

Press release

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

Today, the Central Bank of Jordan hosted the sixth meeting of the *FSB Regional Consultative Group for the Middle East and North Africa* (RCG-MENA) in Dead Sea, Jordan.

At the meeting, the members of the RCG-MENA were updated on the FSB's work plan and the progress made in the four core areas of financial regulatory reforms: building resilient financial institutions, "ending too-big-to-fail", transforming shadow banking, and making derivatives markets safer. In regard to the "ending too-big-to-fail", members discussed recovery and resolution of financial market infrastructures with particular reference to implementation challenges for the MENA region. The discussion also focused, from the MENA region perspective, on the issues in cross-border cooperation and information sharing for resolution purposes.

Members discussed salient global macro-economic and macro-financial developments and their potential financial stability implications for the MENA region in the context of vulnerabilities in the global financial system and regional financial stability. Members also exchanged views on and shared experiences in reducing mechanistic reliance on the ratings of the credit rating agencies, and the plans for reducing such reliance. The role of supervisory capacity building for enhancing risk governance practices in financial institutions in the region was yet another theme of discussion. Members also deliberated on the impact of regulatory reforms on the long-term investments, with a focus on encouraging non-bank, market-based alternative financing mechanisms for promoting long-term investments.

The RCG-MENA is co-chaired by Erdem Başçı, Governor, Central Bank of the Republic of Turkey and Riad Salame, Governor, Central Bank of Lebanon. The current membership of the RCG-MENA 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*".¹

¹ http://www.financialstabilityboard.org/publications/r_120809.pdf;

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”*². Responding to the call, the FSB established, in 2011, six Regional Consultative Groups³ 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.

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 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.financialstabilityboard.org.

² https://www.g20.org/sites/default/files/g20_resources/library/Toronto_Declaration_eng.pdf.

³ 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.