



Meeting of the Central Banks and Monetary Authorities of the Member Countries of the Organization of Islamic Cooperation (OIC)

“Impact of Recent International Financial Regulatory Reforms on OIC Countries”

28 November 2013, Jeddah, Kingdom of Saudi Arabia

REPORT

Organized jointly by the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and Saudi Arabian Monetary Agency (SAMA), the 2013 Annual Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries was held from 27 to 28 November 2013 in Jeddah, Kingdom of Saudi Arabia. Delegates from OIC member countries_ including Governors, Deputy Governors, and central bank experts_ and representatives of relevant international organisations such as Islamic Financial Services Board (IFSB), Financial Stability Board (FSB), Basel Committee and IDB attended the Meeting. Themed “Impact of Recent International Financial Regulatory Reforms on OIC Countries”, the two-day 2013 Meeting was comprised of an Expert Group Workshop (EGW) in the first day and a Governors Meeting in the second.

The EGW was inaugurated with the welcoming and opening remarks by two key representatives of organising institutions, namely, H.E. Deputy Governor for Research and International Affairs, Mr. Ahmed Alkholifey from SAMA and Director of Research Department, Mr. Nabil Dabour from SESRIC. The workshop was divided into six

sessions. In the first session, which was titled “overview on recent regulatory reforms”, H.E. Deputy Governor for Supervision of SAMA, Mr. Abdulaziz Alhelaissi, made a presentation in which he elaborated on the recent international regulatory developments and tried to explain how these regulatory developments help in promoting the global financial stability. In the second session, which was devoted to Basel III framework, Mr. Karl Cordewener, Deputy Secretary General - Basel Committee, made a presentation in which he analysed some new provisions of Basel III framework, particularly those which are intended to make banks more safe and resilient.

In the third session on the “impact of recent regulatory reforms on Shari’ah compliant institutions”, Mr. Jaseem Ahmed, Secretary General, Islamic Financial Services Board (IFSB), made a presentation on the impact of some recent financial regulatory reforms that could help identify and address challenges of fostering the Islamic financial industry.

In session four, which aimed at exchanging different experiences and perspectives of member countries on the recent global regulatory reforms and their challenges for the Islamic financial industry, the representative of the central banks of four member countries, namely Malaysia, Sudan, UAE and Saudi Arabia made presentations on their experience and perspectives related to the subject.

In session five, the chairs of the three working groups, which were established and initiated their work pursuant to the recommendations of the 2012 Meeting of the Central Banks and Monetary Authorities of the OIC Member Countries, presented the main findings of their Technical Background Reports prepared by each of them in their respective subject areas, namely, Liquidity Management in Islamic Finance (Malaysia), Macro-Prudential Regulations (Sudan), and Payment Systems (Turkey). The last session was devoted to discuss and prepare the Draft Final Communique, which was presented to the Governors for adoption in the second day.

In the Second day, the Governors Meeting started with welcoming and opening remarks by H.E. Dr. Fahad Almubarak, the Governor of SAMA, and H.E. Prof. Savas Alpay, Director General of SESRIC. The Meeting continued with presentations by lead speakers (Mr. Svein Andresen, Secretary General - FSB and Mr. Karl Cordewener, Deputy Secretary General - Basel Committee) on the subjects related to the theme of the Meeting. Subsequently, Governors and high-level representatives of the OIC central banks and monetary authorities took part in an open discussion on the developments on the global financial reform agenda, their existing and possible future impacts on the financial and monetary policies of OIC member countries, and possible intra-OIC cooperation areas in the domain of financial regulation.

As a separate item in this year's Meeting, the chairs of the three working groups briefed the Governors on the main findings of their respective Technical Background Reports on Liquidity Management in Islamic Finance, Macro-Prudential Regulations, and Payment Systems. The governors then reviewed and adopted the Final Communiqué of the 2013 Annual Meeting, which was drafted in the last session of the EGW. The Governors welcomed the offer of the Republic of Indonesia and Republic of Suriname to host the meetings in 2014 and 2015, respectively. H.E. the Governor of SAMA concluded the Meeting by thanking the representatives of the Central Banks and Monetary Authorities of the OIC member countries who attended the Meeting and the speakers for their valuable contribution made during the EGW and the Governors Meeting.