

Press release

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Fifth Meeting of the Financial Stability Board Regional Consultative Group for Sub-Saharan Africa

Today, the Bank of Ghana hosted the fifth meeting of the Financial Stability Board (FSB) Regional Consultative Group (RCG) for Sub-Saharan Africa in Accra, Ghana.

At the meeting, members of the FSB RCG for Sub-Saharan Africa began by reviewing the FSB's work plan and the completion of policy reforms in four priority areas. These are: building resilient financial institutions; ending too-big-to-fail; transforming shadow banking; and making derivatives markets safer. Members heard a report on the ongoing review of the structure of the FSB's representation. They discussed vulnerabilities in the global financial system and regional financial stability issues. In this context, they considered uncertainties in the global growth outlook and the unwinding of accommodative monetary policies in advanced economies, and their impact on the Sub-Saharan Africa region. Members also discussed the application of financial soundness indicators in Sub-Saharan Africa.

Members further considered financial regulatory factors affecting the availability of long-term investment finance. They exchanged views on long-term finance and recent developments in the region and how financial regulation can facilitate the channelling of funds to support long-term investment.

Implementation of the FSB's Key Attributes of Effective Resolution Regimes for Financial Institutions¹ (Key Attributes) and the related assessment methodology² was another focus of the meeting. In this context, members discussed cross-border cooperation and information sharing with host authorities who are not members of crisis management groups for global systemically important financial institutions (G-SIFIs), in particular with those authorities in jurisdictions where a G-SIFI has a systemic presence. Members were also briefed on a workshop on resolution matters that the RCG for Sub-Saharan Africa will hold on 7-8 May in Accra. The workshop will be attended by senior staff responsible for the development and implementation of policies as they relate to resolution and industry practitioners, and will cover the Key Attributes and their implementation from a regional perspective, as well as cross-border cooperation in resolution and recovery planning.

¹ See http://www.financialstabilityboard.org/publications/r_111104cc.pdf.

² The Key Attributes are a set of standards against which the IMF and World Bank will conduct assessments of their member jurisdictions (as one set of standards by which a Report on the Observance of Standards and Codes are performed). See http://www.financialstabilityboard.org/publications/r_130828.pdf and http://www.financialstabilityboard.org/publications/c_131121.htm.

Members turned their attention to supervisory and regulatory capacity building. Members noted that while capacity building among financial sector supervisors in the region has been a challenge for a number of years, the global regulatory reforms developed in response to the financial crisis further highlight the need for well trained, experienced, adequately staffed and well-funded supervisory authorities.

The FSB RCG for Sub-Saharan Africa is co-chaired by Lesetja Kganyago, Deputy Governor, South African Reserve Bank and Rundheersing Bheenick, Governor, Bank of Mauritius. Membership includes financial authorities from Angola, Botswana, Ghana, Kenya, Mauritius, Namibia, Nigeria, South Africa and Tanzania, as well as the Central Bank of West African States (BCEAO) based in Senegal. Permanent observers include the Committee of Central Bank Governors of the Southern African Development Community, and the East African Community. The list of members of the Regional Consultative Group for Sub-Saharan Africa is available at: <http://www.financialstabilityboard.org/about/rcgssa.pdf>.

Notes to editors

The FSB Charter stipulates that the FSB “should consult widely amongst its Members and with other stakeholders including private sector and non-member authorities. This process shall include engaging with the FSB Regional Consultative Groups and include an outreach to countries not included in the Regional Consultative Groups”.^{3,4} At the Toronto Summit in June 2010, the G20 Leaders endorsed such a process by calling on the FSB “to expand upon and formalize its outreach activities beyond the membership of the G20 to reflect the global nature of our financial system”.⁵

The FSB has been established to coordinate at the 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. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. Through its six regional consultative groups, the FSB will be able to develop global financial policy initiatives through a more inclusive process.

The FSB is chaired by Mark Carney, Governor of the Bank of England. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website at: www.financialstabilityboard.org.

³ http://www.financialstabilityboard.org/publications/r_120809.pdf

⁴ The FSB regional consultative groups were established for the following regions: Americas, Asia, Commonwealth of Independent States, Europe, Middle East and North Africa, and Sub-Saharan Africa.

⁵ <http://epe.lac-bac.gc.ca/100/206/301/faitc-aecic/g20/2013-08-14/summit-sommet/2010/toronto-declaration-toronto1b0e.html?lang=eng>