

Welcoming Remarks Speech

Speech given by

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Webinar on AFAQ Cross-Border Service between GCC Countries

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[Introduction]

- A very good afternoon to all, and it is my pleasure to welcome you to this webinar.
- GPC is delighted to host this webinar on "AFAQ Cross-Border Service between GCC Countries" virtually and extend a warm welcome to our speakers who are here to contribute to the sessions today.

[GPC]

- Let me start with an overview of the Gulf Payments Company (GPC) which was established by the Supreme Council of the Gulf Cooperation Council (GCC) to provide a core regional payments infrastructure that would act as the backbone for the broader payments' ecosystem in the GCC region.
- GPC is owned and led by the National Central Banks of the six GCC countries. The company Board is represented by the Governors and officials from NCBs. This ownership structure enables GPC to support the GCC National Central Banks with state-of-the-art cross-border RTGS services. At the same time, it contributes to the financial integration, stability, and economic growth in the GCC region.
- The strategic mission of GPC is "to establish a fully functioning organization that provides a safe, efficient, and cost-effective cross-border payment system while leveraging cutting edge technologies in accordance with international standards and best practices." We address this mission in a comprehensive, systematic, and phased approach by developing GPC products and services for the region under the label "AFAQ services."



[AFAQ Services]

AFAQ (an Arabic word meaning “Horizon”) services comprise all products delivered by GPC in collaboration with GCC regional central banks. The establishment of the AFAQ payments infrastructure and the roll-out of its services has been so far designed as follows:

- The first phase of the AFAQ service handles transactions in domestic currencies cross-border and cross-currency between the GCC countries.
- A second phase is designing, developing, and implementing a single currency service for local payments in foreign currencies within and between the GCC countries including \$ currency.
- Other phases also include supporting cross-border multilateral net clearing of instructions submitted by various regional clearing systems, as well as outsourcing domestic payment services for executing domestic payments and settlements when requested by national central banks.

The first phase, the AFAQ cross currency service, has been live and in operation since December 2020. It started with the Central Bank of Bahrain and Saudi Central Bank and was followed by their pilot commercial banks as the pilot phase for three months, then, the service moved to full operations. Further, the remaining GCC central banks will follow their project plans matching our phased approach strategy.

[Conclusion]

But the mission of GPC is not completed with the implementation of the current “first and second phase services.” As already mentioned, “GPC will be leveraging cutting edge technologies with international standards and best practices” for other services in close cooperation with the GCC NCBs in the GCC region.

[Transition to the second item in the agenda]

Further details on the AFAQ services and the role of AFAQ for enhancing cross-border payments will be the subject of this webinar’s upcoming sessions as per the distributed agenda. Starting with the AFAQ service overview which will be presented by the business director of GPC - Mona Alsemayen.

I wish you all a very fruitful webinar and a pleasant time.

