

RESERVE BANK OF FIJI

PRESS RELEASE



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RESERVE BANK OF FIJI SIGNS MULTILATERAL MEMORANDUM OF UNDERSTANDING WITH THE BANK OF PAPUA NEW GUINEA AND THE CENTRAL BANK OF THE SOLOMON ISLANDS AS MEMBERS OF THE BSP SUPERVISORY COLLEGE

A Multilateral Memorandum of Understanding (MMOU) has been signed by the Reserve Bank of Fiji, the Bank of Papua New Guinea and the Central Bank of the Solomon Islands, setting out a framework for co-operation between the three central banks as members of the Bank South Pacific Group Supervisory College¹.

The MMOU sets out intentions in areas of common interest where co-operation is essential for the effective and efficient performance of their respective prudential supervision functions with regard to the Bank South Pacific Group.

Bank South Pacific (BSP) Limited is an authorised deposit-taking institution under the *Banks and Financial Institutions Act 2000* of Papua New Guinea, to carry on banking business in Papua New Guinea. BSP has significant branch operations in Fiji and the Solomon Islands in terms of its banking business, with Fiji also hosting the Group's only insurance operation, as well as a recently licensed finance company operation.

In signing the MMOU, the Governors of the three central banks – Barry Whiteside, Governor Reserve Bank of Fiji; Loi Bakani, Governor Bank of Papua New Guinea and Denton Rarawa, Governor Central Bank of Solomon Islands - acknowledged the importance of sharing relevant information with each other in a timely and responsible manner in order to ensure the effective and efficient prudential supervision of BSP and BSP Entities. The Governors further acknowledged the continued expansion of BSP in their jurisdictions, and also intentions to expand to other Pacific Islands, which makes BSP a systemically important financial institution in the region.

The MMOU was signed on 4 December 2014, after the conclusion of the 29th South Pacific Central Bank Governors' Meeting from 2-5 December 2014, hosted by the Reserve Bank of Fiji, in Suva.

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¹ Supervisory colleges play an important role in the effective supervision of international banking groups as they seek to enhance information sharing among supervisors and assist the development of a shared agenda for addressing risks and vulnerabilities, and communicating key supervisory messages among college members.