



External Relations Department

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SAARC countries explore concept of virtual currencies during SAARC payment council meeting

The 16th Meeting of SAARC Payments Council (SPC) explored the concept of virtual currencies and a single harmonized payment system for the SAARC region during 3rd and 4th March 2015, at Lahore, under the chairmanship of Mr. Kazi Abdul Mukhtadir - the Deputy Governor of State Bank of Pakistan. The meeting was attended by the delegates of the central banks of SAARC countries.

It may be mentioned here that the SAARC Payment Initiative originated in 2007 under the SAARC FINANCE group of central bank Governors' which is primarily aimed at strengthening the existing payment and settlement systems (PSS) in the SAARC region to facilitate an efficient, robust, stable and convergent PSS for SAARC region. Central Bank of Pakistan hosts the secretariat and the Deputy Governor State Bank has been nominated as its Chairman.

Amongst other items, the council was also presented with the progress made by each SAARC member country in developing and strengthening their Payments and Settlement systems and level of infrastructure established within their respective jurisdictions. On the concept of virtual currencies and a single harmonized payment system for the SAARC region, it was agreed that standardization of system would be the first step in this direction and the technical committee of the council was tasked to draw up a framework for future deliberations. As the council meetings are hosted within member countries by consensus, Bangladesh proposed to host the next 17th SAARC Payments Council meeting in the last quarter of 2015. The proposal was unanimously accepted.

The Council meeting was followed by an open seminar covering three topics focused on Principles of Financial Market Infrastructure (PFMI), their implementation and issues pertaining to retail Payments Systems. The presentations were made by Mr. Umar Faruqi, Member of Committee of Payments and Market Infrastructure in Bank for International Settlements, Basel. The seminar was also connected to SBP Head Office via video link for greater participation and outreach for these current topics and followed by discussions and Q& A session.

Two workshops were held on the following day for the SAARC Payments Council delegates. One was on the role of Payments Systems in Financial Inclusion and the other was on Financial Market Infrastructure in SAARC region. Both workshops were led by senior officials of the Payment System Department of the State Bank of Pakistan which were received with enthusiasm and greater participation followed by intensive discussions. Delegates from member SAARC countries were finally feted to an indoor show depicting the cultural and traditional image of Pakistan that culminated with the playing of the national anthem. All delegates were appreciative of the program, arrangements and hospitality and thrilled to have visited the historic city of Lahore.