

Press release

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FSB Middle East and North Africa group discusses financial stability outlook and cross-border payments

The Financial Stability Board (FSB) Regional Consultative Group (RCG) for the Middle East and North Africa (MENA) met today in virtual format.

The group discussed the current challenging backdrop for global financial stability. Members shared their differing experiences of the impact of rising commodity prices on their economies and vulnerabilities related to tighter financial conditions and debt, particularly in foreign currencies. Members exchanged views on measures that could be taken to contain harmful cross-border spill-overs and enhance the resilience of emerging markets and developing economies against shocks. Members also discussed actions their authorities are taking to enhance financial crisis preparedness and management frameworks.

Members were updated on the work to implement the FSB Roadmap to enhance cross-border payments by improving cost, speed, access and transparency. Work under the Roadmap going forward will be focused on three priority areas: payment system interoperability and extension; legal, regulatory and supervisory frameworks; and cross-border data exchange and message standards. Members exchanged views on the potential benefits from the use of the Legal Entity Identifier (LEI) in cross-border payment transactions. Engagement with both the public and private sector beyond the G20 will be a key part of the next stage of the Roadmap. The group discussed how they could support engagement in the region, including the role RCG members could play in promoting broader adoption of the LEI.

Members also received an update on the FSB's work programme for 2023, including deliverables to India's G20 Presidency. The main priorities for the FSB's work include: (i) intensifying its monitoring and analysis of financial stability issues; (ii) enhancing the resilience of the NBFIs sector; (iii) advancing work on the global regulatory and supervisory framework for crypto-asset markets and activities; (iv) enhancing cross-border payments; (v) strengthening cyber and operational resilience; (vi) enhancing CCP resilience, recovery and resolvability; and (vii) addressing financial risks from climate change. Members discussed areas that would be of interest to RCG MENA members and how they could contribute their expertise to that work.

Notes to editors

The FSB RCG for the Middle East and North Africa is co-chaired by Şahap Kavcıoğlu, Governor, the Central Bank of the Republic of Türkiye and Marouane El Abassi, Governor,

Central Bank of Tunisia. Membership includes financial authorities from Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, Türkiye and the United Arab Emirates.

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 Typically, each Regional Consultative Group meets twice each year.

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes 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. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Klaas Knot, President of De Nederlandsche Bank. The FSB 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.fsb.org.

¹ 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.