

29<sup>th</sup> November, 2006

## **GOVERNOR STATE BANK ATTENDS THE IFSB COUNCIL MEETING**

The Governor, State Bank of Pakistan (SBP), Dr. Shamshad Akhtar attended the 9<sup>th</sup> meeting of the Council of the Islamic Financial Services Board (IFSB) held today (29<sup>th</sup> November) in Jeddah, the Kingdom of Saudi Arabia.

The IFSB Council approved the appointment of Dr. Zeti Akhtar Aziz, Governor, Bank Negara Malaysia as Chairperson and Dr. Shamshad Akhtar, Governor, State Bank of Pakistan as the Deputy Chairperson of the IFSB for the year 2007. Furthermore, Dr. Shamshad Akhtar will be appointed as Chairperson of the IFSB for the year 2008.

A number of important decisions for developing the Islamic Banking Industry globally and setting standards for providing broad guidelines to be followed by the Institutions offering Islamic Financial Services (IIFS) were taken at the meeting. The Council approved the Guiding Principles on Corporate Governance for the IIFS. The Council also decided to admit the Capital Market Authority of Saudi Arabia as a full member and 14 new observer members, besides upgrading the membership of ADB from observer to Associate Member.

The Council also considered a Ten-year Framework for the development of the Islamic financial services industry for providing guidelines to the national authorities in designing master plans and initiatives to develop their domestic Islamic financial services industry as part of their national financial sector development policies. This framework is expected to offer an integrated basis for promoting international policy dialogue among stakeholders in order to foster the orderly development of the Islamic financial services industry. On the suggestion of the Governor, State Bank of Pakistan, the Council decided to have an intensive consultation with the market players before finalizing the framework as it will have a major impact on the future of Islamic financial services industry.

On the sidelines of the IFSB Council meeting, the Governor, State Bank of Pakistan also held bilateral meetings with the Governors of the selected Central Banks of Islamic countries and discussed with them the issues of mutual interest.

Earlier, she also visited the Central Bank of U.A.E. and Saudi Arabian Monetary Agency and discussed with them the bilateral matters relating to banking sector and enhancing cooperation to strengthen the banking supervision in their respective countries.

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