

**OPENING REMARKS BY**  
**MR. HOOKYU RHU**  
**EXECUTIVE DIRECTOR, THE SEACEN CENTRE**  
**AT 2<sup>ND</sup> SEACEN COURSE ON OVERSIGHT ON**  
**PAYMENT AND SETTLEMENT SYSTEMS**  
*Vietnam, 22 – 27 March 2015*

Madam Dao Thuy Hang, Director of the Department of International Cooperation of the State Bank of Vietnam,

Distinguished Guests and Resource Speakers,

Ladies and Gentlemen,

Good morning to all of you and welcome to the 2<sup>nd</sup> SEACEN Course on Oversight on Payment and Settlement Systems

First and foremost, on behalf of The SEACEN Centre, I would like to thank the State Bank of Vietnam for graciously hosting this programme in the city of Ha Noi. Deputy Director General Mdm. Hoang Thi Phuong Hanh, we are honoured to have you here today at the Opening Ceremony. Not forgetting the hardworking Secretariat Team of the State Bank of Vietnam that ensures this programme goes smoothly. Thank you for your time and effort.

We are glad to have all of you here with us to embark on a 5 day journey through a carefully planned learning structure of payment and settlement systems, complete with country sharing, panel discussion, forum and case studies.

On this opening day of 2<sup>nd</sup> SEACEN Course on Oversight of Payment and Settlement Systems, I would like to share with you some of my thoughts on the role of central banks' oversight of the payment and settlement systems in the context of emerging market economies.

As we are well aware, central banks have always had a keen interest in the safety and efficiency of payment and settlement systems. The most important function of today's central banks is to be

the guardian of people's confidence in their currency, and this confidence depends crucially on the ability of economic agents to transfer money and financial instruments safely and efficiently through the nation's payment and settlement systems. Since central banks have traditionally provided banks with a variety of payment and settlement services, they have good experience in operating the systems which allow for the efficient transfer of those safe settlement assets.

Furthermore, PSS are an essential vehicle for the implementation of monetary policy and oversight of PSS is to safeguard the transmission channel for monetary policy. As such, oversight has become a more formal and systemic function of central banks and thereby has greatly contributed to the continuing progress and effective operation of the nation's PSS. Particularly, in this region, many countries have been improving their PSS recently and have further plans to introduce more advanced PSS. Therefore, the role of central banks in steering the development of their nations' PSS in the right direction has become a crucial task.

Safety and efficiency of PSS can be further promoted by central banks' monitoring of existing and planned systems, and assessing them against their safety and efficiency standards. In many countries, including SEACEN region, central banks have initiated necessary changes to drive higher standards of security and efficiency in their PSS.

In PSS, the consequences of any failure are not only borne by the failing entity, but also by the community of participants – sometimes even by the entire economy. Therefore market forces alone may not always achieve appropriate levels of safety and efficiency. There are many reasons for central banks' leading role in oversight, because they have 1) strong interest in financial stability, 2) keen interest in the smooth functioning of money market for the implementation of monetary policy, 3) safe settlement accounts to be provided for payment system participants, 4) key responsibility in maintaining confidence in their currency, and 5) most importantly, strong expertise in the field of PSS.

In this context, I believe that this SEACEN Course on Oversight of PSS is highly useful for participants from SEACEN member banks and other stakeholders to further develop their expertise in this important area.

We are pleased to have onboard with us a team of experienced resource speakers from various institutions to share their wealth of knowledge with you. They are namely, in the order of appearance:

Dr. Vacharakoon Jivakanont, Bank of Thailand

Mr. Klaus Martin Löber, Committee on Payments and Market Infrastructures (CPMI)

Ms. Lailatul Akma Mohd. Shukor, Bank Negara Malaysia

Mr. Mhelchor Plabasan, Bangko Sentral ng Pilipinas

Ms. Nilima Ramteke, General Manager, Reserve Bank of India

Ladies and Gentlemen,

Let me briefly share with you about The SEACEN Centre. As approved by the Board of Governors in February 2011, our new vision is “To be the Regional Learning Hub for Central Banks in the Asia-Pacific Region“. As a Learning Hub, SEACEN aspires to drive central bank excellence in learning for the region, by being a platform for collaboration for members to synergise efforts in central bank learning among themselves, and across SEACEN’s network base. The vision would be achieved through SEACEN’s mission in building capacity in central banking and fostering networking and collaboration. With strong commitments from our stakeholders as seen in this Course, we are confident that our vision will become a reality.

It is my pleasure to inform you that 37 participants from 19 institutions in the Asia Pacific region will be participating in this Course. The next one week will be a highly intensive time of learning and the interactions among participants and resource persons will enrich your learning experience in the area of payment and settlement systems. Furthermore, this event also provides a regional platform for sharing of knowledge and experiences as well as fostering closer co-operation among central bankers.

I sincerely hope that all the participants in this course will be able to gain maximum benefits that can be synergized by sharing knowledge and experience with the resource persons and other participants and can be amplified by adding more hands-on experience after going back to their respective central banks.

I wish you a productive and rewarding learning experience. Thank you.