



External Relations Department

October 20, 2015

RCG Asia conference--Governor SBP for expanding work done on resolution framework

Governor State Bank of Pakistan Mr. Ashraf Mahmood Wathra has outlined his outlook for the Regional Consultative Group Asia (RCG Asia) and suggested that the RCG expand on the work done so far on resolution framework as well as financial safety nets. "These initiatives will enable the member countries to exchange fruitful ideas in order to get critical insight on these issues", he added.

He was co-chairing the 9th meeting of Financial Stability Board- Regional Consultative Group for Asia (FSB-RCG Asia) alongside Mr. Norman T.L.Chan of Hong Kong Monetary Authority. The meeting was held in Hong Kong SAR today on October 20, 2015.

In July 2015, Governor Wathra was appointed as the co-chair of Financial Stability Board- Regional Consultative Group for Asia (FSB-RCG Asia) along with Mr Norman T.L. Chan of Hong Kong Monetary Authority for a two-year term. The co-chairs are responsible for hosting RCG Asia meetings, conducting workshops, coordinating with the FSB Secretariat, and attending FSB Plenary meetings.

FSB has been established to coordinate, at international level, the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. In addition to its own member countries, FSB through six regional consultative groups (RCGs) conducts outreach with another approximately 65 jurisdictions. Formed in 2011, the RCG Asia includes central banks and financial authorities of 16 countries.

During the welcoming remarks, the Governor also commented on sessions pertaining to retrenchment of correspondent banking, wholesale market conduct, and deposit insurance.

During the meetings, the RCG Asia members discussed issues pertaining to vulnerabilities and financial stability including global and regional developments. Further, they discussed market-based financing and asset management activities along with associated risks. Members also deliberated upon the potential retrenchment of correspondent banking by large international banks in certain regions and for certain types of clients. Moreover, members also considered fair and effective wholesale market conduct, wherein the discussion focused on deficiencies in fixed income, currency and commodity markets practices.

Meeting was concluded with a session focusing on changes to deposit insurance systems (DISs) resulting from the global financial crisis. The crisis resulted in greater convergence in practices across jurisdictions.

FSB has issued a detailed press release about the proceedings of the 9th meeting, which can be accessed on its website at www.financialstabilityboard.org