

PRESS RELEASE

3 December 2022

For Immediate Release

50th ASEAN BANKING COUNCIL MEETING SUCCESSFULLY HELD IN LABUAN BAJO, EAST NUSA TENGGARA, INDONESIA

The 50th ASEAN Banking Council Meeting was successfully held on 2 December 2022 at Meruorah Komodo Hotel, Labuan Bajo, East Nusa Tenggara, Indonesia. The meeting was hosted by PERBANAS (Indonesian Banks Association) and was well attended by over 170 senior banking executives and professionals from the 10 ASEAN countries.

The 50th ASEAN Banking Council Meeting in 2022 was addressed by the Governor of Central Bank of Indonesia (BI) Perry Warjiyo, Chairman of the Board of Commissioners of the Indonesian Financial Services Authority (OJK) Mahendra Siregar, Chairman of PERBANAS Kartika Wirjoatmodjo, Governor of East Nusa Tenggara (NTT) Dr. Viktor Bungtilu Laiskodat, H.E. Dato Paduka Lim Jock Hoi Secretary General of ASEAN, Chairperson of the ASEAN Bankers Association Daw Khin Saw Oo, Chief Executive of Banking Supervision of OJK Dian Ediana Rae, Honorary Board Member of the BI Institute Andrew Sheng, Ph.D, Chief of Steering Committee Taswin Zakaria, and Secretary General of PERBANAS Anika Faisal.

The meeting agreed on the importance of connectivity, integration, and sustainability of payment systems that would increase the scale and capacity of the ASEAN economy. For this reason, each representative from ASEAN countries will review and prepare regulations that enable connectivity and integration of payment systems between countries in the ASEAN region.

"We have positively responded to these initiatives as the integration and connection between ASEAN countries will ease the banking transactions costs, and we can increase the volume and transactions of the payment system in the region," said Governor of The Central Bank of Indonesia, Perry Warjiyo.

Besides, H.E. Dato Paduka Lim Jock Hoi, Secretary General of ASEAN, suggested that ASEAN banks should continue to put cross-border digital payments among ASEAN top priority and support e-commerce for the establishment of the ASEAN digital economy. He also encouraged the ABA to work closely with respective ASEAN governments in relation to cross-border payments and engage in dialogs to develop the relevant framework.

Chairperson of the ASEAN Bankers Association Daw Khin Saw Oo expressed her appreciation for the 50th ASEAN Banking Council Meeting hosted by PERBANAS. "We hope that this meeting will strengthen the cooperation between ABA Members on connectivity and sustainability through Digital Innovation," she said.

The Chairman of the OJK Mahendra Siregar, stated that the OJK would support a sustainable financial system, digital financial system and financial integration in the ASEAN region. "Borderless interconnection of payment systems in the ASEAN region has the potential to support economic development, not only in Indonesia but also all ASEAN countries," said Mahendra Siregar.

According to Mahendra, there is a need to create a working group that discusses how this big vision can be realised together. For this reason, each country needs to study and prepare regulations that enable borderless connectivity of payment systems in the ASEAN region.

Dian Ediana Rae, Chief Executive of Banking Supervision of the OJK, said that the regulators will focus on policies that enhance sustainability finance ecosystem in Indonesia such as the development of regulation about carbon credits for electrical vehicles and renewable energy power plants.

“Regulation harmonisation amongst regulators in ASEAN countries is the key to realise our vision and to increase the implementation of green finance. OJK actively coordinates and negotiates with peer countries that will benefit for the transition to green economy,” he explained.

Chairman of PERBANAS Kartika Wirjoatmodjo welcomed the various commitments agreed at the ABC Meeting for stronger economic growth in the ASEAN region. However, the implementation of this agreement must be adapted to each country’s conditions because the challenges each country faces will vary.

“PERBANAS will initiate a working group to create an inclusive payment system in the ASEAN region. We see that the breakthrough made by Bank Indonesia in presenting an effective and efficient payment system, both through Quick Response Code Indonesian Standard (QRIS) and BI Fast, has been a success and well implemented. Thus, the scale and capacity of this can be increased at the ASEAN level,” said Kartika Wirjoatmodjo.

The Chief of Steering Committee 50th ASEAN Banking Council Meeting, Taswin Zakaria expressed his highest gratitude and appreciation to the representatives from each country and association who actively participated in proposing and formulating strategies and frameworks to realise the various commitments that had been mutually agreed upon.

“Hopefully, the 50th ASEAN Banking Council Meeting can expedite the interconnection through digital innovation,” said Taswin Zakaria.

In addition, the Governor of NTT, Dr. Victor Bungtilu Laiskodat welcomed and thanked Perbanas and ABC members for choosing Labuan Bajo as the venue for the meeting. “Labuan Bajo is one of the priority destinations in Indonesia. The presence of the ABC Meeting delegations has also become a driving force for the movement of the economy in NTT after the outbreak,” said Victor Laiskodat.

Furthermore, during his presentation, Andrew Sheng, Ph.D. highlighted some crucial points: global geo-political crises create major challenges for the ASEAN banking industry and the US-China possible decoupling means that ASEAN bankers will have to invest in payment systems that will minimise potential risks in sanction or disruption in this hegemony challenge.

“ASEAN meanwhile remains resilient, and with the relatively large and young population, pursuing a broad-based growth strategy that embraces the balance of the domestic markets and stronger external balance would bring about reasonable optimism from this region to navigate through higher uncertainty in the future, he explained.

At the Council Meeting, members also endorsed the proposals of its three permanent committees - Cooperation in Finance, Investment, Trade and Technology, ASEAN Inter-Regional Relations, and Banking Education, which met earlier on 2 December.

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

Given the importance of interoperable payments in ASEAN, the ASEAN Banking Council endorsed the publishing of a best practice guide for connecting payment systems between countries. The Guide has been developed to be adaptable for different circumstances along different business or technical contexts and will serve as a foundation for further development of cross border payment solutions in the region.

The Committee also discussed the development of an interoperable data framework for ASEAN, which will be crucial for cross border digital linkages, such as digital trade, payments, etc.

On trade digitalisation and sustainable finance, Committee members shared with each other the progress achieved in their respective countries and agreed to continue close cooperation for the further advance of these topics, which will be crucial for the long-term future of the region.

Committee on ASEAN Inter-Regional Relations (IRR)

The Committee reported that the Indonesia 2022 virtual study tour session was successfully held with the ASEAN Secretariat on 11 October 2022. It had provided an excellent insight into the various initiatives, efforts/recovery post COVID-19 under the ASEAN Secretariat as well as the recent developments and innovations that are being introduced and implemented under the ASEAN Community Vision 2025 and ASEAN Connectivity 2025 to promote financial inclusion, financial integration and financial stability.

For 2023, it was suggested that the study tour be held virtually or in a hybrid manner 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 Central Bank Digital Currency (CBDC), financial inclusion and connectivity ASEAN masterplan on ASEAN Connectivity 2025. The proposed venues for these topics would be selected based on the speakers' identified for these topics.

Committee on Banking Education

The Committee reported it has officially launched the ASEAN Bankers Association (ABA) Training Portal for access by all member banks and personnel of the different national banking associations of the ABA. The Portal is an online members-only bulletin board and registration facility of training programs offered by the different training providers from the other National Bank Associations (NBA) in the region as well as training providers internationally.

The Bankers Association of the Philippines (BAP), as the administrator of the Portal, will now start the process of (1) registration of designated users per bank through the respective Human Resource Managers of each member bank subject to coordination with each of the different NBAs; (2) signing of the Memorandum of Understanding (MOU) between the ABA and the different Training Providers that will upload their training offers to the Portal with the draft MOU to be submitted to the ABA Secretariat for review; and, (3) promotion of the ABA Training Portal, its uses and features, to the different national banking associations through the sharing of videos and other promotional materials.

The Committee has proceeded with the adoption of the Asia Sustainable Finance Initiative (ASFI)¹ e-Learning Courses for the benefit of all officers and personnel of the members of the different NBAs of the ABA.

The Council also agreed to the new collaborative arrangements of having PERBANAS to co-chair in COFITT whilst The Thai Bankers Association to co-chair in ASEAN-IRR.

The 51st ASEAN Banking Council Meeting and 23rd ASEAN Banking Conference will be held in November 2023 in Vientiane, Lao PDR and hosted by the Lao Bankers' Association (LBA).

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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 PERBANAS (Indonesian Banks Association)

PERBANAS or Indonesian Banks’ Association, is a non-profit organisation formed in 1951. It was originally set up as a grouping of private banks in Indonesia. At an annual congress meeting in 2003, it was approved that the association be reformed into an organisation of all types of banks in Indonesia. Currently, PERBANAS members are private banks, state-owned banks, regional development banks, as well as Islamic banks. PERBANAS also offers university courses in banking & finance through Perbanas Institute, the prestigious finance banking and informatics institute in Jakarta, Indonesia.

PERBANAS as the primary organisation of the national banking industry, acts as a facilitator for members to convey their aspirations concerning the banking industry, to the government, House of Representatives and Banking Regulator (Indonesia Financial Services Authority and Central Bank). To its members, PERBANAS is the foundation in which they can contribute to the development of the national banking sector. PERBANAS has vision to be a respected and well-respected organisation and actively build professional banking industry and provide added value to national economic development, and mission to provide maximum contribution and added value to its stakeholders.

Further information on PERBANAS is available on the website: www.perbanas.org

- 1. The Asia Sustainable Finance Initiative (ASFI) is a multi-stakeholder forum, incubated by WWF Singapore that aims to harness and amplify the power of the finance sector to create low-carbon, climate resilient economies that deliver on the Sustainable Development Goals (SDGs) and the Paris Agreement. Based in Singapore, ASFI brings together global industry, academic, and science-based resources to support financial institutions in the region in implementing Environmental, Social, and Governance (ESG) best practices. ABS is a founding member of the ASFI Advisory Group, which comprises Singapore-based finance sector industry associations to provide strategic guidance on industry priorities and developments to ensure ASFI meets the needs of financial institutions.*