



External Relations Department

ERD/M&PRD/PR/01/2016-44

May 16, 2016

Governor SBP sees enhanced cooperation among SAARC Countries for developing Correspondent Banking Framework in the region

Governor State Bank of Pakistan Mr. Ashraf Mahmood Wathra has emphasized the importance of enhanced cooperation among the central banks to develop regional correspondent banking channels for facilitating the trade and flow of remittances in the region.

He was addressing to the inaugural session on the seminar on “Payment Systems and Correspondent Banking in the SAARC Region” organized by SBP under the auspices of SAARCFINANCE on Monday at National Institute of Banking and Finance (NIBAF) Islamabad. The seminar was attended by participants from central banks of SAARC countries. Local and foreign experts on the subject shared their views on different dimensions of correspondent banking.

The SBP Governor emphasized that there is a need for strengthening payment and settlement mechanisms. He said that the regulators of SAARC region need to interact, coordinate and discuss Payment Systems issues in order to find common solutions to address the challenges that are being faced in this domain with the objective of facilitating trade, commerce and remittance flows. He was of the view that the cost and time of monetary transactions can be reduced significantly if SAARC countries are able to develop their own corresponding banking system. He also made it clear that the regional countries cannot afford to ignore the risks and responsibilities relating to money laundering that are increasingly being faced by financial institutions in today’s world.

It may be mentioned here that this was the first ever Seminar on Correspondent Banking and Payment Systems at the SAARC level aimed at providing the regional central banks an opportunity to share policies and practices prevalent in their respective jurisdictions, and explore new areas of cooperation.

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