



Basel Committee on Banking Supervision  
BANK FOR INTERNATIONAL SETTLEMENTS

**JOINT IMF/BCBS/MAKING FINANCE WORK FOR AFRICA CONFERENCE**

***CROSS-BORDER BANKING AND REGULATORY REFORMS:***

***IMPLICATIONS FOR AFRICA FROM INTERNATIONAL EXPERIENCE***

*Mauritius, IMF Africa Training Institute*

**FEBRUARY 1-2, 2017**

**Wednesday, February 1, 2017**

13:30–13:45 **Welcome**, Governor Rameswurlall Basant Roi, Bank of Mauritius

13:45–14:15 **Keynote Address: “Cross-Border Banking in Africa: Framing the Policy Issues”**

IMF Managing Director, Mme. Christine Lagarde (public with press)

14:15-14:40 **Coffee Break**

14:40–16:10 **Session I: Cross-Border Supervisory Cooperation in Africa**

*Significant efforts have already been made to enhance cross-border cooperation in sub-Saharan Africa, and consolidated supervision of Pan-African banking groups. Nonetheless, many challenges remain. The session will take stock of progress and elicit the authorities’ views on the key challenges they face and the state of cooperation with other supervisors, including with home supervisors of international banks operating in Africa.*

**Presentation:** *An update of the work on the increasing role of Pan-African banks and implications for financial integration in Africa*

**Panel:**

Governor Patrick Njoroge, Central Bank of Kenya

Governor Denny Kalyalya, Bank of Zambia

Governor Rogerio Zandamela, Banco de Moçambique

Mr. Abderrahim Bouazza, General Director, Bank Al Maghrib

**Moderator:** Anne-Marie Gulde-Wolf, Deputy Director, African Department, IMF

16:10–16:25 Questions and Answers

16:25–17:55 **Session II: Private Sector Perspectives on Pan-African Banking**

*The session will allow participants to voice their view of Africa's financial market potential and provide a comparative perspective on different bank strategies on cross-border operations and expansion. It will provide an opportunity for dialogue on private sector views regarding ongoing efforts to strengthen regulatory and prudential oversight frameworks in Africa.*

**Panel:**

Mr. Ade Ayeyemi, Group CEO, Ecobank

Mr. Brahim Benjelloun-Touimi, Group CEO, Banque Marocaine de Commerce Extérieur Group

Mr. J. Gilbert Gnany, Chief Strategy Officer and Executive Director, Mauritius Commercial Bank (MCB) Group

Mr. Charles Mudiwa, CEO, Stanbic Zambia

**Moderator:** Ms. Ratna Sahay, Deputy Director, Monetary and Capital Markets Department, IMF

17:55–18:10 Questions and Answers

19:30 **Reception/Dinner** Hosted by Effie Psalida, Director of ATI

**Welcoming remarks by IMF Managing Director, Mme. Christine Lagarde**

**Thursday, February 2, 2017**

9:00–9:30 **Keynote Address: “Resolving Cross-Border Banks—Lessons from the Nordic and European Banking Crises”**—Mr. Stefan Ingves, Chairman of the Basel Committee on Banking Supervision, and Governor of the Sveriges Riksbank.

9:30–9:45 **Discussant:** Mr. Kuben Naidoo, Deputy Governor, SARB

9:45–10:00 Questions and Answers

10:00–11:15 **Session III: International and European Experience on Regulation, Supervision, and Resolution of Cross-Border Banks**

*The European experience emanating from the global financial crisis clearly demonstrated the need for effective cross-border cooperation and resolution arrangements. Resolving cross-border financial institutions involved ad hoc costly interventions, and tensions related to different national priorities.*

*Preserving financial stability required moving toward a supranational approach. The session will review the case for, the roadmap toward, and the experience to date on a common supervision and resolution framework involving home and host authorities. It will discuss international best practices on supervisory frameworks for bank-holding companies, a key issue in the context of Pan-African banking, and highlight lessons on implementation challenges in limited capacity settings prevailing in Africa.*

**Panel:**

Mr. Lyndon Nelson, Deputy CEO, Prudential Regulation Authority, UK  
 Mr. Neil Esho, Deputy Secretary General, BCBS  
 Ms. Julie Dickson, SSM Supervisory Board member, European Central Bank  
 Mr. Bertrand Peyret, Director, French Supervisory and Resolution Authority

**Moderator:** Mr. Nigel Jenkinson, Assistant Director, Monetary and Capital Markets Department, IMF

11:15–11:30 Questions and Answers

11:30–11:45 **Coffee Break**

11:45–13:00 **Session IV: Key Takeaways on Cross-Border Banking and the Road Ahead for Effective Oversight of Pan-African Banks**

*The session will take stock of the dialogue on cross-border banking and the key lessons from the experience in Europe, placing the conference in the larger context of ongoing efforts to safeguard financial stability and foster sustained growth in Africa. It will underscore the priority to strengthen consolidated supervision and cross-border cooperation in Africa, and recommend that these efforts be actively pursued under the aegis of the Association of African Central Banks.*

**Panel:**

Governor Godwin Emefiele, Central Bank of Nigeria; President, AACB  
 Governor Tiémoko Meyliet Koné, BCEAO  
 Mr. Kuben Naidoo, Deputy Governor, SARB

**Moderator:** Mr. Abebe Aemro Selassie, Director, African Department, IMF

13:00–13:15 Questions and Answers

13:15 **Concluding Lunch**

***CROSS-BORDER BANKING AND REGULATORY REFORMS:  
IMPLICATIONS FOR AFRICA FROM INTERNATIONAL EXPERIENCE?***

***Mauritius, African Training Institute, February 1–2, 2017***

Cross-border banking is an increasingly important feature of the African financial landscape. Pan-African banks have become systemically important in a number of jurisdictions, in some cases replacing the role of traditional European banks. The expansion of these banks in the continent entails a number of benefits for host economies, but also challenges that require a significant upgrade of supervisory oversight and cross-border cooperation frameworks in order to manage potential spillover risks. Africa's supervisors have started to strengthen their working relations and joint activities, but these efforts remain work in progress. These efforts are taking place in a context where global regulatory reforms are advancing, while concerns on supervisory capacity constraints in Africa persist. There is also a need for more voice for African concerns in international fora. Against this background, the conference aims at providing African authorities with an opportunity to discuss the implications of the experience in Europe during the global financial crisis. It will also enable stakeholders to take stock of progress in fostering cross-border cooperation in Africa and chart future efforts to strengthen supervision and resolution plans for Pan-African banks.

Following the opening and Mme. Lagarde's keynote address, which will be on record, the remainder of the conference will comprise four sessions under the Chatham House rule. This will enhance a frank dialogue on the state and challenges of prudential oversight arrangements.

The sessions will deal with the following themes:

**Session I: Cross-Border Supervisory Cooperation in Africa.** Significant efforts have already taken place to enhance cross-border cooperation and consolidated supervision of Pan-African banking groups. Yet, there is scope for improvement in a range of areas: data availability; harmonization of regulatory and supervisory practices; frequency of joint inspections; senior representation in supervisory colleges; and preparation of contingency plans for handling emergency situations. What are the authorities' views on these challenges, on the state of cooperation with other host supervisors, and with home supervisors of international banks' subsidiaries operating in their jurisdictions? How do they see the regional representation in the supervisory colleges for global banks? What are their views on establishing crisis management groups and resolution plans for each Pan-African banking group?

**Session II: Private Sector Perspectives on Pan-African Banking.** Pan-African banking groups operate with very different models of home versus cross-border operations, expansion strategy, and business orientation. Pan-African banks may bring advantages not only in promoting innovation and providing a wide array of services, but also in having better local

information and thus being able to assess risks more accurately. In the wake of the global financial crisis, they also contributed to cushion the effect of deleveraging of European banks by taking a lead role in leading syndicated financing for infrastructure development. Given their aspiration to play a leading role in African development and the reputational considerations involved, the private banking groups may strategically support a strengthening of prudential frameworks aimed at mitigating cross-border contagion, despite the costs involved in ensuring adequate capital and liquidity buffers. They are also likely to support a strong drive for the harmonization of regulatory and supervisory frameworks across the continents, to reduce the costs involved in having to deal with multiple reporting requirements. They may also advocate a more leveled playing field on fiscal incentives enjoyed by some competitors, and higher standards in the conduct of supervisory activities.

**Session III: International and European Experience on Regulation, Supervision and Resolution of Cross-Border Banks.** The global financial crisis hit Europe at a time when EU financial markets had moved a considerable way toward integration. The crisis demonstrated that preserving financial stability required a supranational oversight framework. The session will review the case for, the roadmap toward, and the experience to date on a common oversight and bank resolution framework. It will also review models for the supervision of bank holding companies, and operational experience on their cross-border oversight. It will present the results of a study of international best practices and legal and supervisory frameworks for bank-holding companies, and develop appropriate proposals for Pan-African banks taking into account operational and institutional constraints.