

**High Level Roundtable**  
**“Rethinking Monetary and Financial Sector Policies**  
**Amid Heightened Uncertainty”**

**Wednesday, September 18<sup>th</sup>, 2025**

**Four Seasons Hotel**

**Tunis | The Republic of Tunisia**

**Arab Monetary Fund**

## Rethinking Monetary and Financial Sector Policies

### Amid Heightened Uncertainty

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Time	Session
08:30 – 09:00	Registration
09:00 – 09:30	<b>Welcoming Remarks</b> <ul style="list-style-type: none"> <li>Fethi Zuhair Al-Nouri, Governor of the Central Bank of Tunisia (CBT)</li> <li>Fahad M. Alturki, Director General Chairman of the Board, Arab Monetary Fund (AMF)</li> <li>Jihad Azour, Director, Middle East and Central Asia Department, International Monetary Fund (IMF)</li> </ul>
09:30 – 10:00	<b>Introductory Note:</b> Monetary and Financial Sector Policies Amid Uncertainty
10:00 – 11:15	<b>Session I: Monetary Policy Amid Heightened Uncertainty and the Shifting Global Landscape</b> <p>The economies of the Arab countries are exposed to the ongoing shifts in the global landscape, exacerbated by the recent spikes in uncertainty. Consequently, monetary policymakers ought to consider (i) the impact of structural transformations on output gap measures; (ii) the impact of trade-related uncertainty on supply and demand; (iii) the impact of uncertainty on monetary transmission; (iv) the weakening of the U.S. dollar; and (v) the changing patterns of trade and capital flows. Pressures to weaken central banks' independence are also increasing the risk of fiscal and financial dominance that could impact their credibility and ability to deliver on their mandate.</p> <p>Against this backdrop, the session's focus will include the following issues:</p>

	<ul style="list-style-type: none"> <li>• How is uncertainty affecting the region's monetary policy environment and how to recalibrate monetary policy (e.g., communication; width of inflation target band, time horizon, FX interventions, capital flow management)?</li> <li>• How recent changes in the region's trade and capital flows are affecting monetary policy (e.g., exchange rate channel), and how to boost the effectiveness of monetary policy transmission and enhance the absorption of external demand shocks?</li> <li>• What are the main channels through which the weakening of the U.S. dollar could affect monetary policy in the region?</li> <li>• How could monetary policymakers enhance resilience? What is the role of domestic factors (e.g., fiscal and financial sector vulnerabilities)? Is central bank independence even more important under heightened uncertainty?</li> </ul> <p><b>Moderator:</b> Fahad M. Alturki (Director General Chairman of the Board, AMF)</p>
<b>11:15 – 11:30</b>	<b>Coffee break</b>
<b>11:30 – 12:45</b>	<p><b>Session II: Financial Stability and Financial Sector Policies under Global Uncertainty</b></p> <p>The uncertain global landscape is impacting financial stability in the Arab region through several channels: (i) high holdings by local banks of sovereign debt could leave them exposed to increases in interest rates and potential debt restructuring in the case of unsustainable debt dynamics; (ii) in countries with high reliance of the banking system on government deposits, commodity price volatility could affect banks' liquidity and funding structure; (iii) a sudden shift in global investor sentiment could reduce the availability of external funding for the banking sector; (iv) asset quality could suffer from the impact of uncertainty, geopolitical risks, and higher-for-longer rates on the corporate sector and asset prices. In addition, the financial deregulation in the U.S. and the potential global regulatory race-to-the-bottom, as well as contagion risks amid the strengthening nexus between banks and nonbank financial intermediaries could intensify boom-and-bust cycles, with spillovers to the region.</p>

	<p>Against this backdrop, the session will focus on the following:</p> <ul style="list-style-type: none"> <li>• How is global uncertainty affecting financial stability in the Arab region? What are the main channels? Is there a risk of ‘financial dominance’ from the potential tradeoffs between price and financial stability?</li> <li>• Which financial sector policies (e.g., macroprudential policies) should be used to mitigate the risks arising from global uncertainty (e.g., risks related to FX mismatches, real estate prices, and the sovereign-bank nexus)?</li> <li>• Should the macro prudential toolkits be revisited to assess suitability and operational readiness?</li> <li>• What changes to regulatory and supervisory frameworks are needed to ensure financial stability?</li> </ul> <p><b>Moderator:</b> Jihad Azour (Director, Middle East and Central Asia Department, IMF)</p>
<b>12:45 – 13:45</b>	<b>Lunch</b>
<b>13:45 – 15:00</b>	<p><b>Session III. Crisis Preparedness in the Financial Sector</b></p> <p>The session will underscore the importance of crisis preparedness in the financial sector in a shock-prone world. Specifically, it will cover central banks’ liquidity tools, bank resolution frameworks, the cross-border implications of bank resolution, deposit insurance, the potential role of digitalization, and insolvency frameworks in the private sector.</p> <p>Panelists will discuss the following:</p> <ul style="list-style-type: none"> <li>• How could central banks’ liquidity facilities provide sufficient support during crises (e.g., widening counterparty list, lending against illiquid collateral)?</li> <li>• What is the state of play of bank resolution regimes in the region? How could policymakers balance the risk to financial stability with fiscal costs of bank resolutions?</li> <li>• Are there cross-border dimensions of bank resolution frameworks? How can regional integration bolster domestic crisis preparedness frameworks?</li> </ul>

	<ul style="list-style-type: none"> <li>• What are the key features of an efficient deposit insurance mechanism?</li> <li>• Could digitalization help enhance crisis preparedness (e.g., via enhanced credit assessments)?</li> <li>• Are there sufficient insolvency frameworks for corporates and households? How does this affect credit growth?</li> </ul>
<b>15:00 – 15:30</b>	<p><b>Session IV. Closing Roundtable with Arab Governors</b></p> <p>The closing roundtable will gather the views and lessons learned, as well as identify any tangible actions going forward.</p> <p><b>Moderator:</b> Fethi Zuhair Al-Nouri (Governor, Central Bank of Tunisia)</p> <p><b>Speakers:</b> Their Excellencies the Governors of Arab Central Banks and Monetary Authorities</p>