



Opening address in the 7th SPC Executive Committee meeting, 28-29 March, 2010.

Speech by Dr. Atiur Rahman, Governor, Bangladesh Bank as Chief Guest

28 March, 2010(10:00 am)
Sheraton Hotel, Dhaka.

Mr. Chairman, Distinguished Executive Committee members of the SAARC Payments Council (SPC), other invited guests and officials, Assalamu Alaikum, a very good morning, and my heartiest welcome to you all. We are happy to host this seventh meeting, and I wish all visiting delegates an enjoyable and pleasant stay at Dhaka on this occasion.

You are aware that besides weathering fairly well the recent global financial crisis and economic slowdown, the SAARC region is fast emerging as a global growth hub with expanding financial and capital markets handling domestic and external trade transactions, savings and investment flows in ever larger volumes. Secure and efficient payment and settlement systems meeting international best practice standards are crucially important for this stature of the region as a hub of economic and financial growth. Regional cooperation and mutual support in upgrading the technical and regulatory infrastructures of the payments systems in member countries is the *raison de etre* for this SPC. With SAARC member countries at different phases of financial market and payment system development, the scope of benefiting from cooperation and mutual support is substantial.

Working sessions of the meeting will review new payments system initiatives in member countries and the strategic roadmap for SAARC Payments Initiative (SPI), but I would like to mention here that a fully automated clearing and settlement arrangement for paper based and electronic payments has completed trial runs and is very soon to be formally commissioned in Bangladesh, with paper based instruments truncated at source and clearing based on digital images thereof. The Bangladesh Payments System Regulations 2009, and rules, regulations for automated clearing and settlement of paper based and electronic fund transfers have been formulated and introduced, after extensive stakeholder consultation processes. To expand the outreach of the payments system to population segments in remote rural areas, the Payments System Regulations provide for involvement of non bank IT platforms including mobile telephone companies, and Micro Finance Institutions (MFIs) as payment service providers, in partnerships with clearing house member banks. A number of these partnership arrangements

are already in place. Over the medium term, the National Payments Council headed by Bangladesh Bank will work towards bringing the entire country within the automated clearing and settlement arrangement; and towards putting in place a Real Time Selected System (RTGS) for real time settlement of large value payments in financial transactions including trade in securities. Designing and coordinating a regional approach to cross border payments is one of the mandates for SPC; and evolving new technologies and financial innovations will be continually bringing in new technical, risk management and regulatory challenges for payments systems in our region and elsewhere. And I am pleased to know that adequate convergence is taking place in our payment systems in the region. I therefore see that this SPC co-operation forum will continue to remain relevant and desirable over the foreseeable future.

I am looking forward to lively and fruitful deliberations in today's working sessions, bringing up concrete suggestions and work plans for strengthening mutual support and co-operation. Hoping also that you will enjoy the field visit and sightseeing trips scheduled for tomorrow, I would like to conclude here with thanks to the BB staff team organizing the event. Please feel free to contact them for any assistance you may need during your stay in Bangladesh.
