

Caroline Abel: Closing remarks - Bank Failure Simulation Workshop

Closing remarks by Ms Caroline Abel, Governor of Central Bank of Seychelles, at the Bank Failure Simulation Workshop, Victoria, 1 April 2022.

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Facilitators,

Participants.

We have come to the end of what has been a busy and fruitful week, and gauging from the interactions that I have witnessed, I am sure that all participants have a better appreciation of the importance of a practical and effective bank resolution framework and what this entails.

In addition to bringing light to pertinent matters relevant to bank resolution, the workshop has given us the opportunity to navigate a simulated crisis. It has been a valuable learning experience, allowing us to understand the process when a bank actually fails and to identify gaps in our framework and capacity.

Importantly, this should bring home that each of us in our functions within our respective authorities needs to be aware of our responsibilities, decisions that need to be taken and actions that need to be performed in the face of a crisis. A very important takeaway is that a bank crisis can unfold quickly and have severe social and economic ramifications. As such, planning should be a priority and should happen well before the emergence of a crisis as this facilitates decision-making and yields effective resolution.

The next step for the local authorities is to take what has been learnt over the past five days and apply it to the policy decisions relating to bank resolution, which is work-in-progress. I reiterate the sentiments expressed at the start of this workshop that this should not be a one-off exercise. We should leverage the momentum that has been built and maintain it even when the bank resolution framework has been reviewed and finalised. The framework will need to be tested, capacity will need to be continuously developed and co-operation mechanisms amongst relevant authorities will need to be put in place and strengthened.

Effective bank resolution and financial stability are in our interest, not only professionally but as consumers of bank services and agents in our country's economy. Let us continue working together towards this important objective.

To conclude, I would like to say thank you to all the participants for your active engagement in this workshop and for your commitment in the simulation exercise, which you approached as you would a real situation. I also wish to extend our sincere appreciation to James and the Team for guiding us through the theoretical elements of this subject of crucial importance and most importantly, for your candid sharing of practical experience gained dealing with bank resolutions in various jurisdictions. Thank you for diligently delivering this workshop and for your hands-on approach in guiding the participants through the simulation exercise. We look forward to continuing this productive engagement with you.

Thank you and a nice weekend to you all.