Re-regulation to redefine Banking Business models, says Seetharaman

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DOHA Bank is participating in the four-day Sibos Conference in Geneva, which began on Monday. The theme for the 2016 conference programme is "Transforming the landscape".

On the sidelines of the conference, Doha Bank CEO Dr Seetharman highlighted on Banking Business models.

He said, "In response to the crisis the global regulatory reforms had been actively reviewed under the leadership of G20 countries in co-ordination with financial stability Board (FSB), International Monetary Fund (IMF) and Bank for International settlements (BIS). The Dodd–Frank Wall Street Reform and Consumer Protection Act in US implemented the regulatory reforms in response to the crisis.

"The Volcker's Rule was enacted under this regulation to restrict proprietary trading. The SEC also proposed tougher disclosure rules for Hedge fund and private equity firms."

He said, FSB, IMF and BIS are working on macro-prudential policy frameworks, including tools to mitigate the impact of excessive capital flows.

"Policy framework for systemically important financial institutions, regulation and oversight of shadow banking, risk practices on structured products were some of the areas which required review in the light of current crisis."

Basel 3 is also under implementation. The Banking Business model will be redefined on account of shift from de-regulation to re-regulation, he said.

Seetharman highlighted on GCC and Qatar banking industry.

He said, "The asset growth in Qatar was close to 6 percent and lending growth was close to 7 percent till July 2016. The banking sector has a strong bond with the economic environment and, hence, is poised for multidimensional growth.

"A developing economy like Qatar requires considerable financing and so the growth opportunity for the financial sector is strong. However the fall in oil prices had impacted the liquidity in Banking sector this year. The deposit growth in Qatar was more than 5 percent till July 2016. Qatar Banks are also looking forward to leverage on innovations in technology for the benefit of its customer."

Doha Bank CEO Dr Seetharman in Geneva recently.