



## Press Release

Members of the Board of Directors of Banco Central de Timor-Leste have visited leading ASEAN countries, Cambodia, Malaysia, and Indonesia, from July 22nd to July 31st.

The objective of the tour was to deepen the cooperation of BCTL and its counterparts in those countries, as well as taking the opportunity to explore their experiences and knowledge in financial development.

The ASEAN Tour started with two days in Cambodia, including a signing ceremony on 22<sup>nd</sup> July for a cooperation agreement between the Central Bank of Timor-Leste and the National Bank of Cambodia (NBC). The agreement was signed by the Governor of NBC, H.E Dr. Chea Serey, and the Governor of BCTL, H.E Mr. Helder Lopes, and took place at the Sofitel Hotel in Phnom Penh Phokeethra. The ceremony was witnessed by members of the BCTL Board, Vice-Governors, and Directors of the BNC, and also the Ambassador of Timor-Leste to the State of Cambodia, Mr. Ermenegildo Kopa Lopes, who is currently the Dean of Ambassadors to Phnom Penh.

This agreement marks the beginning of a close collaboration and friendship between the two institutions, based on working together to advance their respective financial sectors.

The main objectives of the agreement are to strengthen collaboration in banking operations, coordination of cross-border payments, innovation in digital finance, banking supervision, financial inclusion, and human resource development, which will allow the staff of both institutions to improve their technical knowledge through regular exchanges of staff and information.

Following the signing of the high-level agreement by the two central banks, a two-day bilateral meeting was held to share information relating to the perspectives and experiences on the development of the economic, monetary, and banking sectors focused on promoting the use of local currency and the approach to internalization, as well as other strategic areas of mutual interest to both institutions, such as the management of sovereign wealth funds.

Both institutions found great value as a result of the bilateral meeting and agreed that further bilateral meetings will take place in future, as a commitment to improving and strengthening cooperation between the two central banks.

The Board delegation then visited Bank Negara Malaysia for two days, from 25<sup>th</sup> to 27<sup>th</sup> July. A bilateral meeting with high-level officials from Bank Negara Malaysia led by its governor, H.E. Datuk Abdul Rasheed Ghaffour, and also attended by Vice-Governor Datuk Jessica Chew Cheng Lian.

The main objective of the meeting was to discuss the experience of Bank Negara Malaysia in developing the financial sector, including cross-border payments, financial inclusion, and capacity building. Based on the discussions, BCTL is in a stronger position to fulfil its responsibilities to prepare the pre-requisites for Timor-Leste to join ASEAN in the future. The meeting was very positive, and officials at the highest level of both institutions are committed to strengthening cooperation in the areas mentioned above. Bank Negara Malaysia indicated its willingness to provide any other support BCTL may need.

As well as the bilateral meetings with Bank Negara Malaysia, the BCTL delegation also held a meeting with Credit Guarantee Corporation Malaysia Berhad. At the meeting the delegation explored Malaysia's experience with the development of credit.

After completing the visit to Malaysia, the Timorese delegation visited Indonesia, where it signed a Memorandum of Understanding (MOU) with *Otoritas Jasa Keuangan* (OJK). The BCTL delegation also held high-level meetings at the headquarters of financial institutions that have branches in Timor-Leste under the supervision of BCTL. The delegation also met with RINTIS, a company supporting the development of Timor's Digital Payment System.

The meeting with OJK took place on July 30, 2024, at Wisma Mulia II in Jakarta, where the MOU was signed by the Governor of the Central Bank of Timor-Leste and by *Ketua Komisioner* Mr. Mahendra Siregar. As an MOU has been in place between the two institutions since being signed in Dili in 2016, it was renewed to include several new provisions.

The objective of the MOU is to symbolize mutual interest and commitment to reform and expand cooperation in various areas, including the sharing of information on various issues, capacity building, and the promotion of digitalization in the financial sector in each country.

Officials at the highest level of the two institutions reaffirmed their willingness to support in any area needed to develop the financial sector in Timor-Leste, as well as working to meet ASEAN requirements before Timor-Leste joins as a member.