



External Relations Department

ERD/M&PRD/PR/01/2022-63

May 15, 2022

Governor SBP assumes the Charge of Chairman ACU Board in its 50th meeting

Dr. Murtaza Syed, Governor (Acting) State Bank of Pakistan (SBP) assumed the charge of Chairman of the Board of Directors of the Asian Clearing Union (ACU) in the 50th meeting of the ACU Board held in Islamabad on May 13, 2022 in both physical and virtual modes.

Established in 1974 with permanent headquarters in Iran, the Asian Clearing Union (ACU) is a payment arrangement system whereby member countries settle payments for intra-regional transactions among their central banks on a net multilateral basis. Currently, the Central Banks of Bangladesh, Bhutan, Iran, India, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are members of the ACU. The main objectives of the clearing union are to facilitate payments among member countries for eligible transactions, thereby economizing on the use of foreign exchange reserves and transfer costs, as well as promoting trade and banking relations among the participating countries.

The Secretary General of ACU, Mrs. Lida Borhan Azad, presented the annual report on the operations of the union for the year 2020, which the Board approved and adopted.

The Board reviewed progress on the ongoing projects being undertaken by the union. It reviewed a new web based messaging system and constituted a sub-committee to finalize the recommendations for its implementation within six months. The Board also considered the report on issues faced by traders under the ACU mechanism and decided to implement the recommendations in the next three months. While appreciating the report on the use of domestic currencies for settlement of trade transactions prepared by the Reserve Bank of India (RBI), the Board requested RBI to convene a virtual seminar to enable member countries to gain a fuller understanding of the proposed mechanism. The Governors and head of the delegations of the countries also gave a broad overview of the economic development in their respective economies and shared their experiences in addressing the challenges emerging in the post COVID-19 global landscape.

Governor Central Bank of Myanmar, Mr. Than Nyein, Vice Governor Central Bank of Iran, Dr. Mohsen Karimi, Chief Economist Central Bank of Bangladesh Mr. Md. Habib ur Rehman, and Executive Director Nepal Rastra Bank Mr. Ramu Paudel participated in the meeting physically. Governor Dr. P. Nandalal Weerasinghe, and Deputy Governor of Central Bank of Sri Lanka, T.M.J.Y.P Fernando, Governor Maldives Monetary Authority Mr. Ali Hashim, Ms. Yangchen Tshogel Central Bank of Bhutan and Executive Director RBI Mr. Radha Shyam Ratho, attended the meeting virtually.

At the conclusion of the Board meeting, Mrs. Lida Borhan Azad relinquished the charge of Secretary General of the ACU after distinguished service of the Union for 15 years. While appreciating the services of Mrs. Lida Borhan, the Board appointed Mr. Farhad Morsali as the new Secretary General of the ACU, as recommended by the Central Bank of Iran.

The meeting ended with all member countries emphasizing their commitment to further enhancing their trade and banking relationships. It was decided that central bank digital currencies (CBDCs) would



External Relations Department

be the special topic on which research would be conducted during Pakistan's chairmanship of the ACU over the next twelve months.
