

PRESS RELEASE

8 December 2023

For Immediate Release

51st ASEAN BANKING COUNCIL MEETING SUCCESSFULLY HELD IN VIENTIANE CAPITAL, LAO PDR

The 51st ASEAN Banking Council Meeting was successfully held on 8 December 2023 at Landmark Mekong Riverside Hotel, Vientiane Capital, Lao PDR. The meeting was hosted by Lao Bankers Association (LBA) and was well attended by over 170 senior banking executives from the 10 ASEAN countries.

At the Council Meeting, members endorsed the proposals of its three permanent committees - Cooperation in Finance, Investment, Trade and Technology, ASEAN-Inter-Regional Relations and Banking Education which met on 7 December.

Committee on Cooperation in Finance, Investment, Trade and Technology (COFITT)

As cross-border payment linkages grow in the region, harmonisation of rules and regulations for dispute resolution is an important success factor. Differences in local rules and regulations across countries could impact the speed and certainty of how disputes are handled, and mar the overall experience of both users and merchants. The Committee agreed to establish a taskforce to look into the issue, with a view for the industry to provide appropriate recommendations to regulators.

The Committee discussed the development of Project Nexus, which seeks to accelerate cross-border payment connectivity by linking up national real-time payment systems through a multilateral network. Members noted the importance for industry to work closely with central banks on the economics of the Project, even as the infrastructure was being developed.

In the area of trade digitalisation, the Committee discussed the issue of duplicate financing and how such frauds could be mitigated with digital trade registries. Members were also updated on trade digitalisation efforts in the region and were encouraged to collaborate with the ASEAN Secretariat on this front.

The Committee also discussed Purpose-Bound Money, a form of tokenised digital currency that is bound with smart contract logic, so that the value is transferred only when the programmed conditions are fulfilled. It also noted the successful launch of the ASEAN Interoperable Data Framework in March, which was developed by a COFITT taskforce comprising representatives from the 10 ASEAN Banking Associations, and was now being used in support of Project Nexus.

Committee on ASEAN-Inter-Regional Relations (IRR)

The 2023 virtual study tour report of the session held with the ASEAN Secretariat on 6 June 2023 was circulated to all participants and a summary was tabled at the Council Meeting.

For 2024, it was suggested that the study tour be held virtually so as to encourage greater participation and to accommodate the busy schedules of National Banking Association's members. The Committee agreed to this suggestion. The areas of focus as decided by the Committee were narrowed to topics relating to Open Banking and Sustainable Banking. The proposed topics and speakers would be identified and notified to the National Banking Associations in due course.

Under other matters, The Thai Bankers Association (TBA) withdrew their proposal as well as declined the position of co-chair of the ASEAN-IRR together with The Association of Banks in Malaysia (ABM). TBA stated that they will continue to support the ASEAN-IRR Agenda accordingly.

The Association of Banks in Cambodia (ABC) presented on Cambodian Sustainable Finance Initiatives at the IRR meeting.

The Committee agreed to include an agenda item on sustainable banking for future ASEAN IRR Meetings. The Committee also agreed for each NBA to make a short 5-minute presentation on sustainable banking initiatives in their respective countries in future IRR meetings to share experiences and promote knowledge sharing.

Committee on Banking Education

The Committee announced that the Memorandum of Understanding (MOU) with the Chartered Institute for Securities & Investment (CISI) has been completed and signed. As a result, CISI courses have now been made available in the ABA Training Portal. The MOUs with the World Wildlife Fund (WWF) Singapore, the Bankers Institute of the Philippines (BAIPHIL), and the Ateneo-BAP Institute of Banking are currently being reviewed and are in the final stages.

Among the key resolutions reached during the meeting, the Committee emphasised expediting negotiations on Memoranda of Understanding (MOUs) between the ASEAN Banking Association (ABA) and training providers who have not yet signed up to the ABA Training Portal. Additionally, there was a call to invite National Banking Associations (NBA) and their affiliated bank institutes to publish their training program offers on the Portal, initiating the registration process for designated users per bank, and promoting the ABA Training Portal to national and international banking and finance training providers.

In a collaborative effort, the Bankers Association of the Philippines (BAP) will conduct a survey, in coordination with the ABA Secretariat, to determine the required licenses for different NBAs. The survey will focus on understanding the licensing framework when dealing in the interbank financial market (FX, MM, and FI) and who administers these licenses - the regulator(s) or the NBA. The initiative is in line with the proposed plan of the Committee to allow bilateral mutual recognition of the Treasury Professional Certificates in the region.

The Committee also heard a briefing on the adoption of policies by the ASEAN Banking Council that would facilitate the formulation of initiatives and programs leveraging the capabilities of artificial intelligence (AI) to advance traditional and digital banking in the region.

The 52th ASEAN Banking Council Meeting will be held in the fourth quarter in Malaysia and hosted by The Association of Banks in Malaysia.

-End-

Contact Details

Paul C G Gwee
Secretary General
ASEAN Bankers Association
Tel: (65) 6220 7842

Inpong Siliphouthone
Liaison Officer
Lao Bankers' Association
Tel: (856) 21 241393

Email: admin@aseanbankers.org

Email: lba@laobankers.la

About ASEAN Bankers Association

The ASEAN Bankers Association (ABA) aims to strengthen the voice of the ASEAN banking community in policy advocacy efforts globally and regionally. ABA promotes active collaboration between ASEAN banking institutions and the national association of banks of the ASEAN countries to provide private sector support in alignment with the goals of the ASEAN Economic Community (“AEC”). Since its establishment in 1976, ABA has provided a platform to share banking knowledge and provide education to promote best-in-class banking practices among the ASEAN member countries.

Further information on ABA is available on the website: www.aseanbankers.org

About Lao Bankers’ Association

The Lao Banker’s Association (LBA) was established in 2001, with the objectives to enhance the financial resilience, promote cooperation and develop the banking industry in Laos towards a more stable and sustainable ways as well as forging unity and support among members. In addition, the LBA has the role of gathering the opinions of the commercial bank members and cooperate with our Central Bank – Bank of the Lao PDR (BOL) and related stakeholders to enhance the business operation of banking industry in Laos and provide the comments and suggestion on the social-economic development plans and strategies on financial and banking sector for Laos.

The LBA has 19 members of various membership categories and been a member of ASEAN Banker Association since 2004.

Further information on LBA is available on the website: www.laobankers.la