



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

Permanent International Secretariat

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CONCLUSIONS OF THE INFORMAL MEETING OF THE BSEC WORKING GROUP ON BANKING AND FINANCE

BSEC Headquarters, 6 November 2015

1. The Informal Meeting of the BSEC Working Group (WG) on Banking and Finance was held at the BSEC Headquarters on 6 November 2015.
2. The Meeting was chaired by Mrs. Brândușa PREDESCU, Special Representative of the Romanian Chairmanship-in-Office to BSEC, Minister Plenipotentiary, Consulate General of Romania in Istanbul.
3. The following BSEC Member States participated in the Meeting:

Republic of Armenia
Republic of Bulgaria
Romania
Russian Federation
Republic of Turkey
4. The following BSEC Related Body also participated in the Meeting:

Black Sea Trade and Development Bank (BSTDB)
5. The List of Participants of the Meeting is attached as **Annex I**.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

6. The Draft Agenda for the Meeting of the Working Group on Banking and Finance was prepared in accordance with Articles 6 and 7 of the Rules of Procedure, and circulated by BSEC PERMIS Note No. BS/INFO.2015.0481 dated 6 October 2015.

7. The Draft Agenda of the Meeting was discussed, amended and adopted. The Agenda as adopted is attached as **Annex II**.

AGENDA ITEM 2: STATUS OF IMPLEMENTATION OF RESOLUTIONS, DECISIONS AND RECOMMENDATIONS OF THE COUNCIL OF MINISTERS OF FOREIGN AFFAIRS RELATED TO BANKING AND FINANCE

8. The BSEC PERMIS representative informed on the state of implementation of the Resolutions, Decisions and Recommendations of 15th BSEC Council of Ministers of Foreign Affairs (Moscow, 1 November 2006), the 16th BSEC Council (Belgrade, 19 April 2007), 27th BSEC Council (Istanbul, 15 December 2012), the 20th Meeting of the BSEC Council (Yerevan, 16 April 2009) and the 32nd Meeting of the BSEC Council (Chisinau, 18 June 2015).

9. The participants took note of the information provided by the BSEC PERMIS and expressed their commitment to take necessary measures in order to secure proper implementation of the Resolutions, Decisions and Recommendations of the Council.

10. Following-up the Decision of the Council (15 December 2012), by which the BSEC Member States were encouraged to establish a practice of holding regular meetings of the Tax Forum under the BSEC framework, the participants invited the Member States to consider organizing the next BSEC Tax Forum during the first half of 2016.

11. The participants reiterated the recommendation of the Working Group for including issues related to combating tax evasion in the BSEC Member States as a main topic for discussion during the next BSEC Tax Forum.

12. The participants underlined the importance of enhancing cooperation between BSEC and BSTDB, based on the Terms of Reference of the Working Group and on the updated Modalities for the BSEC-BSTDB Interaction.

13. The participants welcomed the readiness of the BSTDB to provide support for capacity building of the Project Management Unit of the BSEC PERMIS and in the preliminary evaluation of projects.

AGENDA ITEM 3: REVIEW OF THE RECENT DEVELOPMENTS IN THE BANKING AND FINANCE SECTORS IN THE BSEC MEMBER STATES (ANTI-CRISIS MEASURES, REFORM POLICIES AND AGREEMENTS CONCLUDED OR UNDER DISCUSSION)

14. Presentations were made by the representatives of Romania, the Russian Federation and the Republic of Turkey, and the representative of the BSTDB.

15. The participants emphasized the role of a number of anti-crisis measures in the financial sector policy , including: more stringent financial sector regulation and supervision, stimulation of more active financial sector competition with the aim to help financial stability, timely application fiscal and monetary stimulus.

16. The participants stressed the importance of improving access to affordable and responsive financial products and services in the BSEC Member States as a precondition to the growth of economy, development of small and medium-sized enterprises (SMEs) and jobs creation.

17. In order to ensure adequate co-ordination and monitoring of the implementation of anti-crises measures in the financial sector, the Member States were invited to take further steps towards developing the regional cooperation in areas in which the financial sector is involved in international trade transactions, including such instruments as credit guarantee and credit insurance.

AGENDA ITEM 4: ESTABLISHMENT OF A BSEC MECHANISM TO COMBAT TAX EVASION

18. The participants took note of the presentation by the representative of Romania on updated version of the draft “Concept Paper on Elaborating a Mechanism of Interaction and Cooperation among the BSEC Member States on Combating Tax Evasion”. The presentation is attached as **Annex III**.

19. The participants welcomed the readiness of Romania to initiate the Project Proposal on “Elaborating a Mechanism of Interaction and Cooperation among the BSEC Member States on Combating Tax Evasion” in accordance with the “Guidelines of the BSEC Project Management Unit”.

AGENDA ITEM 5: DISCUSSION ON THE POSSIBILITY TO ESTABLISH THE UNION/ASSOCIATION OF THE BANKS OF THE BSEC MEMBER STATES

20. The participants invited the incoming BSEC Chairmanship-in-Office to explore the possibility to organize a BSEC Forum for Cooperation on Banking Matters, which can serve, *inter alia*, as a platform for discussion by the representatives of commercial banks and national banking associations/unions of the Member States regarding the scope of activities of such a union/association of banks of the BSEC Member States.

21. The participants took note of the readiness of the BSTDB to co-organize such a Forum, in case of interest of the Member States.

AGENDA ITEM 6: MEMORANDUM OF UNDERSTANDING BETWEEN WHO AND BSEC

22. The participants discussed and agreed with the content of the MoU, attached as **Annex IV**. At the same time, the participants asked the BSEC PERMIS to explore extension of the areas of cooperation between the WHO and BSEC to be regulated by the MoU.

AGENDA ITEM 7: APPOINTMENT OF THE COUNTRY-COORDINATOR OF THE WORKING GROUP ON BANKING AND FINANCE

23. The participants welcomed the willingness of the Republic of Turkey to continue its task of Country-Coordinator of the Working Group on Banking and Finance for a new two years term, beginning with 1 January 2016.

24. The participants agreed to submit to the BSEC Committee of Senior Officials the following draft decision to be adopted by the Council:

“The Council appointed the Republic of Turkey as the Country-Coordinator of the Working Group on Banking and Finance as of 1 January 2016 for a period of two years.

The Council invited the Republic of Turkey to submit to the Member States a draft Action Plan and to convene the Meeting of the Working Group for its consideration and approval”.

AGENDA ITEM 8: IMPLEMENTATION OF THE ECONOMIC AGENDA: TOWARDS AN ENHANCED BSEC PARTNERSHIP

25. The participants agreed on the following three priority areas on which the Working Group should focus on during the next medium-term (2016-2018):

- Seeking cooperation and support from national institutes and other relevant international bodies in order to provide training of personnel on good practices and evolving standards in the field of banking and finance, through thematic workshops and seminars;
- Expanding, where possible, dialogue on issues related to banking and financial sector regulations, supervision and exchange of information among the BSEC Member States;
- Exploring opportunities for regional cooperation and coordination in combating crime in banking and financial services.

26. The participants agreed with the content of the Achievements Report of the BSEC Working Group on Banking and Finance for the 2013-2015 term for its submission to the CSO Meeting.

27. The text of the Achievements Report of the Working Group on Banking and Finance is attached as **Annex V**.

AGENDA ITEM 9: ANY OTHER BUSINESS

28. No issue was raised under this agenda item.

AGENDA ITEM 10: DATE AND VENUE OF THE NEXT MEETING

29. The date and venue of the next meeting of the Working Group will be communicated to the Member States through BSEC PERMIS.

AGENDA ITEM 11: ADOPTION OF THE CONCLUSIONS OF THE MEETING

30. The Working Group adopted the present Conclusions for their submission to the next Meeting of the BSEC Committee of Senior Officials.