



External Relations Department

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RCG Asia meeting--Governor SBP for enhancing cooperation to mitigate cyber threats

Governor State Bank of Pakistan Mr. Ashraf Mahmood Wathra emphasized the importance of financial technology and cyber security in an increasingly technology dependent world during his opening address to the members of Regional Consultative Group Asia (RCG Asia). He reiterated FSB's stance that the RCG Asia should expand cooperation and enhance active monitoring of financial technology developments to mitigate potential cyber risks while allowing financial technology to thrive.

He was co-chairing the 10th meeting of Financial Stability Board (FSB) Regional Consultative Group for Asia (RCG Asia) alongside Mr. Norman T.L. Chan of Hong Kong Monetary Authority. The meeting was held in Kuala Lumpur, Malaysia today on May 27, 2016.

In July 2015, Governor Wathra was appointed as the co-chair of 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 around 65 other non-FSB member jurisdictions. Formed in 2011, the RCG Asia includes central banks and financial authorities of 16 jurisdictions.

During the welcoming remarks, the Governor also commented on sessions pertaining to recent FSB activities and the Basel Committee for Banking Supervision's (BCBS) second consultative document on revised standardized approach for credit risk within the BCBS capital framework.

During the meeting, the RCG Asia members discussed issues pertaining to vulnerabilities and financial stability, such as divergent monetary policies adopted by various jurisdictions and the persistently low commodity prices, and their potential impact for the region. Further, they discussed corporate governance focusing on how a robust governance framework will support better allocation of authority and responsibilities for the board and senior management, monitoring of performance, and improvements in employees' conduct within a financial institution. Further, meeting participants deliberated upon the outcomes of the 19 May RCG Asia workshop on fintech and cyber security, which was co-chaired by Mr. Muhammad Javaid Ismail of SBP and Mr. Shu-pui Li of HKMA in Hong Kong.

The meeting concluded with a session on Implementation of effective resolution regimes where members shared their experiences and challenges in implementing the resolution regime. Members also discussed ways to facilitate cross-border cooperation in the event of resolution actions.

FSB has issued a detailed press release about the proceedings of the 10th meeting, which can be accessed on its website at www.financialstabilityboard.org