



**High Level Meeting (Online) For  
Deputy Governors of Arab Central Banks & Monetary Authorities  
On:  
" Financial and Economic Crisis Management System: The Need for  
Review and Modernization"**

**Thursday 5<sup>th</sup> October 2023  
From 15:00 to 17:30 Abu Dhabi Time**

**Arab Monetary Fund  
Abu Dhabi – The United Arab Emirates**

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Time	Sessions' Outlines
15:00-15:05	<p><b><u>Opening Remarks</u></b></p> <ul style="list-style-type: none"> <li>• H.E. Director General Chairman of the Board - Arab Monetary Fund.</li> </ul>
15:05-16:05	<p><b><u>1<sup>st</sup> Session</u></b></p> <p><b>The financial crisis management system from the micro and macro perspectives:</b></p> <p>Rapid regional and international financial and economic developments have revealed several challenges and risks for the financial system, drawing attention to the need for supervisory authorities to review and modernize the crisis management system of central banks and strengthen the governance of financial stability and communication policies for central banks during both normal and stressful times. Similarly, the collapse of US banks in 2023 highlighted the significance of maintaining coordination between macroprudential and monetary policies and reducing conflict between their objectives, as well as the continuous evaluation of monetary policy reflections on solvency and liquidity indicators, especially when converting high-quality assets into cash if they are concentrated in government bonds.</p>
16:05-17:05	<p><b><u>2<sup>nd</sup> Session</u></b></p> <p><b>The role of precautionary policy in periods of crises not arising from the financial sector</b></p> <p>The Corona pandemic crisis, geopolitical developments, and unfavourable economic conditions such as high inflation rates</p>

	<p>revealed the possibility of additional risks and challenges that negatively affect financial stability. These risks and challenges include, for example, achieving a balance between protecting the individual and corporate sectors on the one hand, and maintaining the strength of the financial sector on the other hand, to ensure the flow of liquidity to the economy. During the pandemic, it was noticed that there was a discrepancy between countries in the use of macroprudential policy tools, which necessitates reviewing the role of the prudential policy in supporting monetary and fiscal policies decisions during crises not arising from the financial sector, if necessary. It is also important to draw lessons learned whether the releasing or loosening of regulatory requirements has positive impacts on reducing the crisis or has just led to a build-up of liquidity in the banking system. When it comes to the state of the economy, negative conditions may be reflected in the solvency of the banking industry as well as its various financial indicators (such as capital adequacy, default rates, liquidity, and profitability). However, to achieve long-term financial stability, it is essential to be cognizant of the likelihood that decisions regarding prudential policy could have short-term unintended consequences for the rate at which economic growth occurs.</p>
<p><b>17:05-17:30</b></p>	<p><b><u>Closing Session</u></b></p> <ul style="list-style-type: none"> <li>• Arab Monetary Fund.</li> </ul>