of Control,” recognised by the Financial Times as one of the best books of 2022.



Stablecoins have become one of the most debated topics in contemporary financial policymaking, especially following the enactment of the GENIUS Act in the United States. Beyond the U.S.—and outside monetary jurisdictions whose exchange rate regimes and monetary policies are closely aligned with the U.S. dollar—policy responses have diverged significantly, ranging from outright bans, as in China, to the careful implementation of supportive regulatory frameworks, as seen in the European Union.

Concerns about the loss of monetary sovereignty and the erosion of capital controls have been among the most frequently cited arguments against stablecoins, especially when they are perceived to compete with domestic currencies. More recently, there have been increasing concerns about their use in capital flight, the disintermediation of the banking

system, and their potential to act as run amplifiers in times of crisis.

Jurisdictions may, in fact, have overestimated the risks posed by stablecoins. Any meaningful exposure to stablecoins ultimately occurs through banks and other heavily regulated intermediaries—a fact that

should provide regulators with sufficient comfort to regulate them. In this regard, authorities may consider proactively establishing appropriate regulatory regimes and backstops for stablecoins. Doing so would help contain illicit use, facilitate monitoring, controlling in- and outflows, support responsible innovation, and reduce the likelihood of reactive, knee-jerk policy responses in the future.

What are stablecoins?

A stablecoin is a digital claim—issued as a token—pegged to a reference asset, typically a fiat currency such as the U.S. dollar. Stablecoins are issued by private entities and are generally backed by reserve assets, typically cash, cash equivalents, and money market instruments. Financial regulations such as the Genius Act in the U.S. and MiCA in Europe, establish guidelines on the actual reserves, typically short-term treasuries and cash. While there are stablecoins that purport to maintain a fiat peg via algorithmic trading, often in cryptocurrencies, they have gained neither traction nor support from authorities.

Currently, the predominant use of stablecoins is as a medium for trading crypto assets—allowing transactions to occur without direct interaction with fiat currencies—accounting for roughly 50% of usage. They serve as the cash layer for tokenised assets and decentralised finance (DeFi) applications, representing another 20–25% of overall usage. Cross-border transfers by individuals and SMEs constitute another, still modest but growing, use case. Currency substitution and circumvention of capital controls are often highlighted in policy debates; such uses remain negligible in scale at present.

At present, outstanding stablecoins are overwhelmingly U.S. dollar-denominated, with a total market size of around USD 300 billion. Tether (USDT) and Circle's USD Coin (USDC) are the dominant issuers, with outstanding supplies of approximately USD 185 billion and USD 75 billion, respectively. By contrast, the next largest segment, euro-denominated stablecoins, remains below USD 700 million, while only negligible amounts of stablecoins are issued in other currencies such as JPY, SGD, and GBP.

Diverse attitudes

Jurisdictions have adopted markedly different approaches to regulating stablecoins. At one end of the spectrum, the United States, along with major financial centres such as Singapore and Hong Kong, China have taken an increasingly supportive stance, while China has opted for an outright ban. The European Union has pursued a more calibrated, permissive regulatory approach, whereas many other jurisdictions remain in a wait-and-see mode. The benefits of stablecoins are particularly evident for the United States, where their widespread use reinforces global demand for the U.S. dollar and U.S. dollar-denominated assets, potentially lowering the cost of debt and capital for both the U.S. government and private firms. Furthermore, with the GENIUS Act of 2025, USD-issued and domiciled stablecoins are required to hold U.S. dollars, funds at regulated depository institutions, certain short-term Treasuries, Treasury-backed reverse repurchase agreements, and money market funds.

From stablecoins to banking

Under a scenario of large-scale migration of bank deposits into stablecoins, the banking sector's capacity to extend credit could be materially impaired, with funds potentially flowing toward the jurisdiction of the currency in which the stablecoin is denominated. As stablecoins become increasingly integrated with decentralised finance (DeFi) through smart contracts, they may begin to perform bank-like functions outside the traditional regulatory perimeter. Furthermore, if domestic stablecoin users use foreign issued stablecoins, it might lead to disintermediation out of the domestic financial system into foreign treasuries serving as reserves.

Similarly, a sharp increase in redemption pressure could have serious implications for sovereign debt markets – with the potential to generate turbulence even in the most liquid market. Crypto exposure contributed to the failures of Silvergate Bank and Signature Bank, driven by large crypto-related deposits and volatile withdrawals (Tierno, 2023). Competitive pressures to scale and a search for yield may erode the quality and liquidity of reserves – amplifying systemic fragilities. The borderless and continuous (24×7) nature of stablecoin markets could

amplify and accelerate stress events, leaving authorities with limited time to facilitate orderly market adjustments.

The Artificial Intelligence (AI) connection

Consider an AI agent operating within a DeFi protocol that automatically executes algorithmic trading strategies. By continuously analysing public information and inferring crowd behaviour, such an agent could anticipate market tipping points well ahead of any human intervention, potentially rendering traditional safeguards such as circuit breakers ineffective. While AI-driven systems may contribute to market efficiency and stability under normal conditions, periods of extreme stress could trigger highly synchronised responses, amplifying shocks through speed, scale, and feedback loops.

Transmission pathways to crisis

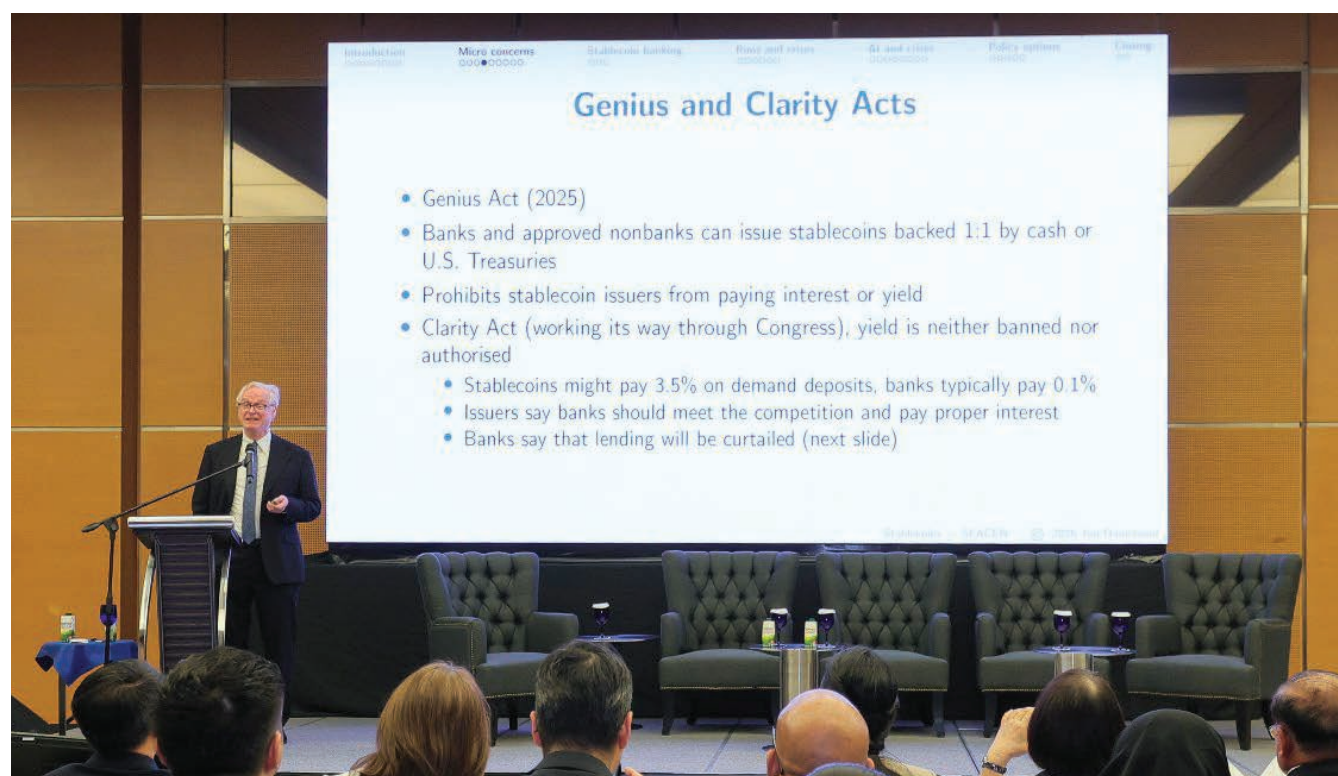
The major risks commonly associated with the widespread adoption of stablecoins are typically identified across three key dimensions: (i) currency substitution - undermines the effectiveness of domestic monetary policy; (ii) alternative payment channels - emergence of faster and cheaper payment mechanisms outside the control of authorities; and (iii) transmission of crypto-market volatility to real economy - volatility and stress in crypto-asset markets may spill over into financial markets.

The argument that stablecoins inherently threaten monetary sovereignty often overlooks deeper gaps in the institutional frameworks governing domestic currencies. Where a currency is well managed and supported by credible monetary and fiscal institutions, the risk of a direct challenge to monetary sovereignty is limited. Stablecoins may, however, exacerbate pre-existing vulnerabilities by providing an additional channel for currency substitution in already fragile monetary regimes. The circumvention of existing capital controls through cross-border stablecoin transfers could pose a challenge in the absence of effective international coordination and enforcement. Stress originating in crypto-asset markets could also translate into sudden redemption pressures on stablecoins, with spillovers into financial markets.

Policy options

Concerns about stifling innovation and foreclosing potentially beneficial use cases often deter governments from imposing outright bans. Central banks, however—given their role in maintaining financial stability—have generally adopted a more cautious stance and tend to advocate a strict, comprehensive approach to stablecoins.

Broadly, policy responses to stablecoins can be grouped into three approaches: (i) adopting a hands-off or “do nothing” approach; (ii) incorporating stablecoins into the existing regulatory framework; and (iii) reducing the structural “pull factors” that



drive demand for stablecoins.

The passive “do nothing” strategy is the least desirable, as it risks allowing vulnerabilities to accumulate unchecked. Authorities should develop a deep operational understanding of stablecoin technologies within the lead institution for financial stability oversight, in coordination with the monetary policy committee and various financial supervisory authorities. This includes identifying potential trigger points, standing ready to intervene when risks materialise, and building comprehensive data infrastructures to capture exposures across banks and non-bank entities, leverage, and interconnections within the financial system.

It would, consequently, be important for the authorities to proactively engage with stablecoin issuers to monitor and control movements between

domestic fiat currency and foreign stablecoins. Authorities retain influence over the interface between stablecoins and the domestic payment system. By implementing appropriate monetary and liquidity management tools and establishing clear guidelines governing flows between the fiat payment system and stablecoins, authorities can design effective safeguards. Such mechanisms would help mitigate the risk of stablecoins being used as channels for rapid capital outflows during periods of financial stress. By not having the necessary control mechanisms in place, there is a danger that stablecoin use might occur outside the control space, which would then frustrate future attempts to exercise controls.

Finally, strengthen confidence in the domestic currency through prudent fiscal and monetary policies; efficient, reliable, and low-cost payment and remittance systems.



SESSION 3

Policy Roundtable: Reshaping the International Monetary System and Implications for SEACEN Members

APRIL 2026

Thorsten Beck



Thorsten Beck is Director of the Florence School of Banking and Finance and Professor of Financial Stability at the European University Institute. He is Co-chair of the Advisory Scientific Committee of the European Systemic Risk Board (2023-27) and is research fellow of the Centre for Economic Policy Research (CEPR) and the CESifo. He was Co-editor of the Journal of Banking and Finance between 2019 and 2024. He was Professor of banking and finance at Bayes Business School (formerly Cass) in London between 2013 and 2021 and Professor of economics from 2008 to 2014.

Chandranath Amarasekara



Dr. Chandranath Amarasekara is the Deputy Governor of the Central Bank of Sri Lanka in charge of Price Stability and is an ex-officio member of the Monetary Policy Board. Dr. Amarasekara was previously the Assistant Governor and Secretary to the Monetary Policy Board. From January 2022-February 2024, he was on release to the International Monetary Fund (IMF), Washington D.C., U.S.A., as the Alternate Executive Director for the constituency of Sri Lanka, India, Bangladesh and Bhutan. He has served the Central Bank for more than 23 years, specialising in monetary policy and research.

Jin Penghui



Mr. JIN Penghui holds a PhD in economics. He is the President of the People's Bank of China (PBOC) Shanghai Head Office, and Director-General of the State Administration of Foreign Exchange Shanghai Branch. He is also a deputy to the National People's Congress. He has been engaged in economic and financial work for a long time, and his research covers monetary policy, financial supervision, financial market, international financial centres, rural finance, green finance, among others.

Bam Bahadur Mishra



Bam Bahadur Mishra is the Deputy Governor of Nepal Rastra Bank, the central bank of Nepal. He began his professional career as a banker before joining NRB in 2002 where he advanced to the position of Executive Director. In 2021, he was appointed as Deputy Governor. Mr. Mishra brings with him a rich academic and professional background, holding a degree in Physics, an MBA, an LLB and a Master's in Public Policy from Japan. His diverse educational foundation has enabled him to blend analytical, managerial, legal and policy-making perspectives in addressing issues in the financial system.

Zeno Ronald R. Abenoja



Zeno Ronald R. Abenoja is the Deputy Governor of the Monetary and Economics Sector (MES). As MES Sector Head, he handles monetary policy formulation, economic research, statistical operations, foreign exchange regulations, international cooperation, and domestic credit operations. Prior to his appointment as DG, he served as Assistant Governor (AG) of the Monetary Policy Sub-Sector (MPSS). He also previously led the Department of Economic Research (DER) and Economic and Financial Learning Center (EFLC), which shaped his expertise in monetary policy and economic research.

Moderator:

Thorsten Beck, Director,
The Florence School of Banking and Finance

Panellists:

1. Chandranath Amarasekara,
Deputy Governor, Central Bank of Sri Lanka
2. Jin Penghui,
President, People's Bank of China (PBOC)
Shanghai Head Office
3. Bam Bahadur Mishra,
Deputy Governor, Nepal Rastra Bank
4. Zeno Abenoja,
Deputy Governor, Bangko Sentral ng Pilipinas



Session 3 of the roundtable addressed the fragility and future of the International Monetary System (IMS), with a specific focus on how SEACEN member central banks can navigate a landscape defined by geopolitical fragmentation, US dollar dominance, and rapid technological change. Panellists were broadly in agreement that whilst the dollar-centric system has provided a stable anchor, it is increasingly out of step with global economic realities, necessitating reforms towards a more multi-polar and inclusive framework.

The discussion opened with an evaluation of the IMS's existing strengths and vulnerabilities. Deputy Governor (DG) Chandranath Amarasekara of the Central Bank of Sri Lanka observed that whilst the USD system remains liquid, it faces a value crisis — Sri Lanka grew its reserves from 4.4 billion to 6.8 billion USD, yet the value of those reserves in terms of gold

actually decreased, suggesting a form of global-scale inflation affecting international assets. Mr. Jin Penghui of People's Bank of China reinforced this concern by highlighting that the U.S. accounts for roughly 15% of global GDP, yet the U.S. dollar comprises nearly 60% of global reserves, illustrating a profound disconnect between the system and the multi-polar world it now

serves. Further vulnerabilities identified included the use of currencies as geopolitical tool, policy uncertainty stemming from U.S. economic shifts, and the inherent Triffin dilemma.

Panellists gave considerable attention to the constraints imposed by a dollar-centric world, particularly regarding monetary policy spillovers. DG Bam Mishra of Nepal Rastra Bank observed that emerging market economies often face sudden capital outflows when U.S. rates rise, forcing central banks to raise policy rates regardless of their own domestic economic conditions. DG Zeno Abenoja of Bangko Sentral ng Pilipinas, meanwhile, explained that emerging markets need a greater seat at the table in international standard-setting bodies, as current regulations tend to reflect the needs of major economies rather than the more varied realities of emerging ones.

Technological shifts were viewed as both a risk and a tool for central banks. The rise of private digital currencies and stablecoins was cited as a threat to monetary sovereignty, with the potential to obstruct the transmission of central bank policies. Mr. Jin proposed a tiered approach to the future financial landscape — one in which centralised systems are maintained for wholesale transactions to ensure security, whilst market participants explore decentralised solutions for retail and small-value cross-border payments under strict supervision. Technology was also recognised for its potential to improve real-time, granular data collection, helping authorities better understand and respond to market shifts.

Panellists voiced strong support for reforming global governance, specifically urging the IMF and World Bank to adjust quotas to better reflect the Asia Century — with Mr. Jin noting the stark disconnect

between China's 19.3% share of global GDP and its 6.4% quota. Recommended measures included strengthening the Chiang Mai Initiative Multilateralisation (CMIM), expanding central bank swap lines, and promoting local currency settlement for regional trade.

During the Q&A, DG Amarasekara clarified that for countries in deep crisis there is no viable alternative to the IMF, which serves as the global lender of last resort and provides essential credibility for debt restructuring. On the question of stablecoins, Mr. Jin reiterated that they remain banned domestically in China, whilst DG Abenoja noted the Philippines' use of a sandbox approach to monitor locally denominated stablecoin proposals. Panellists identified the persistent preference for invoicing in hard currencies as the primary challenge to advancing local currency trade settlement.

Professor Thorsten Beck, who moderated the panel session, concluded the session by synthesising the discussion into three levels of action. At the global level, he stressed that the international community must prioritise adjusting financial safety nets and governance quotas to genuinely reflect the economic weight of member nations. At the regional level, he called on SEACEN members to accelerate payment system integration, expand central bank swap lines, and deepen local currency settlement frameworks. At the national level, he urged individual jurisdictions to continue building robust fiscal, monetary, and external buffers, whilst strengthening institutional governance and employing strategic foresight to remain prepared for unforeseen shocks. Mr. Jin offered the session's final word, remarking that in an era of profound uncertainty, trust and cooperation must serve as the primary compass for all future policy decisions.



Marzunisham Omar



Marzunisham was appointed Timbalan Gabenor on 15 June 2020. As Timbalan Gabenor, he is responsible for the economics as well as the digital and technology sectors.

Marzunisham has over 32 years of experience across various functions of central banking ranging from economic and monetary policy, financial sector regulation and development, financial inclusion and organisational development. From 2015 until 2017, Marzunisham served as Executive Director of the Southeast Asia Voting Group Constituency at the International Monetary Fund (IMF).



“Over the last one and half days, we have explored how the international monetary system is evolving under the weight of profound structural change. We reflected on enduring features of the system, such as the role of the U.S. dollar, global demand for safe assets, and the dynamics of the global financial cycle, alongside emerging shifts in trade and financial linkages in a more fragmented world.

We also looked ahead. Our exchanges considered how artificial intelligence, stablecoins, and broader technological change may shape the next generation of monetary and financial systems, bringing both new opportunities and new uncertainties. And this morning’s policy roundtable grounded these global deliberations in the perspectives of SEACEN members, underscoring the importance of policy coordination,

resilience, and regional cooperation in navigating an increasingly complex and uncertain global environment.

Thank you to the speakers and colleagues for enriching the discussion with your experience and knowledge.

As we come to the close of the Summit, allow me to reflect and frame the discussions which we have had in the context of the world that is increasingly defined by uncertainty, fragmentation and transformation. Today, two fundamental forces are reshaping the global economic and financial landscape.

The first is the intensification of economic fragmentation. For several decades, globalisation and trade liberalisation were the dominant drivers of the global economy, bringing efficiency gains and real economic progress. Today, this paradigm is under strain. Fragmentation is no longer episodic. It is increasingly intentional and policy driven. Policy choices are consciously made in pursuit of security, resilience, and sovereignty.

The second force is the rapid technological revolution, led by AI. These advances are transforming how businesses operate, how economies grow, how risks are managed, and how financial systems function. They hold the promise of significant productivity gains and broader inclusion, yet they strain existing regulatory frameworks, reshape labour markets, and challenge the foundations of financial system stability.

These forces, in my view, are not transitory. They are likely to be permanent features of the global economy. Their effects are complex and unpredictable, introducing persistent uncertainty into the global economy and international financial system.

Asia, which is deeply integrated into global trade, supply chains and capital flows, is already experiencing this first hand – from supply chain reconfiguration to volatile financial markets. The key question is how economies should navigate this environment of heightened uncertainty. The answer I would argue lies on a combination of strong national policies and deeper regional cooperation.

Let me briefly share Malaysia's experience in navigating the highly uncertain global environment in the past one year. Despite global headwinds, Malaysia's economic growth exceeded earlier

expectations, supported by strong domestic demand and resilient global economy. This strong growth momentum is expected to be sustained in 2026, underpinned by strong domestic demand. Favourable income prospects and labour market conditions will support private consumption, while a strong investment pipeline will continue to sustain private investment. Meanwhile, a resilient global economy and increased spending in technology-related activities will drive export growth.

In this highly uncertain and more fragmented world, at the individual country level, the priority of many central banks in the region is to preserve stability and enhance resilience. For BNM, this means keeping inflation low, strengthening financial stability and maintaining the orderly function of financial markets. Like many central banks in the region, our ability to achieve this is greatly strengthened by the availability of a comprehensive set of policy instruments, including monetary policy, macroprudential measures, foreign exchange intervention and clear, effective communication.

While individual country's efforts to manage risks and safeguard stability remain essential, this alone is not sufficient. Fragmentation by its nature crosses borders. Capital flows, financial stress and technological disruption do not respect national boundaries. This brings me to the importance of regional cooperation.

We in Asia have always understood the value of regional cooperation. Today, however, regional cooperation has become not just important, but urgent. Asia cannot simply adapt to the profound changes we are observing. We must help influence its direction.

Asia's response to the changing international monetary landscape must be deliberate, coordinated and forward looking. We should aim to expand our choices. We must pursue credible alternatives and prevent excessive dependency. Our strategy should be guided by the principle of diversification.

Let me share three areas where we are making great progress at the regional level.

First, one critical pillar of this collective strength lies in our regional financial safety net. Over the past 35 years, we have come a long way. Through steady and incremental reforms, we have strengthened and improved CMIM's accessibility. The size of CMIM has doubled, from USD 120 billion to USD 240 billion by

2014. The IMF De-linked Portion (IDLP) was also increased from 20% to 40%, enabling greater regional ownership for crisis resolution. And recently, the introduction of a new facility- the Rapid Financing Facility (RFF), has enabled CMIM to assist countries facing unprecedented exogenous shocks. Today, CMIM is transitioning from a pledge-based swap towards a paid-in capital structure. This marks a significant milestone and I have no doubt that my ASEAN+3 colleagues are committed to realising the PIC structure in CMIM as this will significantly strengthen our regional safety net.

Second, regional cooperation is also about enabling growth that is inclusive and sustainable. Under Malaysia's ASEAN Chairmanship, payment connectivity was a core pillar of our financial cooperation agenda. A key initiative was, the expansion of cross-border payment linkages, now covering 28 ASEAN corridors. Today, more than 50 million merchant touchpoints across ASEAN can accept cross-border QR payments, creating a vast ecosystem that supports trade, tourism, and inclusive growth. We must continue to build on this momentum by further reducing frictions in cross border payments and strengthening regional payment connectivity.

Third, a key priority is the more effective recycling of Asia's savings into productive investment within the region. According to the ADB, there are about USD 4.4 trillion in pension funds and USD 5.1 trillion with insurers in the region. At the same time, ASEAN economies are estimated to require investments of at least USD 3.1 trillion from 2023 – 2030 particularly in infrastructure, digital connectivity and energy transition. The challenge, therefore, is not a lack of capital, but the effective mobilisation of this capital.

Turning regional savings into productive investment requires us to strengthen the channels through which capital flows within our region, including through deeper financial integration, improving cross-border intermediation, expanding the use of local currencies, and deepening domestic capital markets. Continued progress under the Asian Bond Markets Initiative will be essential in this regard. In tandem, advancing innovative financing approaches, including blended finance, can mobilise long-term capital and reinforce investor confidence. An example of blended finance in action is the ASEAN Power Grid Financing Initiative, which has already attracted interest from over 15 major investors and MDBs, with around USD 13 billion committed to date. By expanding such platforms that derisk projects and crowd in private capital, the region's financial architecture can become a more effective conduit for recycling surplus savings, strengthening resilience while catalysing new growth opportunities.

We are confronting the world that is more fragmented, technologically advanced and highly uncertain. Asia has time and again demonstrated our capacity to adapt and to cooperate, and ultimately develop further.

Finally, let us seize this moment of global "rupture" as Prime Minister Carney aptly put it, not as a vulnerability but as a wake-up call, a catalyst to accelerate financial integration in the region. As the famous saying goes: "Never let a crisis go to waste".

Before I end, in conjunction with the year Visit Malaysia 2026, I would like to take this opportunity to invite you to take a bit of time to explore the beauty of Kuala Lumpur."



PROGRAMME AGENDA

APRIL 2026

All time slots denoted below are with reference to Kuala Lumpur, Malaysia Time (GMT +8)

DAY 1, THURSDAY, 5 FEBRUARY 2026	
08:30 – 09:00	Registration
09:00 – 09:10	Welcome Remarks Cyn-Young Park, Executive Director, The SEACEN Centre
09:10 – 09:25	Opening Remarks Governor Abdul Rasheed Ghaffour, Bank Negara Malaysia
09:25 – 09:30	Photo Session
09:30 – 10:30	Keynote Address International Monetary and Financial System— Current State, Policy Challenges, and the Way Forward Jeffrey Frankel (Virtual), Harvard Kennedy School Moderator: Donghyun Park, The SEACEN Centre
10:30 – 10:50	Coffee/Tea Break
10:50 – 11:50	Keynote Address Usage of the U.S. Dollar, Global Demand for Safe Assets, and the Global Financial Cycle Hanno Lustig (Virtual), Stanford Graduate School of Business Moderator: Meltem Chadwick, The SEACEN Centre
11:50 – 13:00	Lunch Break
13:00 – 14:30	Session 1: U.S. Dollar in International Trade and Financial Systems Presenter : Cedric Tille, Graduate Institute for International and Development Studies Moderator: Meltem Chadwick, The SEACEN Centre Panellists : 1. Cedric Tille, Graduate Institute for International and Development Studies 2. Gene Ma, Institute of International Finance 3. Reiner Martin, National Bank of Slovakia 4. Arindam Sandilya, JPMorgan Singapore 5. Duvvuri Subbarao, Former Reserve Bank of India

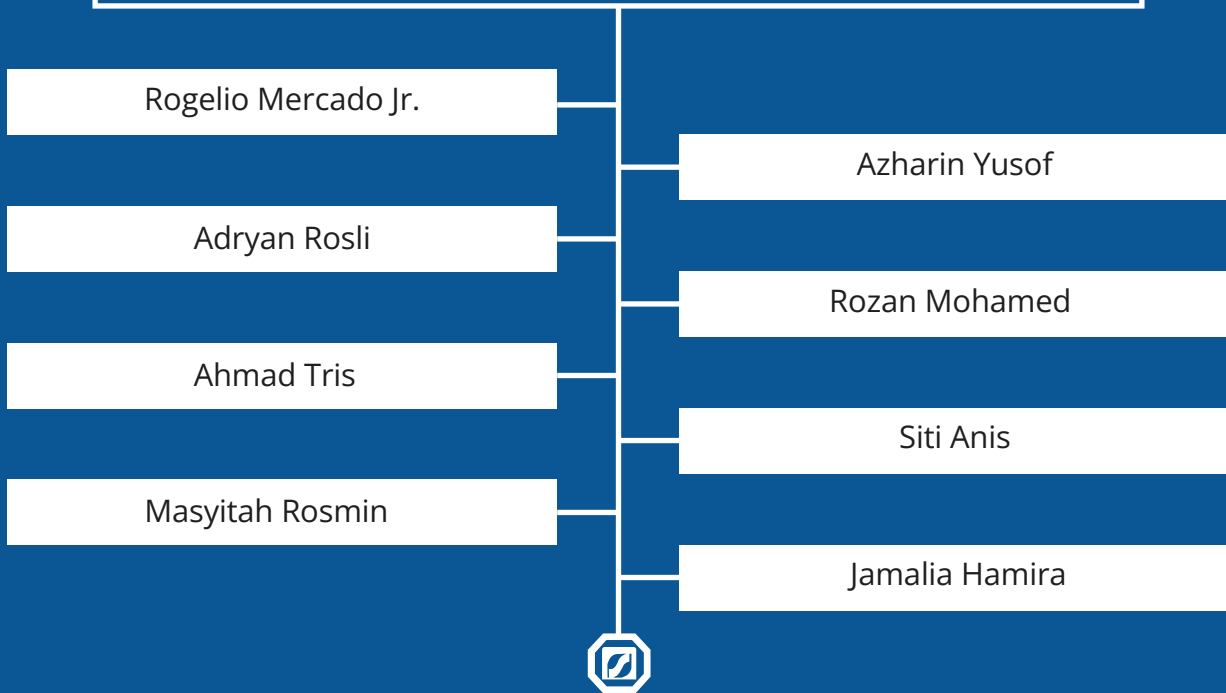
14:30 – 15:00	Coffee/Tea Break
15:00 – 16:30	<p>Session 2: Shaping the Future International Monetary System: Scope for Regional Cooperation</p> <p>Presenter : Masahiro Kawai, University of Tokyo, Policy Research Institute of Japan's Ministry of Finance, and Japan Forum on International Relations</p> <p>Moderator: Cedric Tille, Graduate Institute for International and Development Studies</p> <p>Panellists : 1. Masahiro Kawai, University of Tokyo, 2. Yasuto Watanabe, AMRO 3. Soyoung Kim, Seoul National University 4. Marc Uzan, Reinventing Bretton Woods 5. Bambang Brodjonegoro, ADB Institute</p>

DAY 2, FRIDAY, 6 FEBRUARY 2026

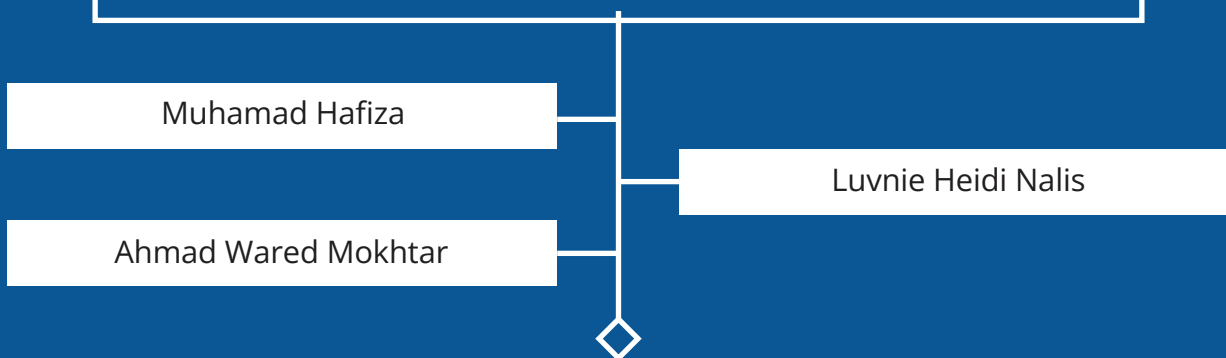
08:45 – 09:00	Registration
09:00 – 10:00	<p>Keynote Address Artificial Intelligence, Stablecoins, and the Next Generation of International Monetary and Financial Systems</p> <p>Speaker : Jon Danielsson, London School of Economics</p> <p>Moderator: Ashutosh Jaiswal, The SEACEN Centre</p>
10:00 – 11:30	<p>Session 3: Policy Roundtable: Reshaping the International Monetary System and Implications for SEACEN Members</p> <p>Moderator: Thorsten Beck, European University Institute</p> <p>Panellists : 1. Chandranath Amarasekara, Central Bank of Sri Lanka 2. Jin Penghui, People's Bank of China, Shanghai Head Office 3. Bam Bahadur Mishra, Nepal Rastra Bank 4. Zeno Abenoja, Bangko Sentral ng Pilipinas</p>
11:30 – 11:45	<p>Closing Remarks Deputy Governor Marzunisham Omar, Bank Negara Malaysia</p>
11:45 – 13:30	Lunch

END OF PROGRAMME

The South East Asian Central Banks (SEACEN) Research and Training Centre



Bank Negara Malaysia (BNM)



HIGHLIGHTS OF THE SEACEN Policy Summit 2026: The Future of the International Monetary System and the Role of Asia

The SEACEN Policy Summit 2026 took stock of past lessons and engaged SEACEN member central bankers/monetary authorities in a dialogue on their perspectives on the current state and future directions and challenges of the international monetary system, with the aim of strengthening economic and financial resilience. It focused particularly on the issue of regional solutions to increasing the use of local or regional currencies through innovation, regulation, and regional cooperation.

The SEACEN Centre

Since its inception in the early 1980's, the South East Asian Central Banks Research and Training Centre (The SEACEN Centre) has established its unique regional position in serving its membership of central banks and monetary authorities in the Asia-Pacific region through its learning programmes in key central banking areas (including macroeconomics, monetary policy, financial stability, supervision, payments, leadership, governance, and human capital), research work, and networking and collaboration platforms for capacity building in central banking knowledge.

