



ORGANIZATION OF THE BLACK SEA ECONOMIC COOPERATION

**Permanent International Secretariat**

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

**Istanbul, BSEC Headquarters, 28-29 November 2013**

1. The Meeting of the BSEC Working Group on Banking and Finance (WG) was held in Istanbul, on 28–29 November 2013.
  2. The Meeting was chaired by Dr. Mete BUMIN, Head of Foreign Relations Department, Banking Regulation and Supervision Agency of the Republic of Turkey.
  3. The following BSEC Member States participated in the Meeting:
    - Republic of Armenia
    - Republic of Bulgaria
    - Republic of Moldova
    - Russian Federation
    - Republic of Serbia
    - Republic of Turkey
    - Ukraine
  4. The following BSEC Related Body also participated in the Meeting:
    - BSEC Business Council (BSEC BC)
- The List of Participants of the Meeting is attached as **Annex I**.

5. The Draft Agenda of the Meeting was discussed and adopted. The Agenda, as adopted, is attached as **Annex II**.

### **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 15<sup>th</sup> BSEC Council (Moscow, 1 November 2006), 16<sup>th</sup> BSEC Council (Belgrade, 19 April 2007), 27<sup>th</sup> BSEC Council (Istanbul, 15 December 2012) and 28<sup>th</sup> BSEC Council (Odessa, 21 June 2013) related to the activity of the Working Group on Banking and Finance.

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

8. In conformity with the Recommendation of the BSEC Council (Belgrade, 19 April 2007), the Working Group invited the Member States which have not yet appointed their representatives on a long term basis for the Working Group on Banking and Finance to do so, while the rest of the Member States were requested, if necessary, to update the information on their representatives.

9. The BSEC PERMIS representative informed that the BSEC Council (Istanbul, 15 December 2012) took note of the information on the BSEC Tax Forum “International Taxation in the BSEC Region in the Light of Global Trends” (Antalya, Turkey, 20-23 November 2012) and, while expressing its gratitude to the Republic of Turkey for organizing and hosting this event for the first time in the area of taxation cooperation, encouraged the Member States to establish a practice of holding regular meetings of the Tax Forum under the BSEC framework.

10. The Working Group invited the Republic of Bulgaria in its capacity of incoming BSEC Chairmanship-in-Office to undertake the necessary measures to organize the next BSEC Tax Forum during the first half 2014, and to consider the possibility of holding the next Meeting of the Working Group on Banking and Finance back-to-back with this important event.

### **CONSIDERATION OF THE DRAFT ACTION PLAN OF THE WORKING GROUP ON BANKING AND FINANCE FOR THE PERIOD 2013-2015 TO BE PRESENTED BY THE COUNTRY-COORDINATOR**

11. The Working Group discussed, amended and adopted the Plan of Action for the period 1 July 2013 - 30 June 2015, elaborated by the Republic of Turkey as the Country-Coordinator of the Working Group. The Plan of Action is attached as **Annex III**.

## **THE WAY FORWARD FOR AN ACTION PLAN ON THE IMPLEMENTATION OF THE “BSEC ECONOMIC AGENDA TOWARDS AN ENHANCED BSEC PARTNERSHIP”**

12. The Working Group took note of the information provided by the BSEC PERMIS representative on the provisions of the Goal 10 of the “BSEC Economic Agenda Towards an Enhanced BSEC Partnership” regarding Closer Cooperation in the field of Banking and Finance and the steps to be taken for the proper implementation within the framework of the document titled “The Way Forward for an Action Plan on the Implementation of the Economic Agenda Towards an Enhanced BSEC Partnership”.

13. In this regard, the Working Group decided to focus its efforts on the following three priorities during the medium-term covering the 2013-2015 period:

- 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.

14. Following discussions regarding possible projects/deliverables to be implemented under the three priorities identified by the Member States in the Economic Agenda, the participants identified a number of project proposals for the medium-term (2013-2015), under which the Working Group on Banking and Finance will need to focus its activities in accordance with “The Way Forward for an Action Plan on the Implementation of the Economic Agenda Towards an Enhanced BSEC Partnership”, which were included in the Plan of Action for the period 2013-2015. The List of Project Proposals is attached as **Annex IV**.

15. The Member States are invited to present their considerations regarding ways and means of implementing the identified project proposals.

## **ESTABLISHMENT OF A BSEC MECHANISM TO COMBAT TAX EVASION**

16. The participants took note of the information provided by the BSEC PERMIS regarding this issue, in particular the proposal made by the representative of Romania during the BSEC Tax Forum (Antalya, 20-23 November 2012) on establishing a BSEC mechanism to combat tax evasion. The Participants agreed:

- a) to invite Romania to submit a draft concept paper on elaborating a mechanism of interaction and cooperation among the BSEC Member States on combating fiscal evasion;

b) to consider the draft on the basis of the opinions and comments by the Member States at the next meeting of the Working Group.

17. The Working Group requested the BSEC PERMIS to explore with the Global Forum on Transparency and Exchange of Information for Tax Purposes and with other international organizations the possibility of organizing a regional seminar for the BSEC Member States on exchange of information and share of good practices on tax issues in the course of the next year.

#### **EXCHANGE OF VIEWS ON THE OUTCOME OF THE SEMINAR ON TOBACCO TAXATION AND ADMINISTRATION (ANKARA, 24-25 JUNE 2013)**

18. The Working Group took note of the information provided by the BSEC PERMIS on the Seminar on Tobacco Taxation and Administration, organized by the Secretariat of the World Health Organization (WHO), BSEC PERMIS, Ministry of Finance of the Republic of Turkey and the Hacettepe University in Ankara, that was held in Ankara, on 24-25 June 2013.

19. The Working Group expressed its appreciation to the Secretariat of the World Health Organization and the Republic of Turkey for the initiative to organize this Workshop and decided to submit to the Committee of Senior Officials the following draft decision:

*“The Council took note of the information on the Seminar on Tobacco Taxation and Administration held in Ankara on 24-25 June 2013.*

*The Council expressed its appreciation to the World Health Organization and the Republic of Turkey for organizing this Seminar and stressed the importance of the exchange of experiences regarding the policies and processes of taxation and administration of tobacco products in the BSEC Member States.”*

#### **EXCHANGE OF INFORMATION ON THE RECENT DEVELOPMENTS IN THE BANKING AND FINANCE SECTORS IN THE BSEC MEMBER STATES**

20. The representatives of the Republic of Bulgaria, the Republic of Moldova and the Republic of Turkey made presentations about recent developments in the banking and finance sectors in their countries. The presentations are attached as **Annex V**.

21. The participants expressed their common vision that the banking and financial stability makes positive impact on socio-economic development and that the soundness of these sectors significantly contributes to the overall economic growth.

#### **COMMUNICATION BETWEEN BSEC PERMIS AND THE MEMBER STATES**

22. The Working Group discussed the BSEC PERMIS proposals regarding the improvement of the communications between the BSEC PERMIS and the BSEC Member States, and agreed,

in parallel with the official correspondence, to use the existing e-mail network to facilitate communication between the BSEC Secretariat and representatives assigned by the Member States to the Working Group on Banking and Finance.

### **ANY OTHER BUSINESS**

23. The BSEC PERMIS representative informed on the ways and means of implementation of the BSEC Public Communication Strategy.

24. The Working Group instructed the BSEC PERMIS to elaborate a working paper on implementation of the BSEC Public Communication Strategy for the Member States' consideration before 31 January 2014.

25. The Republic of Armenia, Chairman-in-Office of BSEC, called upon the Member States to take further efforts in securing the expert level participation in the next meetings of the Working Group.

### **DATE AND VENUE OF THE NEXT MEETING**

26. The date and venue of the next meeting of the WG will be communicated to the Member States through BSEC PERMIS.

### **ADOPTION OF THE REPORT OF THE MEETING**

27. 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.

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