

Press release

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Ref no: 14/2018
5 May 2018

FSB RCG for Middle East and North Africa discusses remittances, infrastructure finance, crypto-assets and work to reduce misconduct risk

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for the Middle East and North Africa (MENA) met in Istanbul today.

The meeting began with an update on the FSB's current and planned activities, which are pivoting from policy development to implementation and evaluation of reforms. The FSB's 2018 workplan focuses on (i) monitoring the financial system to identify emerging risks, including those related to crypto-assets; (ii) completing the G20's financial reform priorities; (iii) evaluating policies that have been implemented to ensure the reform programme is efficient, coherent, effective and addressing any unintended consequences; and (iv) optimising how the FSB works to maximise its effectiveness.

Members of the RCG MENA next discussed the potential implications for regional financial stability of the global recovery combined with tightening financial conditions and uncertain outlook for oil prices.

Members expressed concern at the continuing decline in correspondent banking relationships, which has contributed to the reduction in remittance service providers' access to the banking system. Such trends impact the ability of foreign workers to send international payments and may drive some payment flows underground, with potential adverse consequences on trade, growth, financial inclusion, as well as the stability and integrity of the financial system. In this context, Members discussed [the recent FSB recommendations](#) to improve remittance service providers' access to banking services.

Members turned their attention to the issue of infrastructure financing, which is a prerequisite for economic growth, job creation and poverty reduction in emerging market and developing economies (EMDEs). The Group acknowledged the financing gap to cover EMDE investment needs in an environment of constrained fiscal resources and discussed the potential effects of financial regulation on the participation of the private sector in infrastructure projects. The Group was briefed on the ongoing work by the FSB to evaluate the effects of financial regulatory reforms, including an evaluation on infrastructure financing taking place this year.

Members then discussed how to address misconduct in the financial sector which can harm consumers and undermine trust in financial institutions, thereby weakening the ability of the financial system to allocate capital to the real economy. Members discussed the role of governance frameworks, including culture within a firm and individual accountability, in

mitigating misconduct risk. The session drew upon a member's own experience and on the FSB's recently published paper [*Strengthening Governance Frameworks to Mitigate Misconduct Risk: A Toolkit for Firms and Supervisors*](#).

The meeting concluded with a discussion of the impact of crypto-assets on the financial landscape, the implications for financial stability and the role of central banks, given the rapid growth of crypto-asset markets and the growing interest by retail investors.

The RCG for the MENA is co-chaired by Murat Çetinkaya, Governor of the Central Bank of the Republic of Turkey, and Abdulla Saoud Al-Thani, Governor of the Central Bank of Qatar. Membership includes financial and regulatory authorities from Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, Turkey and the United Arab Emirates.

Notes to editors

The FSB has six Regional Consultative Groups, established under the FSB Charter, to bring together financial authorities from FSB member and non-member countries to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability.¹ Typically, each Regional Consultative Group meets twice each year.

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 conducts outreach with and receives input from an additional approximately 65 jurisdictions.

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, www.fsb.org.

¹ The FSB Regional Consultative Groups cover the following regions: Americas, Asia, Commonwealth of Independent States, Europe, Middle East and North Africa, and Sub-Saharan Africa.