

41<sup>st</sup> Conference of the SEACEN Governors and  
25<sup>th</sup> Meeting of the SEACEN Board of Governors

Bandar Seri Begawan Brunei Darussalam  
3 – 6 March 2006

**SPEECH BY  
YANG BERHORMAT  
PEHIN ORANG KAYA LAILA SETIA  
DATO PADUKA HAJI ABD RAHMAN BIN HAJI IBRAHIM  
MINISTER OF FINANCE II**

At The Official Opening Ceremony Of  
41<sup>st</sup> Conference Of The SEACEN Governors And  
25<sup>th</sup> Meeting Of The SEACEN Board Of Governors  
On Saturday, 4<sup>th</sup> March 2006 @ 9.00 am  
At the Indera Kayangan Ballroom  
Empire Hotel and Country Club  
Jerudong

**BISMILLAHIRRAHMAANIRRAHIIM  
ALHAMDULILLAHI RABBIL 'ALAMIN  
WASSALATU WASSALAMU 'ALA  
ASYRAFIL AMBIYA E'WALMURSALEEN  
SAYYIDINA MUHAMMADIN WA'ALA ALIHI  
WASAHBIHI AJMAIN  
WA BA'ADU**

Yang Mulia

Dato Paduka Awg Haji Ali bin Apong

Permanent Secretary

Ministry of Finance

As Chairman

Excellencies

SEACEN Governors

And Observer Governors

Excellencies

High Commissioners and Ambassadors

Dr Subarjo Joyosumarto  
SEACEN Executive Director

Executive Directors  
of the International Monetary Fund (IMF)  
Deputy General Manager  
of the Bank for International Settlements (BIS)

Senior Government Officials  
Distinguished guests, delegates  
Ladies and Gentlemen

Assalamu 'Alaikum Warah Matullahi Wabarakatuh  
Salam Sejahtera  
A Very Good Morning To All Of You

1. On behalf of the Government of His Majesty  
The Sultan and Yang Di-Pertuan of Brunei  
Darussalam, it gives me great pleasure, to  
welcome everyone here this morning and to  
extend especially warm greetings, to your

excellencies and other distinguished overseas guests. Welcome to our country, Brunei Darussalam, “The Abode of Peace”. I wish to express my gratitude and appreciation, to SEACEN for giving us the honour of hosting this Conference and Meeting, of the SEACEN Board of Governors.

2. I am delighted, and honoured, to be at this auspicious occasion, in the company of your excellencies and informed representatives from the IMF and BIS, who will, I am sure, share their views and experiences on regional and global issues during the course of the conference.

Excellencies

Ladies and gentlemen,

3. The financial services industry has long been recognized, as the essential intermediary in international trade, enabling the global exchange of goods and services to flourish. The industry has

performed this function with distinction, and international consumers, have benefited directly from these financial skills. In recent years, we have seen the emergence of more specialized financial services, among them international investment products, where enormous amounts of capital, often representing savings investment, moves across international borders. These investment flows, create special challenges for central banks, financial regulators and financial services providers alike, and increasingly, the way in which these challenges are met, will influence the shape of future global investment. It is in my view, both timely and appropriate, that the theme for this year's conference is **“Internationalisation of Financial Services – Implications and Challenges For the Central Banks”**. I anticipate great interest in, and robust discussion of, the subject matter.

4. Internationalisation is an almost inevitable consequence of advances made in science,

technology and the management of complex infrastructures. Internationalisation stimulates competition, and in the world of finance, creates new markets and products, which often require the fusion of different commercial practices. As such, for regulatory authorities, this means new skills to be added to their human resources, and moreover these skills require constant review and updating.

5. Against this backdrop, your conference and meeting here has much to consider and deliberate. The past few years have been a challenging time for the world economy with numerous issues, including high oil prices, current account imbalances, terrorism, SARS and more recently, possible widespread avian influenza or bird flu pandemic, threatening regional and global confidence. Markets naturally reflect the uncertainties that have been created. And a significant part of the price that we must pay for a

dynamic global economy is vigilance, and cooperation among financial regulatory authorities, and perhaps most important of all, are the questions of how central banks should respond to these new challenges and changes, as well as identify appropriate measures to manage the related - and generally increased – risks.

Excellencies

Ladies and gentlemen

6. I am pleased to share with you that we, in Brunei Darussalam, under the able leadership and guidance of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, are also continuously enhancing our efforts in benchmarking against international standards.

7. In the context of supervision of the financial sector, a number of new laws will be introduced this year, while prevailing ones will be amended

and updated. Capacity building will of course, remain important on our agenda and will be undertaken continuously in tandem with current needs. Also, by using improved technology, data gathering will be enhanced resulting in better and faster information for our regulatory functions and, as appropriate, to share with our overseas counterparts, as part of our contribution, towards capital risk containment. For we are committed to enhancing closer consultation and cooperation with regional and international institutions.

Excellencies

Ladies and Gentlemen,

8. As part of our wider national economic diversification programme we will continue to pursue our aspirations to make the financial services sector, an important component of our economy and to promote Brunei Darussalam as a mature financial services centre, which provides

banking, finance, securities and insurance and trust services for its global partners.

9. In response to encouragement by the Ministry of Finance, recent developments have taken place in our investment banking, fund management, corporate and investment advisory sectors. In addition, concerted efforts are being made by various government agencies, to develop a wider capital market in Brunei Darussalam, initially via the introduction of syariah compliant bonds namely, Sukuk Al-Ijarah.

10. At the same time, I am very pleased to state that financial services providers are also doing their part by tapping in to the benefits of, and facing the challenges of the internationalization process. In the banking sector for instance, the recent announcement of the merger between the two Islamic banks, I believe, reflects a positive response to the important need to diversify the

local network, develop new products and services, and explore further business opportunities at regional and international levels.

Excellencies

Ladies and gentlemen

11. I believe you have a heavy schedule before you. However, I wish to take this opportunity to invite excellencies and members of your delegation to spend time to explore, and enjoy the beauty of Brunei Darussalam. Come and see it for yourselves, as “seeing is believing.” I sincerely hope that you will enjoy the post-conference programme that the organizing committee and secretariat have in store for you.

Excellencies

Ladies and gentlemen

12. I do not wish to venture further into the theme. I shall leave it to the conference to deliberate on these further.

13. I am made to understand that the 25<sup>th</sup> Meeting of SEACEN Board of Governors tomorrow will among other matters deliberate on operational and strategic issues of SEACEN. I am confident that the Board will continue to guide the management of SEACEN, in pursuing its noble aspiration of becoming a premier regional research and training centre.

14. Every conference and meeting has its own primary focus. It is my hope, that your conference here in Bandar Seri Begawan will be able to identify do-able measures and responses which can address the issues of internationalization of financial services effectively. On that note, I wish you every success in all your discussions.

15. With the Kalimah Bismillahirrahmaanirrahim, I have great pleasure in declaring the 41<sup>st</sup> Conference of the SEACEN Governors and 25<sup>th</sup> Meeting of the SEACEN Board of Governors officially open.

WABLILLAHIT TAUFIQ WALHIDAYAH  
WASSALAMU 'ALAIKUM WARAH  
MATULLAHIWABARAKATUH

Thank you.