



External Relations Department

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SBP–SECP Revised the Terms of Reference of their Joint Task Force (JTF)

The State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) have amended the Terms of Reference (ToRs) of their Joint Task Force (JTF) on Financial Conglomerates to further strengthen the supervisory cooperation, inter alia, in AML/CFT/CPF supervision at financial-group level. Dr. Reza Baqir, Governor, SBP and Mr. Aamir Khan, Chairman, SECP have signed the Letter of Understanding (LoU) for amendments in the ToRs.

The interagency cooperation between financial sector regulators is a crucial element for the effective supervision of financial groups, which comprise various types of financial institutions. Accordingly, the SBP and SECP established the JTF in March 2009 to proactively identify and tackle the risks posed by conglomeration in the financial sector. The ToRs of the JTF envisage the supervisory cooperation, holding periodic meetings and information sharing between both the regulators in respect of the financial groups. The ToRs have been revised from time to time to align with the developments in the regulatory sphere and dynamics of the financial market.

Keeping in view the importance of the group-level AML/CFT/CPF supervision, both SBP and SECP jointly agreed to specifically cover this area in the ToRs of the JTF in a more explicit manner. These improvements in the ToRs will allow the regulators to effectively implement group-level AML/CFT/CPF supervision in line with the international standards, and strengthen cooperation and information sharing in a more systematic manner. Revised TORs will further the overall policy objectives of soundness, integrity and fair conduct in the financial system.
