- Programme Director
- Honourable Minister for Finance
- Honourable Minister for Commerce, Industry and Trade
- Members of both houses of Parliament present in this forum
- Board of Directors of the Central Bank
- CEOs of Commercial Banks & Non-Bank Financial Institutions
- CEOs of Private Sector and Public Enterprises
- Representatives of International Organizations
- Representatives of Non-Governmental Organizations
- Senior Government Officials
- Central Bank Management & Staff
- Media Representatives
- Distinguished Guests
- Ladies and Gentlemen,

Introduction

The Central Bank has its authority delegated by the Ministry of Finance, through the Exchange Control Order of 1974. The relevant subordinate legislation is made up of the Exchange Control Regulations 1975; and the Money Laundering and Financing of Terrorism (Prevention) Act 2011.

Consequently, the shift from the Exchange Control regime to a Financial Surveillance model also means that a significant aspect of monitoring financial flows is now delegated to Authorized Dealers, being our banks and bureaus as well as remittance providing entities. Only a few transaction categories will still require pre-approval by the Central Bank. As mentioned earlier, this is aimed at enhancing the efficiency of the financial sector as a payment instruction is processed instantly by the Authorized Dealer henceforth eliminating the process lag that was experienced with the 100% exchange control regime. Ultimately, it will contribute to improving the ease of doing business in Eswatini.

It should be noted that there are of-course other structural bottlenecks that constrain the ease of doing business in Eswatini. The pre-approval requirement in the exchange control process created a bureaucratic layer which slowed the flow of funds, affected trade and increased the workload for both the financial institutions and the regulator. Further, the increasing trade activities has led to the regulator experiencing high volume of applications which, increases the turnaround time.

The previous predominantly pre-approval processes combined with the phrase "Exchange Controls" were undesirable, perceived as stringent and therefore not investor friendly. It is in that light that the Central Bank is adopting the financial surveillance regime. It is our expectation that investor confidence will be significantly improved going forward.

In the past years, the Central Bank adopted a gradual relaxation approach of exchange controls. Such a move, resulted in the significant aspect of facilitating financial flows being delegated to Authorized Dealers. Accumulatively, enhanced relaxation and increased delegation of powers to authorized dealers have amounted to a significant movement towards creating a self-regulating environment within the financial sector of the economy.

Such developments give assurance to the country at large to expect an improvement in investor confidence with the financial system in the country.

The migration or adoption of the name "Financial Surveillance" gives the necessary assurance that there will be sufficient oversight on foreign currency transactions for the analysis of the country's inflows and outflows, whilst also assisting in determining Eswatini's Balance of Payments position.

The celebrations come at the most opportune time as Eswatini works on its economic recovery strategy. The enabling environment that has been created by this migration will go a long way towards facilitating increased economic activity that should translate to the much-needed growth in foreign currency reserves and improved import cover.

In conclusion, I confirm that the Central Bank aligns itself with government initiatives of promoting Foreign Direct Investment. This has become even more important in the prevailing economic conditions as imposed by the prevailing pandemic. We stand ready to support our government, taking note in particular of the plans for the country's economic recovery. We believe that the migration to the financial surveillance regime will contribute greatly to these initiatives.