

Transcript of the International Agencies' Joint Press Conference

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OHR

PDHR Calls for Centralisation of BiH Banking Supervision Before October Elections

The Principal Deputy High Representative, Larry Butler, will call again this morning for the Entity parliaments to enact the necessary transfer laws that will allow a central banking supervisions system to be established in BiH before the October elections.

A single banking supervision system will further protect depositors, and, by increasing banking security and maintaining the buoyancy of lending, will help to encourage investment and create jobs. Establishing such a system is an SAA requirement

Currently, banks in BiH are supervised by the two Entity Banking Agencies. The fact that cross-Entity banking has become the norm makes the existence of two banking regulators superfluous and counterproductive. It is expensive and inefficient to maintain separate organisations – and costs will rise further in the future as BiH begins to comply with EU banking Directives over the next few years. This will require special expertise, which will be more expensive if it has to be offered by two organizations rather than one.

If both Entity parliaments enact the necessary agreements in

the coming weeks, a modern European-standard banking supervision system, under the aegis of the Central Bank rather than separate Entity Banking Agencies, can be established before the October elections.

There is a consensus among all the main parties in BiH that centralizing the banking supervision system will benefit depositors and encourage investors, and the Bankers Association, which groups together banks from right across the country, has already come out publicly in support of this move.

Ambassador Butler will make the case for centralizing the banking supervision system when he addresses the Fourth Assembly of BiH Bankers Association later this morning. I've brought along copies of his speech.

EUFOR

No statement.