

## **Memorandum of Understanding Between The Union of Arab Banks and The Italian Banking Association**

### **I. Parties**

This Memorandum of Understanding ("MOU") is between the two parties:

- The Union of Arab Banks ("UAB"), based in Beirut – Lebanon  
Tel: 00961-1 785711  
Fax: 00961-1 867925  
Website: [www.uabonline.org](http://www.uabonline.org)  
E-mail: [uab@uabonline.org](mailto:uab@uabonline.org)
  
- The Italian Banking Association ("ABI"), based in Rome – Italy  
Tel: 00 39 06 6767256  
Fax: 00 39 06 67678015  
Website: [www.abi.it](http://www.abi.it)  
E-mail: [ci@abi.it](mailto:ci@abi.it)

### **II. Overview**

- UAB is committed to strengthening the Arab banking sector's integration in the international economic and financial marketplace, and participation in international and regional initiatives to ensure the sector's growth, sustainability, stability and interests.
- ABI undertakes initiatives at the national and international level, for the orderly, stable and efficient growth of the banking and financial system in a competitive framework consistent with Italian and European Union law.
- Within this framework, ABI and UAB intend to develop a fruitful cooperation to serve the benefit of their respective members, broadening banking dialogue and relations between the Arab world and Italy; in this context the parties will cooperate with a view to bringing their relation to a strategic dimension, leading eventually to the establishment of an Italo-Arab Banking Federation (IABF), which could result in direct contact between banks, intermediaries and regulatory authorities of the Italo-Arab region and, if possible, expand it to a euro-Mediterranean level.

### **III. Objectives**

- ABI and UAB will cooperate in order to achieve the following objectives:
  - (i) Bridging cultural banking and financial differences between Italy and the Arab region;
  - (ii) Enhancing banking relations and communication channels which facilitate trade and investments between Italy and the Arab region;
  - (iii) Promoting strategic alliances and partnerships between Arab and Italian banks.
- In order to achieve the objectives mentioned above, the two parties will design, develop and implement the following activities:
  - (i) organisation of workshops, conferences and round tables on regional and international issues of strategic interest to respective members, aimed at improving mutual understanding between Italian and Arab banks and facilitating financial integration, also by means of exchanging experience and know-how in different fields of banking activity, including development of Islamic financial products;
  - (ii) promotion of joint research on banking and financial issues in Italy and in the Arab region;

- (iii) to the extent permitted by law and in compliance with competition law, exchange of information on: banking laws and regulations, with particular reference to market access conditions for foreign intermediaries and significant current developments; ownership structure of the banking sector and privatisation processes; main trends in banking activity, including systems of payment and other relevant issues; conferences organized by each party; any other relevant data and publications issued by each party. The two parties will develop standardised procedures aimed at ensuring a systematic and effective exchange of information;
  - (iv) organisation of training programs leading to the issuance of professional certificates;
  - (v) development of technical assistance and advisory services related to institutional building in the banking sector.
- UAB and ABI will provide mutual support and assistance on specific critical issues and operational problems that may arise in interbank relations concerning the Italian and Arab regions.
  - UAB and ABI will facilitate the exchange of experts, consultants and specialists between respective members for research and training purposes.
  - UAB and ABI will promote and support visits of banking delegations in their respective regions, aimed at strengthening interbank relations; to this end, on the occasion of these visits, the parties will also facilitate individual meetings of delegates with local counterparts.
  - The parties will carry out a feasibility study on the setting up of an Italo-Arab Banking Federation (IABF), including cost- benefit analysis, members' and other stakeholders' interest, political endorsement necessity, possible involvement of other European countries.

#### **IV. Procedures**

- UAB and ABI shall form a steering committee in charge of: coordinating joint activities; monitoring performance of the initiatives carried out; ensuring relevant follow ups; verifying effective implementation of the MOU.
- The parties agree to organize an annual meeting attended by UAB's Secretary General and ABI's General Manager, whereby joint activities are examined and evaluated. In the first meeting, to be held one year after the signature of this MOU, the parties will assess the opportunity to convert this agreement into an association agreement establishing the Italo-Arab Banking Federation (IABF); this decision will be taken on the basis of the results of the feasibility study mentioned under paragraph III and according to the degree of cooperation actually reached between the two parties.
- The parties are allowed at any time to withdraw from the present MOU upon prior notice.