



CHARTER FOR THE CENTRAL BANK GOVERNANCE FORUM

Name

The name of the grouping is the Central Bank Governance Forum. It consists of the Central Bank Governance Network, the Central Bank Governance Group and the Secretariat.

Purpose

The purpose of the Forum is to foster the good governance of central banks as public policy institutions.

Organisation

The Central Bank Governance Network consists of BIS member central banks. Other central banks may be invited to participate in the network. The representatives of central banks that are members of the network are senior central bankers who hold positions that afford familiarity with the whole range of activities of the central bank.

The Central Bank Governance Group consists of a maximum of nine members drawn from among the governors of BIS member central banks. Members of the group have a strong personal interest in the design and operation of central banks as public policy institutions. They are selected to ensure diversity and a broad representation of different approaches to central banking in countries around the globe (See Annex 1). Their proceedings are governed by rules of procedure (Annex 2).

The Secretariat is provided by the International Liaison Group at the BIS.

Responsibilities

The Central Bank Governance Network

- serves as a means for the compilation, analysis and dissemination of central bank governance information

The Central Bank Governance Group

- serves as a venue for the exchange of views among governors on matters of interest relating to the design and operation of central banks
- establishes criteria and sets priorities for the work on central bank governance carried out through the BIS and the Central Bank Governance Network
- oversees the operation of the Central Bank Governance Network and the Secretariat

The Central Bank Governance Secretariat

- provides support for the work on central bank governance

Accountability

The Chairman of the Central Bank Governance Group provides regular reports on the activities of the Governance Forum to all BIS member central banks on the occasion of the All Governors' Meeting. Oversight of the resource implications of work on governance is exercised using standard budgetary arrangements.

Membership, terms of office, appointment procedures for the Governance Group

The Central Bank Governance Group consists of at most nine governors from BIS member central banks. Members serve in a personal capacity for a renewable term of three years or until their term as governor comes to an end.

Members of the Governance Group are appointed by the Chairman of the All Governors' Meeting of BIS member central banks on the proposal of the Chairman of the Governance Group. In nominating/proposing a new member, the Chairman takes account of the membership criteria set out below and consults with other members of the central bank governance group and the central bank community. The General Manager of the BIS may choose to attend meetings of the Governance Group.

The three year terms of office are staggered, with a maximum of three members being elected every year. If a member leaves the group in the middle of his or her term, the new member replacing the governor who left will serve out the remainder of the term.

Membership criteria

Members are central bank governors¹ who have a strong personal interest in, and knowledge of, the design and operation of central banks as public policy institutions.

In selecting members, account shall be taken of the need to achieve diversity and to strike a balance with respect to

- geography
- nature of the central bank mandate
- the economic, political and institutional environment

The intention of these criteria is to ensure that emerging market and industrial countries are represented in a balanced manner. An effort is made to see that at least two of the central banks issuing reserve currencies are represented. Since members serve in a personal capacity owing to their interest in, and knowledge of, governance matters, there is no presumption that a member who leaves the group as a result of ceasing to be governor will be replaced by his or her successor at the central bank in question.

Chairmanship

The Chairman is chosen from among the members of the Governance Group by the members for a renewable term of office of three years or until he or she ceases to be a member of the group.

Transitional arrangements

Members as of 9 May 2005 will continue to serve, with the three longest serving members having an initial term of office of one year, the next three longest having terms of office of two years and the two with the shortest terms having terms of three years.

¹ In the case of the two large federal central banks (ECB and the US Federal Reserve), the Vice President/Vice Chairman may serve in the place of the President/Chairman.

Rules of procedure

1. The Governance Group holds meetings at times and places that its members deem suitable. The meetings afford an opportunity for members to discuss central bank governance questions of interest to them and to discuss priorities for work on central bank governance conducted through the BIS and the Governance Network. Substitution in meetings by alternates of members is not permitted. The Chairman may elect to invite from time to time central bank governors who have a strong interest in a particular topic on the agenda. In making such decisions, he or she will seek a balance between inclusiveness and the need to ensure an atmosphere suitable for frank and open dialogue.
2. The Central Bank Governance Group operates in a transparent manner. Records of its meetings are kept and made available to the central bank community. Members are given an opportunity to vet the records before they are released. Reports on activities are prepared and made available to the central bank community. The Chairman makes regular reports on its activities to the governors of BIS member central banks at the All Governors' Meeting at the BIS.
3. The Governance Group oversees the operation of the Central Bank Governance Network and the Secretariat.
4. The Central Bank Governance Network consists of officials in central banks designated by their governors as the point of contact for work on central bank governance. Central banks are invited by the Chairman of the Governance Group to designate representatives in accordance with criteria approved by the Governance Group.
5. Secretariat support for work on central bank governance is provided by the International Liaison Group at the BIS. The secretariat supports the operation of both the Central Bank Governance Group and the Central Bank Governance Network.
6. Decisions will be made through consensus. If consensus cannot be reached, decisions are made by simple majority vote, with each member having one vote and the chairman a casting vote.
7. With the exception of rule 6, these rules of procedure can be amended by the Central Bank Governance Group.