

# SAARCFINANCE e-Newsletter



**December 2010**

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SAARCFINANCE Cell  
Research and Statistics Department  
Royal Monetary Authority of Bhutan

*[A half-yearly publication of the regional network of SAARC Central Bank  
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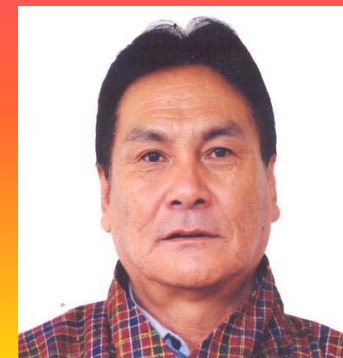
## Message from the Chairperson of SAARCFINANCE Group

It gives me a great pleasure to publish the 9<sup>th</sup> issue of e-Newsletter in its sequence, encompassing SAARCFINANCE activities occurred during the second half of 2010. The 9th issue of e-Newsletter consists of two sections. Covering the broad development of SAARCFINANCE activities in Section A, while the country specific activities are indicated in Section B. I hope the member Central Banks would find the information contained in this issue of e-Newsletter useful.

I wish to express my deep appreciation to the SAARCFINANCE Coordinators for their support and co-operation in strengthening the SAARCFINANCE Network. Furthermore, the efforts of SAARCFINANCE Cell, Research and Statistics Department, Royal Monetary Authority of Bhutan, towards preparation of this e-Newsletter is gratefully acknowledged.

We will be glad to receive comments and suggestions, if any, regarding this issue of e-Newsletter.

Daw Tenzin  
Governor  
Royal Monetary Authority of Bhutan  
and  
Chairperson, SAARCFINANCE Group



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## Brief History of SAARCFINANCE

As agreed during the 10<sup>th</sup> SAARC Summit held in Colombo on July 29, 1998, SAARCFINANCE was established on September 9, 1998 as a regional network of the SAARC Central Bank Governors and Finance Secretaries. It is a permanent body, which received formal recognition during the 11<sup>th</sup> SAARC Summit, held in Kathmandu, Nepal in January 2002. The Chair of SAARCFINANCE rotates with the Chair of SAARC. Subsequently, on April 25, 2010, the Chair for SAARCFINANCE was transferred to Bhutan and the Royal Monetary Authority.

## Objectives of SAARCFINANCE

The basic objective of establishing the SAARCFINANCE Network is to learn from the shared experiences among member countries on macroeconomic policy challenges facing the region. Specifically, the broad objectives of SAARCFINANCE are as follows:

- To promote cooperation among central banks and finance ministries in SAARC member countries through *staff visits and regular exchange of information*.
- To consider and propose *harmonization of banking legislation and practices* within the region.
- To work towards a more *efficient payment system mechanism* within the SAARC region and strive for higher monetary and exchange cooperation and to *forge closer cooperation on macroeconomic policies* of SAARC member states and to share experiences and ideas.
- To *study global financial developments and their impact on the region* including discussions relating to emerging issues in the financial architecture, IMF and World Bank and other international lending agencies.
- To *monitor reforms of the international financial and monetary system* and to evolve a consensus among SAARC countries in respect of these reforms.
- To evolve whenever feasible, *joint strategies, plans and common approaches in international fora for mutual benefit*, particularly in the context of liberalization of financial services.
- To explore *networking of the training institutions* within the SAARC region, specializing in various aspects of monetary policy, exchange rate reforms, bank supervision and capital market issues and,
- To promote *research on economic and financial issues* for the mutual benefit of SAARC member countries.

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## Section A: Broad Developments

### SAARCFINANCE Governors' Meetings

The SAARCFINANCE Governors meet twice a year concurrently with the IMF/WB annual and spring meetings. So far, 22<sup>nd</sup> SAARCFINANCE Governors' Meeting was held on the sidelines of the Spring Meeting of the IMF-World Bank.

Certain important discussions of the 22<sup>nd</sup> SAARCFINANCE Governors' Meeting are as follows,

1. A discussion paper on the proposed SWAP arrangement for SAARC member countries prepared by the Reserve Bank of India (RBI) was further discussed during the meeting. The SWAP arrangement for SAARC member countries designed to provide a back-stop line of funding to meet any adverse developments in the balance of payments till longer term arrangements are made or if there is a need for short term liquidity due to market turbulence. The RBI indicated that the terms and conditions under the SWAP framework is proposed to be reviewed in a meeting of senior central bank officials from SAARC countries prior to its operationalization. The delegates from Pakistan commented that with the establishment of SWAP arrangement, it would be the obligation of each member nations for making contributions to the arrangement to create fund. However, the RBI clarified that since the proposed SWAP is a bilateral arrangements, there is no need for creating such fund. Further, the Governor, Monetary Authority of Maldives, informed that the SAARC officials while reviewing the SWAP arrangement should keep in mind the interest of smaller countries.

**Action point:** RBI to convene a meeting of the senior officials (in a position to take decision on the matter) of the SAARC central banks in Mumbai before the April SAARCFINANCE Governors' Meeting.

2. SAARCFINANCE Web Folder and e-News Letter: The Reserve Bank of India (RBI) circulated a paper on the proposed set up of the SAARCFINANCE Web Folder. As decided at the 20<sup>th</sup> SAARCFINANCE Governors' Meeting, RBI will manage the SAARCFINANCE web site. The Chairman reminded that all members must nominate a nodal officer to coordinate the work relating to the web site as agreed in the last Governors' meeting, if they have not done so. In the meantime, the RBI will continue to develop the website on the indicated lines. Once, the nominations of nodal officers from the SAARC Central banks are received, the RBI will operationalise the website in coordination with the SAARC central banks.

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## **SAARCFINANCE Coordinators' Meetings**

To facilitate the working of the SAARCFINANCE network, it was decided at the 13th SAARCFINANCE Group meeting that the SAARCFINANCE Coordinators should meet twice a year to discuss developments in SAARCFINANCE activities, and to prepare the agenda for the SAARCFINANCE Governors' Meeting, to be held on the sidelines of the Annual IMF/World Bank Meetings. So far, 14th SAARCFINANCE Coordinators' meetings have been hosted by member central banks, including the Central Bank of Sri Lanka, Nepal Rastra Bank, State Bank of Pakistan, Bangladesh Bank, Reserve Bank of India and Bhutan. The following highlights the main discussions of the recent 14th SAARCFINANCE Coordinators' Meeting held in Bhutan.

**1. Review of Country Wise Progress on SAARCFINANCE Activities.** The country-wise progress on SAARCFINANCE progress was reviewed by the Coordinators. It was noted that:

- ❖ The Central Bank of Sri Lanka hosted a SEACEN Governors' meeting in February 24 through February 26, 2011.
- ❖ The Reserve Bank of India will be organizing a Symposium of SAARCFINANCE Governors' on the issue of 'Financial Stability' in Kerala during June 10-11, 2011.
- ❖ The Bangladesh Bank will host a seminar on "Financial Inclusion" in 2011.
- ❖ The Nepal Rastra Bank will be organizing a seminar on "Targeted Credit Program in SAARC Region" in April 20 –22, 2011.
- ❖ The State Bank of Pakistan (SBP) will be organizing a Seminar on Basel II Enhancements and Policy Responses of SAARC Countries during April 11-13, 2011.
- ❖ The SBP also plans to conduct a seminar in 2012. Governor SBP will announce the topic of Seminar during the SAARCFINANCE Governors' meeting to be held on the sidelines of IMF-World Bank Annual Meetings later during the year.

**2. SAARCFINANCE web folder.** The Coordinator from the RBI briefed the Coordinators that the website of the SAARCFINANCE is being developed by the Department of Communication in the RBI through a professional website developer. The basic website of the SAARCFINANCE is ready. However, the site at present includes information that is currently put out in the e-newsletter. Much more work needs to be done to bring the website at a next higher level. The Reserve Bank of India will continue to work with the coordinators and the nodal officers to incorporate country-wise information with regard to economic, banking and central banking aspects. The Reserve Bank, in consultation with the coordinators and nodal officers, will work on making the site more interactive and up-to-date.

**3. Enhancing SAARCFINANCE Networking and Correspondence System.** The meeting explored ways to further improve the networking of the SAARCFINANCE. It was agreed during the meeting that with the increasing workload and challenges in the activities of SAARCFINANCE, it is necessary to increase the human resource capacity in the SAARCFINANCE Cell of each central bank. The Hon'ble Governors' of the SAARCFINANCE could take up this proposal to increase manpower in their respective SAARCFINANCE Cell during the SAARCFINANCE Governors' meeting to be held in Washington DC during the annual meetings of IMF-WB.

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**4. Possibility of Establishing Permanent SAARCFINANCE Secretariat.** The Coordinators explored the possibility of establishing a permanent SAARCFINANCE Secretariat, responsible for executing the responsibility of the SAARCFINANCE Chair more effectively. It was agreed that the RBI will prepare a draft paper with contributions from member central banks. The paper will explore, among other things, issues relating to feasibility, functions, location, division of labour and composition, etc. The proposal then will be submitted to the SAARCFINANCE Governors' meeting to be held in Washington DC during the annual meetings for their consideration.

**5. Issue of SAARCFINANCE Governors' Meeting during the Spring Meetings at the Washington DC.** It was noted that SAARCFINANCE Governors' Meeting will not be held during the forthcoming spring meetings of IMF-WB in Washington DC in April 2011. The members noted that only 3 out of 8 central banks are attending the spring meetings in Washington DC. In view of this, the practice of holding the SAARCFINANCE Governors' Meeting at the time of spring meetings in Washington DC could be done away with. In place of the above-said meeting, the SAARCFINANCE Governors' Meeting could be held in the SAARC region itself along side the SAARCFINANCE Governors' Symposium during the months of May/June every year. At present, there is no schedule of SAARCFINANCE Governors' Symposium. It is left to the countries concerned. With this proposal, the SAARCFINANCE Governors' Symposium could be held annually. The proposal of the Symposium could be announced during the Annual meetings in Washington DC by the central bank desirous to hold the Symposium in May/June of the subsequent year. The SAARCFINANCE Governors' meeting to be held in Washington DC during the annual meetings could consider this proposal.

**6. Issues Relating to the Capital Flows.** In his inaugural address to the 14<sup>th</sup> SAARCFINANCE Coordinators' Meeting, Governor Tenzin highlighted on the recent challenges faced by some of the SAARC member states in managing capital flows (both inflows and outflows) and recommended that the SAARCFINANCE forum could undertake a study of the various measures undertaken by the respective member central banks to offer policy framework for future. Accordingly, it was decided in the meeting that it would be useful to discuss the issue in more details through seminars/workshops/conferences. The SAARCFINANCE Governors' meeting to be held in Washington DC during the annual meetings could consider this issue and suggest measures to study this issue in more detail from the point of view of the SAARC region.

**7. Proposed SWAP Arrangements.** As per decision of the 22nd SAARCFINANCE Governors' Meeting (Washington, DC, October 10, 2010), the terms and conditions under the SWAP framework were proposed to be discussed in a meeting of senior central bank officials from SAARC countries. Accordingly, the Reserve Bank of India has convened a meeting of the Experts and Senior officials (in a position to take decision in the matter) of the SAARC central banks on July 15, 2011. The Reserve Bank of India is in the process of receiving the nominations from the central banks. In the meeting, the Coordinators felt that given its intricate nature and complex issues involved, one day meeting on Swap arrangement may not be adequate. They felt that a minimum of two days meeting, possibly 15 July-16 July 2011 would be an appropriate duration for the said Meeting. This will provide adequate time to discuss the pros and cons of various issues involved.

**8. Increased Coordination with the Inter-Governmental Expert Group (IGEG) on Financial Issues.** The Fourth Meeting of the Inter-Governmental Expert Group (IGEG) on Financial Issues, a forum of Government officials from SAARC countries, held in Kathmandu during November 29-30, 2010, noted with appreciation that the representatives of SAARCFINANCE were invited to attend to promote effective functional interface between them. Moreover, the said meeting of IGEG recommended amendment in its Terms of Reference in Part-II (Composition) which read as "The IGEG on Financial Issues shall consist of nominee/nominees from each Member State and Coordinators of SAARCFINANCE. The nominated member/members may include experts from his/her country with specialized knowledge of the issues under discussion in the IGEG." The Meeting appreciated the participation of SAARCFINANCE Coordinators and their contribution to the deliberations. It also felt that there has to be an organic link between SAARCFINANCE and IGEG on Financial issues so that the synergy in the region could be fruitfully utilized in the area of financial cooperation. In view of above, the Coordinators felt that there should be proper coordination of SAARCFINANCE with the IGEG on financial issues. The SAARCFINANCE Governors' meeting to be held in Washington DC during the annual meetings could consider endorsing this cooperation between the SAARCFINANCE and the IGEG on financial issues.



### **SAARCFINANCE Information Sharing**

Sharing information among the SAARCFINANCE Central Banks have been so far progressive.. A sizable number of documents and information on various policy issues were exchanged among the member Central Banks (Refer Table 2).

### **SAARCFINANCE Staff Exchange Program**

Since the inception of the SAARCFINANCE, numerous officers have visited various central banks of member countries under the Staff Exchange Program (Table 1). The RMA, in particular, has benefited enormously through this program. In more recent years, the focus of trainings has turned to a range of emerging issues, including enhancing supervisory roles of central banks, human resource management, and forward looking central bank policies. Considering the effectiveness of these programs, the arrangements for cost-sharing continue to be borne by the country requesting the program in question or based on bilateral arrangements. However, several host central banks do provide logistic arrangements free of cost (e.g. RBI).

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**Table 1: SAARCFINANCE Staff Exchange Program at a Glance ( Till December 2010)**

Country of Origin of the Staff	Host Institutions/Central Banks						Total
	RBI & other Institutions	CBSL	SBP	NRB	BB	RMA	
Afghanistan	19	-	-	-	-	-	19
Bangladesh	21	10	4	-	-	-	35
Bhutan	81	16	-	11	4	-	112
India	-	4	2	-	5	1	12
Maldives	3	9	-	-	-	-	12
Nepal	22	58	7	-	7	-	94
Pakistan	2	2	-	-	-	-	4
Sri Lanka	20	-	26	2	4	-	52
<b>Total</b>	<b>168</b>	<b>99</b>	<b>39</b>	<b>13</b>	<b>20</b>	<b>1</b>	<b>340</b>

RBI: Reserve Bank of India  
SBP: State Bank of Pakistan

CBSL: Central Bank of Sri Lanka  
NRB: Nepal Rastra Bank

BB: Bangladesh Bank

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**Table 2: SAARCFINANCE Information Sharing**

Information sought from (Supplier)	Information sought by (User)	Subject/Area of request
State Bank of Pakistan	Central Bank of Sri Lanka	<p>i) Provided information regarding SAARCFINANCE activities in Pakistan for the period July-December 2009, for E-Newsletter.</p> <p>ii) Suggested Agenda Items for deliberations in the 13<sup>th</sup> SAARCFINANCE Coordinators' meeting, held at Colombo, Sri Lanka, during 5-6 March, 2010.</p>
State Bank of Pakistan	Nepal Rastra Bank	<p>Responded to request for information on:</p> <p>a) Facilities of the members of the Board of Directors;</p> <p>b) Measures adoption in the situation of excess liquidity and liquidity crunch;</p> <p>c) SBPs' Regulation regarding" Raising/ Issuing of Loans against Promoters' Shares.</p>
State Bank of Pakistan	Reserve Bank of India	Responded to request for comments on the RBI Paper titled "Proposed Swap Arrangements for the SAARC Members".
State Bank of Pakistan	Bangladesh Bank	Monetary Policy Framework
Reserve Bank of India	Bangladesh Bank	Currency Swap Arrangement
Nepal Rastra Bank	Bangladesh Bank	Information on Board of Directors
State Bank of Pakistan	Royal Monetary Authority of Bhutan	Materials on SAARCFINANCE activities for period Jan-Jun, 2010

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### **Seminars/Workshops/Special Studies/etc.**

A number of seminars/workshops/special studies have been conducted on common topical issues by some of the member countries of the SAARC region. It was decided at the 13<sup>th</sup> SAARCFINANCE Group meeting that every member central bank (except Bhutan and Maldives) would organize at least one seminar every year. So far, the SAARCFINANCE members conducted 21 seminars, three studies, six workshops and six Governors' symposiums from September 1998 till now (Table 3).

**Table 3: SAARCFINANCE Seminars/Workshops/Governors' Symposiums/Studies**

<b>Programs/ Host Central Bank</b>	<b>RBI</b>	<b>SBP</b>	<b>CBSL</b>	<b>NRB</b>	<b>BB</b>	<b>Total</b>
Seminars	2	6	4	5	4	21
Workshops	6	-	-	-	-	6
Governors' Symposiums	1	-	3	-	2	6
Studies	1	1	-	1	-	3
<b>Total</b>	<b>10</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>36</b>

RBI: Reserve Bank of India    CBSL: Central Bank of Sri Lanka

SBP: State Bank of Pakistan    NRB: Nepal Rastra Bank

BB: Bangladesh Bank

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## Section B: Member Country News

### Afghanistan



#### 8<sup>th</sup> SAARC Payments Council (SPC) Meeting Held in India

The Da Afghanistan Bank Officials were unable to participate in the 8<sup>th</sup> Payment Council Meeting held in Bangalore, India, on 15 November 2010.

*There is no available updates on the SAARCFINANCE Activities from Da Afghanistan Bank. The information covered below are from January-June 2010.*

#### Replacement of SAARCFINANCE Coordinator

Mr. Ateequllah Nosher, Director General, Monetary Policy Department has been assigned as SAARCFINANCE Coordinator of Da Afghanistan Bank replacing Mr. Matiullah Faeq.

#### Participation of DAB Officials in Seminars/Symposiums Organized by Other SAARC Member Countries

An official from DAB attended the SAARCFINANCE Seminar on "Global Financial Crisis- Implications and Policy Responses of SAARC Countries" organized by the State Bank of Pakistan during 10-12 June 2010. The seminar focused on policy response of SAARC countries on the face of global financial crisis. In addition, the representatives of SAARC countries presented their country papers on global financial crisis implications and policy response of their countries.

#### Information Sharing

Name of Central Bank	Subject/Area of Request
Nepal Rastra Bank	Information on Board of Directors

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## **Bangladesh**



### **SAARCFINANCE Group Meeting**

The 22nd SAARCFINANCE Group Meeting held in Washington D.C, USA on October 10, 2010 on the sideline of WB/IMF Annual Meetings was attended by Dr. Atiur Rahman, Governor, Bangladesh Bank and Dr. Mohammad Tareque, Finance Secretary, Government of the People's Republic of Bangladesh.

### **Meeting of the Inter-governmental Expert Group**

The Fourth meeting of the Inter-governmental Expert Group on Financial Issues held at the SAARC Secretariat, Kathmandu, Nepal on 29-30 November 2010 was attended by Mr. Ranjit Kumar Chakraborty, Additional Secretary, Ministry of Finance, Government of the People's Republic of Bangladesh and Mr. Md. Julhas Uddin, Deputy General Manager, Bangladesh Bank & SAARCFINANCE Coordinator of Bangladesh.

### **8<sup>th</sup> SAARC Payments Council (SPC) Meeting**

The 8<sup>th</sup> Meeting of the SPC held in Bangalore, India on the 15 November 2010 was attended by Mr. Dasgupta Asim Kumar, Executive Director, Bangladesh Bank.

### **Nomination of Country Nodal Officer for the development of SAARCFINANCE Web Folder**

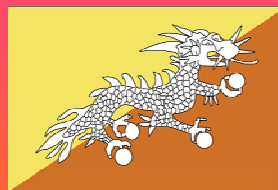
Mr. Mohammad Rahat Uddin, Systems Analyst, IT Operation & Communication Department, Bangladesh Bank has been nominated as Nodal Officer for the development of SAARCFINANCE web folder.

### **SAARCFINANCE Seminar to be Held in Dhaka**

As decided in the 22nd SAARCFINANCE Group Meeting held in Washington D.C., U.S.A on 10th October 2010, Bangladesh Bank will organize a SAARCFINANCE Seminar on "Financial Inclusion: The Scope of Central Banks in the SAARC Region" sometime during the last quarter of 2011.

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## **Bhutan**



### **Inter-Governmental Expert Group (IGEG) on Financial Issues**

Mr. Dechen Tshering, Advisor to the Governor,, RMA, attended Inter-Governmental Expert Group (IGEG) on Financial Issues held in Kathmandu, Nepal, on November 29-30, 2010

### **SAARCFINANCE Group Meeting**

Mr. Daw Tenzin, the Governor of Royal Monetary Authority of Bhutan/Chairperson of the SAARCFINANCE and Mr. Pushpa Lal Chhetri, Deputy Governor of Royal Monetary Authority of Bhutan, attended the SAARCFINANCE Group Meeting held in Washington D.C, USA on October 10, 2010.

### **Fourth Meeting of the SAARCF Finance Ministers**

The Hon'ble Governor of RMA, Mr. Daw Tenzin, Ms. Yangchen Tshogyel, Senior Research Officer, RMA and Mr. Gopal Giri, SAARCFINANCE Coordinator, Bhutan, attended the Fourth Meeting of the SAARC Finance Ministers held in Thimphu on August 24, 2010.

### **Nomination of Nodal Officer for SAARCFINANCE webfolder**

Ms. Ugyen Lham, Network Administrator, Information and technology Department of Royal Monetary Authority of Bhutan has been nominated as the Nodal Officer for the SAARCFINANCE webfolder.

### **Silver Jubilee of the SAARC**

To commemorate the Silver Jubilee of the SAARC, the SAARCFINANCE Coordinator, Bhutan, attended the Reception and Butter Lamp Lighting Ceremony, organized by the Ministry of Foreign Affairs, Bhutan ,on December 8, 2010.

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### **14<sup>th</sup> SAARCFINANCE Coordinators Meeting**

The 14<sup>th</sup> SAARCFINANCE Coordinators' Meeting was held at the Royal Monetary Authority of Bhutan (RMA), Thimphu, Bhutan on Monday 04 April, 2011. The Meeting was attended by the SAARCFINANCE Coordinators/Representative from Reserve Bank of India, State Bank of Pakistan, Central Bank of Sri Lanka, Bangladesh Bank, Nepal Rastra Bank and Maldives Monetary Authority.

### **Staff Exchange Program**

The RMA continues to be a strong believer in the SAARC network, and in doing so, has benefited tremendously over the years from its involvement in SAARCFINANCE. The RMA has been the highest recipient of human resource capacity building (*staff exchange and training programs*), most recently in the areas of public procurement systems, office management training, microfinance, financial switch, treasury and foreign exchange operation and information system auditing and IT risk management.

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Meeting of the 14<sup>th</sup> SAARCFINANCE Coordinators', Thimphu, Bhutan



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## India



### **SAARCFINANCE Group Meeting**

Dr. D.Subbarao, Governor of Reserve Bank of India and Mr. Deepak Mohanty, Executive Director, Reserve Bank of India, attended the SAARCFINANCE Group Meeting held in Washington D.C, USA on October 10, 2010, on the sideline of WB/IMF Annual Meetings.

### **Inter Governmental Expert Group**

Dr. Rajiv Ranjan, Director, Department of Economic and Policy Research, Reserve Bank of India, and SAARC Finance Coordinator for India, has attended the fourth meeting of the Inter Governmental Expert Group on Financial Issues in Kathmandu during November 29-30, 2010.

### **Staff Exchange Programme**

(i) To learn more about the experiences and practice of Reserve Bank of India relating to banking regulation, supervision and internal audit matters, the Nepal Rastra Bank send a high level team comprising of two Members of Board of Directors to RBI during October 11-14, 2010.

(ii) The College of Agricultural Banking, Pune, India, conducted an International Programme on 'Restructuring and Strengthening of Rural Financial Institutions' during 23-27 August, 2010. Sixteen participants from Sri Lanka and six participants each from Nepal and Bangladesh attended the programme.

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## Maldives



### **International Conference on Micro-finance in SAARC Countries**

The International Conference on Micro-finance in SAARC Countries held in Kathmandu, Nepal from 30<sup>th</sup> November – 1<sup>st</sup> December was attended by Mr. Hassan Fayaz, Manager, Non-Bank Financial Institutions Supervision Section and Ms. Aisha Abdul Gadir, Deputy Manager, Commercial Bank Supervision Section of the Maldives Monetary Authority.

### **SAARC Payment Council (SPC) Meeting**

The 8<sup>th</sup> SAARC Payments Council (SPC) meeting held on 15<sup>th</sup> November in Bangalore, India was attended by Ms. Aishath Zahira, Deputy Governor of the Maldives Monetary Authority.

### **SAARCFINANCE Governors' Meeting**

Mr. Fazeel Najeeb, Governor of Maldives Monetary Authority, attended the 22<sup>nd</sup> SAARCFINANCE Governors Meeting, held in Washington on October 10, 2010.

### **Study Visit to Central Bank of Sri Lanka,**

The Maldives Monetary Authority organized a study tour to the Central Bank of Sri Lanka (CBSL) on July 19-22, 2010, to observe and study the Sri Lankan experience in modernizing the banking operations. The study also included familiarization of ERP (Enterprise Resource Planning System), RTGS (Real Time Gross Settlement System) and ACH (Automatic Clearing System). A team comprising of Ms. Aishath Zahira (Deputy Governor), Ms. Neeza Imad, Mr. Shawn Rasheed, Ms. Siya Ahmed Najeeb, Mr. Moosa Jameel and Mr. Ali Wasif from Maldives Monetary Authority attended the study tour.

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**Nepal**



### **Retirement of Deputy Governor**

On December 22, 2010, the Deputy Governor of Nepal Rastra Bank Mr. Bir Bikram Rayamajhi retired from the Bank after completing five years of his tenure.

### **Appointment of Deputy Governors**

On December 26, 2010, the Government of Nepal appointed Mr. Gopal Prasad Kaphle and Mr. Maha Prasad Adhikari to the post of Deputy Governor of Nepal Rastra Bank.

### **Eighth SAARC Payment Council Meeting**

Mr. Sidhikrishna Joshi, the Executive Director of Nepal Rastra Bank, Banking Office, Thapathali, attended the Eighth SAARC Payment Council (SPC) Meeting, hosted by the Reserve Bank India at Bangalore on 13 November, 2010 -18 November, 2010.

### **SAARC FINANCE Staff Exchange Program**

Dr. Parthibeshwar Prasad Timilsina and Dr. Bishwambher Pyakuryal, members of the Board of Directors of Nepal Rastra Bank, visited the Reserve Bank of India, Mumbai to observe the Banking, Supervision and Internal Audit System of the Reserve Bank under the support of the SAARC FINANCE Staff Exchange Program on 8-16 October, 2010.

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## **Pakistan**



### **New Governor State Bank of Pakistan**

Mr. Shahid H. Kardar, Governor, State Bank of Pakistan has replaced Syed Salim Raza as the Governor of State Bank of Pakistan.

### **SAARCFINANCE Governors' Meeting**

Mr. Shahid H. Kardar, Governor, State Bank of Pakistan and Mr. Salman Siddique, Secretary Finance, Government of Pakistan, attended the 22<sup>nd</sup> SAARCFINANCE Governors' Meeting, held at Washington D.C, U.S.A, on 10th October 2010.

### **New Secretary at Ministry of Finance**

Dr. Waqar Masood Khan has replaced Mr. Salman Siddique as the Secretary, Finance Division, Government of Pakistan.

### **Information Sharing**

The State Bank of Pakistan provided the following information to SAARC member Central Banks during July-December, 2010:

<b>Name of Central Bank</b>	<b>Subject/Area of request for information</b>
Royal Monetary Authority of Bhutan ((RMA)	Material on SAARCFINANCE activities by Pakistan during January-June, 2010, for publishing in the 8 <sup>th</sup> issue of e-Newsletter.

### **Future Activities**

The State Bank of Pakistan will be organizing a SAARCFINANCE Seminar on “Basel II Enhancements and Policy Responses of SAARC Countries”, during 11-13 April, 2011.

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## Sri Lanka



### **46<sup>th</sup> SEACEN Governor's Conference, High-Level Seminar and 30<sup>th</sup> Meeting of the SEACEN Board of Governors**

The Central Bank of Sri Lanka (CBSL) hosted the 46<sup>th</sup> Conference, High level Seminar and 30<sup>th</sup> Meeting of the SEACEN Board of Governors during 25-26 February 2011 in Colombo, Sri Lanka. His Excellency Mahinda Rajapakse, the President of Sri Lanka was the Chief Guest of the opening ceremony. The participants for the conference included the Governors of SEACEN countries and delegates. The CBSL also invited the SAARC Member States, that are not members of the SEACEN Group, to participate in the events as observers. This Conference was one of the activities organized to mark the 60<sup>th</sup> anniversary of the CBSL.

The participants from SAARC Member States included the Governor of Royal Monetary Authority of Bhutan, the Governor of Maldives Monetary Authority and their delegates and Deputy Governor of State Bank of Pakistan and advisor-in-charge of the Department of Economic and Policy Research from Reserve Bank of India. The key note speaker at the Conference was Mr. Naoyuki Shinohara, Deputy Managing Director of the International Monetary Fund. The other speakers included Mr. Jaime Caruana, General Manager of the Bank for International Settlements, Dr. (Ms.) Duangmanee Vongpradhip, Executive Director-South East Asia Voting Group of the International Monetary Fund, Professor Charles Goodhart from London School of Economics, Dr.Y.V.Reddy, Former Governor of Reserve Bank of India and Professor Emeritus of the University of Hyderabad and Dr. Gavin Bingham, Secretary General of the Central Bank Governance Forum of the Bank for International Settlements. Mr. Ajith Nivard Cabraal, Governor of the Central Bank of Sri Lanka and Chairman of the Board of Governors of the SEACEN for the operational year 2011/2012, chaired the Conference and the Meeting. The theme of the Conference was “Post Global Financial Crisis: Issues and Challenges for Central Banks of Emerging Markets”.

*[A half-yearly publication of the regional network of SAARC Central Bank Governors and Finance Secretaries (SAARCFINANCE)]*

### **SAARCFINANCE Group Meeting**

Mr.K.G.D.D.Dheerasinghe, Deputy Governor of Central Bank of Sri Lanka and Mr.K.D.Ranasinghe, Chief Economist and Director, Economic Research attended the SAARCFINANCE Group meeting held in Washington D.C. on October 10, 2010, on the sideline of WB/IMF Annual Meetings.

### **Meeting of the Inter-Governmental Expert Group**

Mr.B.D.W.A.Silva, Assistant Governor, Central Bank of Sri Lanka, Mr.Sunanda Obeysekera, Senior Economist and SAARCFINANCE Coordinator and Mr. E.A.Rathnaseela, Deputy Director, Ministry of Finance and Planning of Sri Lanka has attended the fourth meeting of the Inter-Governmental Expert Group meeting held in Kathmandu, Nepal, during November 29-30, 2010.

### **Nomination of Country Nodal Officer for the SAARCFINANCE webfolder**

Mr.S.R.Sumanasekera, Deputy Director, Communications Department, Central Bank of Sri Lanka has been nominated as the Nodal Officer for development of SAARCFINANCE webfolder.

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