

Interventions on Behalf of the Commonwealth by Miss Samantha Attridge, Head Finance and Development Policy, The Commonwealth to the United Nations, at the First Drafting Session of the Preparatory Process for the Third International Conference on Financing for Development, 27 -29 January 2015

## Domestic and International Private Finance

Thank you co-facilitator,

In the interests of time, I will make a very specific intervention focused on remittances which is also related to the issue of financial inclusion of woman and the poor.

The elements paper rightly highlights the importance of remittances and the need to reduce the high cost of remittance transfer, as a number of distinguished representatives have already mentioned during our discussion.

I would like to highlight another aspect of this issue which has so far not been touched upon, one which not only affects the cost of remittance transfer but also one which more crucially affects the very flow of remittances.

The issue is closely related to the lack of inclusiveness in global economic governance and lack of voice of developing countries and issues around system and country voice in the development of international regulation which impacts the international financial architecture and hence the flows of finance to developing countries.

A case in point is the concern that has been expressed by Commonwealth Central Bank Governors and Finance Ministers about the impact of Money laundering (AML) and Counter Terrorist Financing (CTF) regulation on the flow of remittances to developing countries

The recent crackdown on AML and CTF has resulted in banks attempting to sever their ties with many clients in developing countries in an attempt to limit the risk of being hit by massive fines. For example. In 2014 Barclays attempted to shut down the account of a client in a developing country.

This clearly highlights the need for cohesiveness and the need to ensure inclusive voice at the international level to ensure the development of an architecture which is responsive to the needs of developing countries and considers impact on development finance.

Thank you.