

Press release

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FSB RCG for Sub-Saharan Africa discusses G20 Compact with Africa, FSB agenda, correspondent banking, cybersecurity and cross-border crisis management

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for Sub-Saharan Africa met in Pretoria on November 14-15, 2017.

Members of the FSB RCG for Sub-Saharan Africa began by receiving an update on the progress made by the G20 Compact with Africa which was launched during the German G20 Presidency to support private investment, sustainable infrastructure financing and employment in African countries.

RCG members discussed global and regional macroeconomic and financial market developments as well as their potential impact on economies in Sub-Saharan Africa. Members were provided presentations on regional vulnerabilities and financial stability issues. The discussion covered prospects for economic growth in the region and downside risks, including low commodity prices, debt sustainability and non-performing loans in the banking system.

The RCG was updated on the FSB's workplan for 2017/18, and the international post-crisis policy reforms coordinated by the FSB. For the FSB, monitoring and public reporting on member jurisdictions' implementation of agreed reforms is now a priority. Implementation has progressed in a number of areas to a stage where post-implementation evaluation of the effects of the reforms is becoming possible under the FSB's framework for post-implementation evaluation of the G20 financial regulatory reforms. RCG members welcomed the recently launched evaluation of the effects of reforms on financial intermediation, with an initial focus on the effects on infrastructure investment financing.

Furthermore, the Group recognised the need for enhanced capacity for effective implementation of global standards to address challenges engendered by global "de-risking" with particular reference to AML/CFT. The Group received an update on the FSB-coordinated workplan to address the decline in correspondent banking relationships in the region, including an update on recent case studies by the World Bank. Members stressed the importance of the issue for the region, and welcomed the latest FSB initiative to examine problems faced by remittance service firms in accessing banking services.

Cross-border crisis management and effective recovery and resolution planning were also discussed by the Group. Members of the RCG considered the challenges of cross-border cooperation between authorities in home and host countries, particularly in stressed conditions. They considered the FSB's and World Bank's work in this area and the international standards that have been developed in the post-crisis period.

The RCG was updated on the FSB's stocktake on cybersecurity regulations and supervisory practices and discussed possible risks to financial institutions and to financial stability in the region from possible cyber attacks.

Members of the RCG considered the potential for changes to the member jurisdictions of the RCG for Sub-Saharan Africa as part of the broader review by the FSB of membership of its six RCGs.

The FSB RCG for Sub-Saharan Africa is co-chaired by Lesetja Kganyago, Governor, South African Reserve Bank and Moses Pelaelo, Governor, Bank of Botswana. 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) and the Bank of Central African States (BEAC). Permanent observers include the Committee of Central Bank Governors of the Southern African Development Community, and the East African Community.

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.^{1,2} 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 at: www.fsb.org.

¹ See http://www.fsb.org/wp-content/uploads/r_120809.pdf.

² 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.