



د افغانستان بانکونو تړونونه
Afghanistan Banks Association

Issue#16

ABA E-Newsletter

ABA Reviews Banking Corporate Governance Regulation

Good corporate governance practices help support and strengthen corporate decisions aimed at achieving the corporate objective, especially those decisions that have an important impact on shareholders. The Bank's principal corporate objective and goals, like that of any corporate business entity, is to perpetuate its business while protecting and enhancing, over the long term, the value of the investments of its shareholders in the Bank.

Corporate governance involves a set of relationships amongst the bank's management, its board of management, board of supervisors, shareholders, its audit committee and other stakeholders. These relationships, which involve various rules and incentives, provide the structure through which the objectives of the banks are set, and the means of attaining these objectives as well as monitoring performance are determined. Thus, the key aspects of good corporate governance include transparency of corporate structures and operations; the accountability of board of management, board of supervisors to board of shareholders; and corporate responsibility towards stakeholders.

For better governance of Afghan banking sector, on 14th December 2015, Da Afghanistan Bank (Central Bank of Afghanistan) shared with ABA the draft version of Corporate Governance Regulation for further review and comments of member banks. Thus, ABA formed a working group and shared the corporate governance regulation with all its members. After depth review through working group, necessary changes consistent with international practices were suggested, compiled and officially submitted to Da Afghanistan Bank for consideration.



Event: ABA- Member Banks' Working Group on Banking Corporate Governance Regulation
Venue: ABA Conference Hall
Date: December 20, 2015



ABA Participates in MoCI's Ease of Doing Business Indicators Meeting

On December 13, 2015 Mr. Najibullah Amiri ABA Executive Director participated in the meeting of General Directorate of Private Sector Development (PSD), Ministry of Commerce and Industries (MoCI) on Ease of Doing Business Indicators (DBI) Reform Action Plan for 2016-2018. The goal of the DBI reform action plan is to rise Afghanistan's rank from 177 to 70 among 189 economies and its objective is providing Ease of Business Environment by promoting regulatory reforms that make it cheaper, faster and easier to do business in Afghanistan. The impact of the DBI Reform action plan will result increasing investment opportunities, accelerating business activities, reducing the business barriers and unemployment in Afghanistan.

During the meeting, H.E. Deputy Minister of, Ministry of Commerce and Industries, officials from the ministry of commerce and Industries, representative from the ministry of finance, ministry of water and Energy, Kabul University Professors, Kabul Municipality and other governmental and other non-governmental organizations participated in the meeting.

Mr. Amiri on behalf of ABA updated the participants about ABA and role of banking sector in development of business in Afghanistan. Mr. Shah Jahan Sirat Private Sector Development Consultant of MoCI delivered a presentation on Doing Business Indicators.



Event: MoCI's Ease of Doing Business Indicators Meeting Venue: Ministry of Commerce and Industry, Conference Hall
Date: December 13, 2015

ABA-Member Banks' Meeting with MoCI on Inducement of SME Access to Finance

To provide better competitive environment and promote the national industries, Ministry of Commerce and Industries (MoCI), General Directorate of Private Sector Development (PSD) planned to form a working group to work on access to finance for Small and Medium Enterprises (SMEs). The aim of the meeting was to discuss on how to remove barriers on access to finance and let SME businessmen know on various SME loan schemes and procedures. For this purpose, the initial meeting was conducted by the MoCI and all member banks and ABA was invited. On Behalf of ABA, Mr. Edrees Alimy Research and Communication Officer participated in the meeting. The meeting was chaired by Dr. Abdul Bari Rahman Industrial Deputy Minister, MoCI. In the meeting, Mr. Bari added that this meeting is the primary stage of the working group will be created by Afghanistan Banks Association - Afghanistan Industrial Association and Ministry of Commerce and Industries to identify the challenges and obstacles and find the way for better access to finance which is in favor of banks and businesses. Mr. Alimy provided updated information on banking financial statistics and the challenges banks confront in lending. Member banks representatives also raised their problems and suggestions individually regarding their banks' lending and credit risk. During the meeting, the Deputy Minister added that as per the statistics, the banks in Afghanistan have sufficient liquidity, if invested in the country, will definitely increase banks profitability and expand businesses but the challenges which the businesses and banks faces in terms of access to finance should be overcome. The Deputy Minister further stated that, MoCI will work on the subject matter and after two months working group will be held to observe the progress on given duties.



Event: ABA-Member Banks Meeting with MoCI on SME Access to Finance
Venue: MoCI General Directorate of Private Sector Development (PSD)
Date: December 13, 2015

ABA Strives to Enhance AIBF Productivity

The Afghanistan Institute of Banking and Finance (AIBF) was established in 2010 to provide education, training, and research to Afghanistan's banking and financial sector. Over the past three years, the Institute has delivered training on a broad range of subjects. In addition, it has established various relationships with regional banking and other financial institutes. From the beginning, the Institute was created as an independent non-profit organization with its own facilities and full-time training and support staff.

On December 27, 2015, Afghanistan Banks Association (ABA) with close coordination of Afghanistan Institute of Banking and Finance (AIBF) formed a working group of Human Resource Directors of all commercial banks. The purpose of the working group was to strengthen capacity of AIBF, its future development & quality training. Prior to this working group, on December 21, 2015, Afghanistan Banks Association had also organized AIBF/member banks top management coordination meeting to discuss the challenges and opportunities and to work together for AIBF strengthening.

In the HR meeting, Mr. Najibullah Amiri ABA Executive Director Amiri briefed them about the important role of AIBF for the banking sector and transforming the institute to center of excellence for banking and finance. He urged banks to contribute towards sustainability and strengthening of AIBF.

Mr. Pasily Executive Director, briefed about AIBF services. He also delivered a presentation on online application for AIBF courses, fee, course period, and engagement of professional trainers in the future.



Event: ABA -Member Banks' HR and AIBF Coordinating Meeting

Venue: ABA Conference Hall

Date: December 27, 2015

ABA Introduces Expert Bankers to Assist DAB in Implementation of ATS

Da Afghanistan Bank (DAB) is taking the initiative to expand and modernize the remittance system of Afghanistan. In this regard, World Bank planned to support the development of electronic Government payments framework by supporting DAB in introducing an Automated Transfer System (ATS) in its National Payment System (NPS). This would allow direct electronic connection between GOA's "Free Balance" and DAB's ATS. In this respect, on December 01, 2015 Afghanistan Banks Association (ABA) received an official letter from Da Afghansian Bank for nomination of three experts from member banks to work together with DAB on implementation of Automated Transfer System (ATS) that consists of the following components:

1. RTGS: Real-Time Gross Settlement
2. Automated Clearing House (ACH)
3. Centralized Securities Depository (CSD)

ABA communicated the matter with its member banks and after screening profiles of interested candidates, three most deserved experts were selected and officially introduced to cooperate with DAB toward implementation of this valuable project.
