



ASSOCIATION OF AFRICAN CENTRAL BANKS (AACB)
41st ORDINARY MEETING OF THE ASSEMBLY OF GOVERNORS

(Sharm El Sheikh, Egypt, 9 August 2018)

LIST OF DECISIONS

The Assembly of Governors of the Association of African Central Banks (AACB) held its 41st Ordinary Meeting, on 9 August, 2018, in Sharm El Sheikh, Egypt, at the Sharm El Sheikh International Congress Center. The meeting was attended by thirty-five (35) central banks and the African Union Commission (AUC). The Banque de la République d'Haïti participated in the meeting as an observer.

As usual, the meeting of the Assembly of Governors was preceded by the Technical Committee and Bureau Meetings held on 5 – 6 and 7 August 2018 respectively, as well as a Symposium held on 8 August, 2018 on the theme: *'Declining Correspondent Banking Relationships and Illicit Capital Flows: Risks and Policy Challenges for Africa'*. The Symposium was officially opened by His Excellency, Dr. Mostafa Madbouly, Prime Minister of the Arab Republic of Egypt. Mr. Lesetja Kganyago, Governor of the South African Reserve Bank (SARB) and Chairman of the Association presided over the Assembly of Governors' meeting.

At the outset of the session, a minute of silence was observed in memory of the Governor of the Central Bank of Sudan, Mr. Hazim Abdelgadir Ahmed Babiker.

After considering the items on the agenda, the Assembly of Governors:

1. Adopted the report of the AACB Symposium, held on 15 August 2017, in Pretoria, South Africa;
2. Adopted the report of the 40th Ordinary Meeting of the AACB Assembly of Governors, held on 16 August 2017, in Pretoria, South Africa, as a fair reflection of the deliberations of the meeting;
3. Took note of the list of decisions of the Bureau meeting held in Dakar, Senegal, on 23 February 2018;
4. Noted the presentation made by the AUC Commissioner on the state of play vis-à-vis the establishment of the African Central Bank (ACB) for which a report was received after the conclusion of the Bureau meeting. Governors also took note of the overview provided by the Commissioner of the upcoming meetings of the AUC on the economic areas which are related to the work of the central banks;

5. Took note of the progress report on the implementation of the African Monetary Cooperation Programme (AMCP) in 2017 and noted that 18 countries out of 52 (35%) met all the primary convergence criteria in 2017, compared to none in 2016, before the refinement of the convergence criteria;
6. Approved the report on the monitoring framework and a peer review mechanism for macroeconomic convergence and requested the following:
 - In case no data is submitted by the sub-regions, the Assembly of Governors approved that a template populated with the relevant data from the database of International Financial Institutions be sent to member central banks for verification within a stipulated time period failing which the data will be used in the compilation of the report.
 - The Chair of the AACB will send a letter to the AUC tabling the reports on the refinement of the convergence criteria as well as the monitoring framework and peer review mechanism for consideration. The Chair will also request that the reports be discussed at an AUC forum in which would participate, inter alia, Ministers of finances as well as Governors of central banks to allow for discussion on all the convergence targets and the convergence process.
 - The proposed peer review process should not duplicate what is being done in the sub-regions. The AACB peer review process should take advantage of the peer reviews being undertaken in the sub-regions.
7. Noted the conclusions and recommendations of the Continental Seminar organized on 14-16 May 2018 in N'Djamena, Republic of Chad on the theme '*Financial Technology Innovations, Cybercrime: Challenges for Central Banks*', and commended the Banque des Etats de l'Afrique Centrale (BEAC) for hosting the forum. Furthermore Governors:
 - Endorsed the proposal that Central Banks monitor developments with a view to obtain an accurate understanding of the potential benefits, threats and risks pertaining to Fintech and cyber security developments so as to assist with the development of appropriate policy measures to promote Fintech while strengthening the stability of the financial sector.
 - Approved that a stock taking exercise on AACB members experience and initiatives on Fintech developments and cyber security matters be undertaken as a start. This should form part of the work-programme of the Technical Committee which shall undertake this exercise with the assistance of the AACB Secretariat and other relevant experts including payment systems experts in AACB member central banks. The status report on how this initiative will be taken forward should be presented at the Bureau meeting in 2019 for consideration.
8. Took note of the activities of the Community of African Banking Supervisors (CABS), including the activities of the Working Groups on '*Cross-border Banking Supervision*' and '*Crisis Management and Bank Resolution*' led by the South African Reserve Bank (SARB) and the Central Bank of Nigeria (CBN) respectively. The Assembly of Governors also took note of the handing over of the CABS Chairmanship to the Central Bank of Egypt (CBE) and expressed appreciation to AACB partners (MFW4A, MEFMI, FIRST) for the support in implementing CABS work plans. Moreover, the Governors approved the following:
 - The terms of reference of the two Working Groups;
 - The total banking sector information sharing template;
 - The training initiatives to be undertaken in the forthcoming periods by CABS;

- The Chair in waiting and the outgoing Chair to be deputies of the CABS Chair;
 - AACB members to enter into a multilateral MoU to enable the sharing of information amongst the members;
 - CABS meetings to be held on an annual basis, preferably in June each year, and be hosted by the Chair of CABS.
9. The Assembly requested that the CABS gives attention to the issue of de-risking, particularly the decline in correspondent banking and make proposals on what options could be pursued at the continental level to address the problem. The proposed multilateral MoU that is envisaged above should also take account of the sensitivities and situations prevailing in the different jurisdictions on the continent;
 10. Approved the proposal to explore the integration of the payment systems on the continent. However, the Assembly of Governors requested that the project should proceed cautiously and start off by prioritising wholesale payments and consider the issue of retail payments later. The initiative should be directed at laying the foundations by developing a broad framework which should take account of regional experiences. Furthermore, Governors approved the hosting of two workshops (which will be held back to back) by the central bank of Egypt on the development of an inter-regional payment system integration framework and an integrated inter-regional mobile payment strategy;
 11. Approved the theme for the 2019 Symposium which will be *'Rising African Sovereign Debt: Implications for Monetary Policy and Financial Stability'*. The Assembly of Governors also selected for the 2019 Continental Seminar the topic *'Renewed Protectionist Tendencies: Some Implications for Macroeconomic Policy in Africa'*, and approved that the event be hosted by the Bank of Mauritius;
 12. Adopted the work programme and budget of the AACB Secretariat for the year 2019, approved the purchase of the photocopier requested by the Secretariat using resources from the account related to member central banks contributions, and expressed their appreciation to the BCEAO for their continued support for the activities of the AACB;
 13. Adopted the external auditor's report on the financial accounts of the AACB for the fiscal year that ended on 31 December 2017;
 14. Approved the engagement of the audit firm KPMG as external auditor of the AACB accounts for the years 2018, 2019 and 2020. Governors also approved that the next audit firm to be appointed with effect from 2021, be appointed for a period of 1 year and this firm may be re-appointed for a further term not exceeding three years in compliance with Article 7, Paragraph 6 of the AACB Statutes;
 15. Took note of the status of the contributions to the 2018 budget and requested the central banks which had not yet paid their contributions to do so as soon as possible. Governors also noted that the Central Bank of Sudan opened an AACB account in its books for its contributions to the AACB budget in line with the recommendations made by the Bureau;
 16. Noted the membership of Bank Al-Maghrib of the Association of African Central Banks. The Assembly also took note of the decision taken by Bank Al-Maghrib to join the AACB North Africa Sub-region;

17. Took note of the observer status granted to the Banque de la République d'Haïti, pending further engagement with the AUC on this issue by the Chair of the AACB;
18. Elected Mr. Tarek Amer, Governor of the Central Bank of Egypt, as Chairperson of AACB, and Mr. John Rwangombwa, Governor of the National Bank of Rwanda as Vice Chairperson of the AACB, from August 2018 to August 2019. The Assembly of Governors noted that the AACB Bureau for this year comprises:
 - Governor of the Central Bank of Egypt, Chairperson of AACB;
 - Governor of the National Bank of Rwanda, Vice Chairperson of AACB;
 - Governor of the Central Bank of Sierra Leone, Chairperson of the West Africa Sub-region;
 - Governor of the Banque d'Algérie, Chairperson of the North Africa Sub-region;
 - Governor of the Banque Centrale du Congo, Chairperson of the Central Africa Sub-region;
 - Governor of the Banque Centrale des Comores, Chairperson of the East Africa Sub-region;
 - Governor of the Banky Foiben I Madagasikara, Chairperson of the Southern African Sub-region;
 - Governor of the Central Bank of Liberia, Alternate Bureau member of the West Africa Sub-region;
 - Governor of the Banque Centrale de Tunisie, Alternate Bureau member of the North Africa Sub-region;
 - Governor of the Banque des Etats de l'Afrique Centrale, Alternate Bureau member of the Central Africa Sub-region;
 - Governor of the Bank of Tanzania, Alternate Bureau member of the East Africa Sub-region;
 - Governor of the Bank of Zambia, Alternate Bureau member of the Southern African Sub-region.
19. Decided that in compliance with the principle of rotation of AACB's Annual Meetings, the 42nd Ordinary Meeting of the Assembly of Governors and the Symposium scheduled for August 2019 will be held in the East Africa sub-region and would be hosted by the National Bank of Rwanda;
20. Noted the presentation made by the Federal Reserve Bank of New York (FRBNY) and approved the proposed roadmap for enhanced relations between the FRBNY and the AACB, including the hosting by a member central bank of the Association, of an 'Official Sector Service Providers (OSSP) – AACB' Africa Forum which would include, inter alia, a training event focused on cross-border official account operations. The Assembly also requested that the issue of illicit financial flows be addressed as part of the roadmap;
21. Took note of a presentation made by the European Central Bank (ECB) and approved the programme of collaboration between the ECB and the AACB. Governors requested that the AACB Secretariat in consultation with the ECB defines the activities and initiatives that will be pursued as part of the collaboration with the AACB for consideration at the next Bureau meeting in 2019;

22. Noted the presentation of the International Finance Facility for Immunisation (IFFIm) and indicated that AACB member central banks will engage bilaterally with the IFFIm on this issue;
23. Took note of the transmission by the outgoing Chairperson to the incoming Chairperson of a handover report on the status of AACB's activities.

On behalf of all the Governors and delegates, Mr. John Rwangombwa, Governor of the National Bank of Rwanda, expressed gratitude and deep appreciation to President Abdel Fattah El-Sisi, the Prime Minister, the Government and the people of the Arab Republic of Egypt, for their warm welcome, kind hospitality, as well as for the excellent preparations undertaken by the staff of the Central Bank of Egypt which contributed to the success of the meetings. He also thanked, Governor Kganyago, the outgoing Chair for his excellent leadership of the AACB and pledged the support of the members of the AACB to Mr Tarek Amer, the new Chairperson of the AACB.

Done in Sharm El Sheikh on 9 August, 2018



Mr. Tarek Amer
Chairman of the AACB
Governor
Central Bank of Egypt