

**WELCOME REMARKS BY
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THE SEACEN CENTRE
AT THE
SEACEN CONFERENCE OF DIRECTORS OF
PAYMENT AND SETTLEMENT SYSTEMS OF ASIA-PACIFIC CENTRAL BANKS
*Sasana Kijang, Kuala Lumpur, 16 – 17 October 2014***

Mr. Bakarudin Ishak
Assistant Governor, Bank Negara Malaysia

Distinguished Resource Persons

Directors and Conference Delegates

Ladies and Gentlemen

Good Afternoon.

On behalf of The SEACEN Centre, I would like to extend to all of you a warm welcome to the **SEACEN Conference of Directors of Payment and Settlement Systems of Asia-Pacific Central Banks**, with the theme *“Challenges and Issues of New Innovations in the Payment and Settlement Systems”*.

First and foremost, I wish to convey our profound gratitude to Mr. Bakarudin Ishak, Assistant Governor, Bank Negara Malaysia for being here this afternoon to share with us his wisdom in the Keynote Address. During this 2-day event, we are pleased to have resource persons from international financial institutions, academia as well as central banks and monetary authorities in the Asia Pacific region who will share their knowledge and experience with us. In the order they appear in the programme, they are:

1. *Mr Bakarudin bin Ishak, Bank Negara Malaysia*
2. *Dr. Tanai Khiaonarong, International Monetary Fund*
3. *Ms. Bella Santos, Bangko Sentral ng Pilipinas*
4. *Mr. Klaus Loeber Bank of International Settlements*
5. *Mr. Vijay Chugh, Reserve Bank of India*
6. *Mr. Tan Nyat Chuan, Bank Negara Malaysia*
7. *Mr. BeopYong Jeon, The Bank of Korea*

With such a distinguished group of resource persons, we at the SEACEN Centre are confident that this conference will continue to serve as a forum for Directors of Payment and Settlement Systems (PSS) to exchange views and experiences on issues relating to PSS policies and strategies to promote efficiency and manage risks in PSS. I wish to convey our deepest appreciation to all resource persons for their commitment and support.

On this opening day of SEACEN Conference of Directors of Payment and Settlement Systems of Asia-Pacific Central Banks, I would like to share with you some of my thoughts on forward-looking policy and topical issues of interest in the payment and settlement systems in the context of emerging market economies.

First of all, during this signature Course, our participants will have an overall learning and sharing process on recent innovative developments, challenges and policy issues in PSS such as LVPS, FX settlement systems, and RPS. I hope that this learning program will be able to deliver greater benefits to updating the recent innovative actions for PSS in this region.

Let me also mention some of the important activities in the global forums on PSS and FMIs. As we are well aware, the PFMI report published by the CPMI and IOSCO sets out international standards for systemically important FMIs – payment systems, central securities depositories, securities settlements systems, central counterparties (CCPs) and trade repositories. It also specifies five responsibilities for the oversight or regulatory authorities of FMIs. A high priority of the CPMI is to monitor the consistent, complete and timely implementation of the PFMI and together with the IOSCO, it published the results of the first phase of monitoring in August last year and started the second phase of the monitoring in February this year. Although few had completed the process for all types of FMIs, substantial progress has been reported so far in a relatively short period of time.

Also, regarding the recovery effort of financial market infrastructures, the CPMI and IOSCO released a consultative report which gave guidance to financial market infrastructures such as CCPs on developing plans to recover from threats to their viability and financial strength that might prevent them from providing critical services. They also issued a report which outlines the framework to guide authorities' regular and ad hoc access to data held in trade repositories.

Meanwhile, the CPMI together with the World Bank has recently started to explore the links between payment systems and financial inclusion, and has begun analyzing cyber-security issues and their implications for FMIs. Central banks in emerging market economies have been widely participating in this line of global efforts while playing a leading role in innovating their nation's payment and settlement systems and keeping the systems in sound, efficient and robust shape. They also strengthened efforts to harmonize the oversight and regulatory frameworks for payment and settlement systems in the region. SEACEN has also enhanced its role of facilitating regional collaboration by improving the quality and relevance of the learning programs in this payment and settlement systems areas and spearheading the first SEACEN Cyber Security Summit, which has significant implications on the safety of payment and settlement systems as well. In this regard, I

would like to recommend that our conference delegates should take initiatives in conducting more thorough assessment of systemically important payment and settlement systems and improving the efficiency and effectiveness of collaborative efforts for systemically important FMIs in their nations' financial sectors.

Ladies and Gentlemen,

Before concluding, let me briefly share with you some information about The SEACEN Research and Training Centre. As approved by the Board of Governors in February 2011, our 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 Conference, we are confident that our vision will become a reality.

Once again, I would like to thank Assistant Governor Mr Bakarudin bin Ishak and all resource persons and their respective institutions for the support and valuable contributions; and to all delegates for participating in this conference.

To all the foreign delegates, welcome to Malaysia. As for everyone, I wish you a productive and rewarding experience.

Thank you.