

Press release

Press enquiries:
+41 76 350 8138

Joe.Perry@fsb.org

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FSB Regional Consultative Group for Sub-Saharan Africa discusses implementation and effects of regulatory reforms

Today, the Central Bank of Nigeria hosted the ninth meeting of the Financial Stability Board (FSB) Regional Consultative Group (RCG) for Sub-Saharan Africa in Abuja, Nigeria.

At the meeting, members of the FSB RCG for Sub-Saharan Africa began by reviewing the FSB's work plan and 2016 priorities, namely: promoting full, consistent and timely implementation of the international financial reforms; finalising the design of the remaining post-crisis reforms; and addressing new risks and vulnerabilities. The RCG discussed vulnerabilities in the global financial system, regional financial stability issues and policy responses. In particular, the Group discussed the effects on the region of the pull back by global banks from correspondent banking services and other banking services. Members observed that growth in Sub Saharan Africa remained upbeat despite several global and domestic challenges. The impact of low commodity prices and the importance of diversification as well as the need for structural policy responses, supported by more proactive monitoring and analysis, were discussed.

Members shared experiences on their progress and the challenges that they face in the implementation of the global financial sector reforms in their jurisdictions. They also discussed spillover effects from the implementation of reforms in the home jurisdictions of global financial institutions and the measures that could be taken to overcome challenges and address any material unintended consequences.

Members discussed the implications for the region of the strengthening and introduction of a systemic perspective into international standards for the insurance sector in the wake of the crisis, including the work on the identification of global systemically important insurers, the extension to the insurance sector of the framework to address too-big-to-fail, and revisions to the Insurance Core Principles. Members also reviewed the key features of the global Legal Entity Identifier initiative and discussed possibilities for how the Identifier could be used by and be of benefit to RCG member countries (including to improve KYC/AML due diligence tools that can help to address the concerns related to reduction in correspondent banking services).

The members received an update on the progress made by a working group set up by the RCG to study home-host cooperation and information sharing among supervisors in the Sub-Saharan African region and on the World Bank's proposed support to a pan-African initiative on this subject. The members also discussed how to further enhance the functioning and consultative role of the RCG.

The FSB RCG for Sub-Saharan Africa is co-chaired by Lesetja Kganyago, Governor, South African Reserve Bank and Godwin Emefiele, Governor, Central Bank of Nigeria. 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) based in Senegal. 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}

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.financialstabilityboard.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.