

TERMS OF REFERENCE OF SAARCFINANCE

(Approved by Twenty-second Session of Council of Ministers, Kathmandu, Nepal 2-3 January 2002)

(Amendment in Clause A(5) Proposed by 26th SAARCFINANCE Group Meeting, Islamabad, 18 June 2013 and approved by Thirty-fifth Session of SAARC Council of Ministers, Maldives, 20 February 2014. The Amendment in Clause A(4) Proposed by 28th SAARCFINANCE Group Meeting, Colombo, 24 July 2014 and approved by Thirty-sixth Session of SAARC Council of Ministers, Kathmandu, 25 November 2014)

A. STRUCTURE

1. SAARCFINANCE will be a permanent body at the level of Governors of Central Banks and Secretaries of Finance of SAARC Member States.
2. SAARCFINANCE shall submit its report to the SAARC Council of Ministers through SAARC Finance Ministers.
3. Each Central Bank will establish a Cell to coordinate the activities of SAARCFINANCE.
4. The SAARC Secretariat would assist and coordinate activities of SAARCFINANCE. The Chair of SAARCFINANCE would rotate annually in an alphabetical order during the Group Meeting to be held on the sidelines of the IMF and World Bank Annual Meetings. The Cell in the Central Bank of the country holding the Chairpersonship of SAARC would function as the SAARCFINANCE Secretariat.
5. SAARCFINANCE meetings of Central Bank Governors and the Secretaries of Finance shall be held at least twice a year. One meeting will take place within the SAARC region, whereas the other meeting will be held on the sidelines of the Annual Meetings of the IMF and the World Bank.
6. SAARC Secretary-General or his representative will attend the SAARCFINANCE Meetings of Central Bank Governors and Secretaries of Finance whenever they are held in the SAARC region.

B. BROAD OBJECTIVES OF SAARCFINANCE

1. To promote cooperation among Central Banks and Finance Ministries in SAARC Member Countries by staff visits and regular exchange of information.
2. To consider and propose harmonization of banking legislations and practices within the region etc.
3. To work towards a more efficient payment mechanism within the SAARC Region and strive for higher monetary and exchange cooperation.
4. To forge closer cooperation on macro-economic policies of SAARC Member States and to share experiences and ideas.

5. 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.
6. To monitor reforms of the international financial and monetary system and to evolve a consensus among SAARC countries in respect of the reforms.
7. To monitor international currency and capital flows and to work towards a common SAARC position.
8. To evolve wherever feasible joint strategies, plan and common approaches in international fora for mutual benefit particularly in the context of liberalization of financial services.
9. To undertake training of staff of the Ministries of Finance, Central Banks and other financial institutions of the SAARC member countries in subjects relating to economics and finance.
10. 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.
11. To promote research on economic and financial issues for the mutual benefit of SAARC member countries.
12. To consider any other matter on the direction/request of the SAARC Finance Ministers, Council of Ministers or other SAARC bodies.
