

Press release

Press enquiries:
+41 76 350 8024

press@bis.org

Ref no: 12/2012

3 February 2012

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

Today, the South African Reserve Bank hosted the inaugural meeting of the FSB Regional Consultative Group (RCG) for Sub-Saharan Africa in Pretoria. The group was established pursuant to the FSB's announcement in November 2010 that it intends to expand and formalise outreach beyond its membership. To this end, six regional consultative groups¹ were established 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.

At their meeting today, RCG for Sub-Saharan Africa members discussed the FSB's work plan and policy priorities, major financial regulatory reforms and their impacts, as well as vulnerabilities and regional financial stability issues.

Discussions on regulatory reforms and their impacts centred around implementation of the *Core Principles for Effective Banking Supervision*², capital standards for financial institutions, and improving disclosure and transparency in the financial sector. Under the vulnerabilities and regional financial stability issues heading, members discussed the vulnerabilities in the euro area and the potential contagion, spillover risks and possible policy responses, as well as policy options for reducing the volatility of capital inflows and the development of domestic capital markets.

The Sub-Saharan African region has particular characteristics as well as challenges that will form the basis of the future work plan of the RCG for Sub-Saharan Africa and more broadly, policy solutions for the region. These can be summarised in the following broad themes: the growing complexity of the banking system; managing the growing risk of cross-border financial sector spillover effects and mitigating contagion and regulatory arbitrage; risks from global, regional and domestic Systemically Important Financial Institutions (SIFIs); strengthening capital markets in the region; and the need to enhance financial inclusion.

The RCG for Sub-Saharan Africa is expected to play a pivotal role in exploring these challenges and proposing through the FSB solutions to policy implementation that consider the characteristics of the region.

¹ 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.

² Available at <http://www.bis.org/publ/bcbs129.htm>

The FSB RCG for Sub-Saharan Africa is co-chaired by the Deputy Governor of the South African Reserve Bank, Lesetja Kganyago, and the Governor of the Central Bank of Kenya, Njuguna Ndung'u. Membership includes financial authorities from Angola, Botswana, Ghana, Kenya, Mauritius, Namibia, Nigeria, South Africa and Tanzania.

Notes to editors

The FSB Charter stipulates that the FSB “will consult widely amongst its Members and with other stakeholders including private sector and non-member authorities. The consultation process will include regional outreach activities to broaden the circle of countries engaged in the work to promote international financial stability”.³ 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 G-20 to reflect the global nature of our financial system”.⁴

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 the six regional groups, the FSB will be able to develop global financial policy initiatives in a more inclusive process.

The FSB is chaired by Mark Carney, Governor of the Bank of Canada. 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.financialstabilityboard.org.

³ http://www.financialstabilityboard.org/publications/r_090925d.pdf

⁴ http://www.g20.org/Documents/g20_declaration_en.pdf