

Thursday, October 08, 2015

## **BB Governor chaired Commonwealth meeting in Peru**

*Published at: 08th-Oct-2015*

Staff Reporter :Bangladesh Bank (BB) Governor Dr. Atiur Rahman chaired 'Commonwealth Central Bank Governors' Meeting' on 'Impact of de-risking, de-banking on financial inclusion and remittances' held in Lima, Peru on October 6. BB Governor Dr. Rahman chaired the meeting on the adverse impacts of recent trends in some remittance source countries of de-banking many low cost Money Services Business (MSBs) channeling remittances of low wage foreign workers to their families in low income home countries. He said the sustained initiatives taken by the BB in the recent past to place a strong Financial Intelligent Unit (FIU) and a rigorous AML CFT regimes complemented by massive modernization of the country's payment system and financial sector IT infrastructure making possible advent and rapid growth of online, mobile phone and smart card based financial transfers that can be tracked all the way from source to destination. These sustained efforts have resulted in Bangladesh being entirely free of any drug or terrorism related Financial Action Task Force (FATF) concerns, but that has not kept MSBs channeling remittances to Bangladesh immune from de-banking trends in advanced economy source countries causing remittance growth from these countries to be slower and more volatile, the central bank chief explained. The contents of the meeting discussion evidenced that it is not the FATF led AML CFT standards as such, but the disproportionately harsh supervisory treatment of banks in overzealous, overbearing approaches in implementation thereof in a few advanced economy jurisdictions are what have spawned the 'de-risking by de-banking' tendencies in major banks in these jurisdictions, the BB governor added. He also advised to convene the Commonwealth Secretariat to sponsor a few sessions of intensive discussion engagements between the concerned financial supervisory authorities for quickest possible resolution of the issues involved. Mr. Deodat Maharaj, Deputy Secretary-General of the Commonwealth, welcomed the participants of the meeting and the keynote address was given by Juan Manual Vega Serrano, Vice President of the FATF. The Governors of the central banks from more than 15 countries participated at the meeting.

