

Mr. Taoufik BACCAR, Governor of the Central Bank of Tunisia (BCT) opened, on Monday 23 November 2009, in the headquarters of the Central Bank of Tunisia (BCT), a regional seminar on "Central banks and the financial crisis".

On this occasion, Mr. BACCAR went over the different factors giving rise to the financial crisis and measures undertaken to contain its fallouts.

He pointed out in this respect that the international financial community is experiencing a "difficult period, almost historic" with reflections starting up in order to draw up the outlines of a new international financial architecture. He noted that in the framework of their mandate, central banks are to be the main actors in preserving financial stability in the world and in anticipating and finding solutions to crises.

He underlined that the recent crisis has revealed that financial markets were not efficient, neither were they ready for self-regulating. Thus, there was a need for boosting fine-tuning mechanisms and deep-seated reforms of the international financial architecture.

To this end, and to guarantee better control of risk, the Governor pointed out, it is important to ensure wide supervision both for banks and for financial institutions other than banks as well as all other actors intervening on financial markets.

As for reforms, the Governor of the BCT particularly focused on reorganising regulators, pointing out in this respect that "central banks are called to play a major role in setting this new architecture".

In fact, central banks are urged to target financial stability on the same scale as price stability. From this point of view, if reflection on the creation of "systemic risk regulators" succeeds, then it would be better to charge central banks with this strategic assignment.

Mr. BACCAR underlined also the need for boosting international cooperation in this new financial architecture and coordinating efforts to ensure coherent, high-quality regulation.

Yet, while waiting for the setting up of a global financial supervision, which is a sophisticated and difficult task, coordination of regulation by the international structures (International Monetary Fund, International Settlement Bank, Financial Stability Council) should be enhanced, along with support of country representative groups like the G20.

As for the Tunisian experience, the Governor of the BCT underlined our country concern about maintaining stability. He recalled in this context amendment of the laws of the BCT, which is charged as of 2006 with watch-over of stability, soundness and efficiency of the financial system.

In order to ensure monetary and financial stability, the new law entitles the BCT to cooperate with the regulation authorities of the financial and insurance sectors in order to set up a cooperation framework in the area of control. Thus, the BCT was authorised to conclude bilateral conventions for cooperation with supervision authorities in other countries.

This provision was boosted by the creation, in 2004, of a general department of financial stability and more recently the setting up, in January 2009, of a centre of financial and monetary research and studies under recommendations of the President of the Republic.

Henceforth, the Governor pointed out, the BCT covers both the macro-prudential and the micro-prudential aspects of financial supervision, a task that is so much recommended in most of the countries.