



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

Permanent International Secretariat

Sakıp Sabancı Cad., Müşir Fuad Paşa Yalısı, Eski Tersane, 34467 Emirgan – Istanbul/Turkey

Tel: ++90 212 2296330-35 Fax: ++90 212 2296336

E-mail: info@bsec-organization.org

www.bsec-organization.org

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**REPORT OF THE
MEETING OF THE BSEC
WORKING GROUP ON BANKING AND FINANCE**

BSEC Headquarters, 25 May 2015

1. The Meeting of the BSEC Working Group (WG) on Banking and Finance was held at the BSEC Headquarters on 25 May 2015.
2. The Meeting was chaired by Ms. Lucia HADÂRCĂ, Director of Foreign Exchange Operations and External Relations Department, National Bank of Moldova.
3. The following BSEC Member States participated in the Meeting:

Republic of Armenia
Republic of Bulgaria
Georgia
Hellenic Republic
Republic of Moldova
Romania
Russian Federation
Republic of Turkey
4. The List of Participants of the Meeting is attached as **Annex I**.

AGENDA ITEM 1: ADOPTION OF THE AGENDA

5. The Draft Agenda of the Meeting was discussed 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

6. The BSEC PERMIS representative informed on the state of implementation of the Resolutions, Decisions and Recommendations of the 16th BSEC Council (Belgrade, 19 April 2007), 27th BSEC Council (Istanbul, 15 December 2012) and 30th BSEC Council (Varna, 19 June 2014) relevant for the activities of the Working Group on Banking and Finance.

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

8. Following-up the Decision of the Council (15 December 2012), encouraging the Member States to establish a practice of holding regular meetings of the Tax Forum under the BSEC framework, the Working Group invited Romania, in its capacity of incoming BSEC Chairmanship-in-Office, to undertake the appropriate measures to organize the next BSEC Tax Forum during the second half of 2015, and to consider the possibility of holding the next Meeting of the Working Group on Banking and Finance back-to-back with this event.

9. The Working Group also agreed to recommend including issues related to the tax evasion in the BSEC Member States as a main topic for discussion during the next BSEC Tax Forum.

AGENDA ITEM 3: IMPLEMENTATION OF THE ECONOMIC AGENDA TOWARDS AN ENHANCED BSEC PARTNERSHIP AND THE GUIDELINES FOR THE BSEC PROJECT MANAGEMENT UNIT

a) The Way Forward for an Action Plan on the Implementation of the “Economic Agenda towards an Enhanced BSEC Partnership”

10. The BSEC PERMIS informed on the following timeframe of implementation of the “Way Forward for an Action Plan on the Implementation of the Economic Agenda 2012” in 2015:

- June 2015: Launching surveys for the next medium-term (2016-2018);
- December 2015: Medium-Term (2013-2015) Achievements Report by Working Groups and BSEC PERMIS/Related Bodies and approval of the Action Plan for the period 2016-2018.

b) Implementation of the “Economic Agenda 2012”: Orientation Survey for the next medium-term (2016-2018)

11. The Working Group agreed on the following three priority areas on which it should focus on during the next medium-term (2016-2018), to be confirmed at its next meeting:

- 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;
- Making good use by the BSEC Member States, individually as well as on a collective basis, of the existing framework of the BSTDB and other International Financial Institutions active in the BSEC Region.

c) Guidelines for the BSEC Project Management Unit

12. The BSEC PERMIS representative informed the participants of the “Guidelines for the BSEC Project Management Unit” adopted by the BSEC Council of Ministers of Foreign Affairs (Varna, 19 June 2014). A booklet with the Guidelines for the BSEC Project Management Unit was distributed to the participants.

13. The Working Group took note of the presentation on the Guidelines of the BSEC Project Management Unit, delivered by the BSEC PERMIS, and invited the Member States to submit project proposals in compliance with the Project Proposal Template.

AGENDA ITEM 4: PROJECT DEVELOPMENT FUND (PDF) AND PROJECT MANAGEMENT UNIT (PMU): CONSIDERATION OF THE BSEC MEMBER STATES’ PROPOSALS FOR PROJECTS

14. The Working Group took note of the information provided by the BSEC PERMIS about the state of affairs with regard to the replenishment of the Project Development Fund.

15. The Working Group confirmed its existing priorities for projects to be funded from the PDF in the field of banking and finance, and underlined their conformity with the relevant frameworks for action in the field of banking and finance of the BSEC Economic Agenda 2012.

16. The Working Group invited the Member States to submit project proposals within PDF as well as in compliance with the Project Proposal Template attached to the Guidelines for the PMU.

AGENDA ITEM 5: ESTABLISHMENT OF A BSEC MECHANISM TO COMBAT TAX EVASION

17. The Working Group discussed the issue, taking note of the Concept Paper on elaborating a mechanism of interaction and cooperation among the BSEC Member States on combating fiscal evasion submitted by Romania at the previous meeting.

18. The Working Group decided to continue the discussion on the issue at its next meeting and invited the Member States to present their proposals regarding the possibility of establishing a BSEC mechanism to combat tax avoidance.

AGENDA ITEM 6: DISCUSSION ON THE POSSIBILITY TO ESTABLISH THE UNION/ASSOCIATION OF THE BANKS OF THE BSEC MEMBER STATES

19. The Working Group positively assessed the idea of establishment of the Union/Association of the Banks of the BSEC Member States, in compliance with the decision by the 16th Council of the Ministers of Foreign Affairs (Belgrade, 19 April 2007).

20. The Participants exchanged views on ways and means of establishing a Union/Association of Banks of the BSEC Member States and decided to:

- invite the Member States to communicate, through the BSEC PERMIS, the relevant views and proposals of their national banking associations regarding the idea of establishing such a union/association in order to facilitate elaboration of a concept on the tasks, functioning and financing of the activities of such a union/association;

- invite the Black Sea Trade and Development Bank 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.

AGENDA ITEM 7: MEMORANDUM OF UNDERSTANDING BETWEEN WHO AND BSEC

21. The Working Group exchanged views on the draft “Memorandum of Understanding between the World Health Organization (WHO) and the Organization of the Black Sea Economic Cooperation (BSEC)”. The Memorandum is attached as **Annex III**.

22. The Working Group invited the Member States to communicate through the BSEC PERMIS their views on the draft Memorandum and decided to continue the consideration of the Draft at its next meeting.

AGENDA ITEM 8: OUTCOMES OF THE REGIONAL TRAINING SEMINAR FOR THE BSEC MEMBER STATES ON THE NEW GLOBAL STANDARD FOR AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION IN TAX MATTERS (ANKARA, 23-25 MARCH 2015)

23. The Seminar has been organized in conformity with the priority theme on the exploring opportunities for regional cooperation and coordination in combating crime in banking and financial services, defined by the BSEC Economic Agenda 2012.

24. The Working Group took note of the Summary Proceedings and expressed its appreciation to the Global Forum, the Republic of Turkey and the BSEC PERMIS for organizing the Regional Training Seminar for the BSEC Member States on the New Global Standard for Automatic Exchange of Financial Account Information in Tax Matters. The Summary Proceedings of the Seminar are attached as **Annex IV**.

AGENDA ITEM 9: APPOINTMENT OF THE COUNTRY COORDINATOR OF THE WORKING GROUP ON BANKING AND FINANCE

25. The Member States, willing to assume the duties of the Country Coordinator of the Working Group on Banking and Finance for the next 2 years, are invited to submit their relevant proposals by 15 June 2015.

26. The Working Group expressed its appreciation to the Republic of Turkey for the work accomplished as the Country-Coordinator of the Working Group for the last 6 years.

AGENDA ITEM 10: ANY OTHER BUSINESS

27. No issue was raised under this agenda item.

AGENDA ITEM 11: DATE AND VENUE OF THE NEXT MEETING

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

AGENDA ITEM 12: ADOPTION OF THE REPORT OF THE MEETING

29. The Working Group adopted the Report of the Meeting for its submission to the Committee of Senior Officials and the Council of Ministers of Foreign Affairs for their consideration.
