

Press release

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Third Meeting of the Financial Stability Board Regional Consultative Group for the Middle East and North Africa

Today, the Saudi Arabian Monetary Agency hosted the third meeting of the FSB Regional Consultative Group for the Middle East and North Africa (RCG-MENA) in Riyadh City. In 2011, six regional consultative groups¹ of the FSB were established responding to the call of the G20 Leaders at the Toronto Summit (June 2010), 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.

In the meeting today, the members of the RCG-MENA discussed the FSB's work plan and policy priorities, key issues in implementation of major financial regulatory reforms in the RCG-MENA member jurisdictions, vulnerabilities and regional financial stability issues, impact of regulatory reforms on the Emerging Market Developing Economies (EMDEs), implementation issues in macro-prudential policy framework and tools, progress in the FSB-led initiative on the development of a global Legal Entity Identifier (LEI) for financial markets, and shared experiences in strengthening and promoting institutional reforms in the capital markets in the MENA region. The meeting also included a session on identification of possible best practices in selected prudential norms for the banking sector.

Discussions on regulatory reforms encompassed Basel III implementation issues, national perspectives on dealing with the Domestic Systemically-Important Banks (D-SIBs) and the findings of the FSB monitoring exercise of the shadow banking system. Under the vulnerabilities and regional financial stability issues, members discussed the potential implications of the ongoing global financial-market developments. A case study on the effects of regulatory reforms on the EMDEs was presented and the challenges in adopting macro-prudential frameworks were also discussed in national perspectives. The institutional reforms implemented and needed in the capital markets in the region were also discussed.

The RCG-MENA is currently co-chaired by Fahad Almubarak, Governor, Saudi Arabian Monetary Agency and Mohammad Al-Hashel, Governor, Central Bank of Kuwait. The member co-chairship of the RCG-MENA will shift to Erdem Basci, Governor, Central Bank of the Republic of Turkey with effect from 1 July 2013 for a term of two years. At the meeting, the non-FSB members in the RCG-MENA also appointed Riad Salame, Governor, Central

¹ 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.

Bank of Lebanon as the non-member co-chair of the RCG-MENA for a term of two years, also commencing from 1 July 2013.

The current 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. The list of members of the RCG-MENA is accessible at: <http://www.financialstabilityboard.org/about/rcgmena.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*”.²

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*”.³

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 through 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.

² http://www.financialstabilityboard.org/publications/r_120809.pdf;

³ http://www.g20.utoronto.ca/2010/g20_declaration_en.pdf;