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THE BRICS POST

BRICS Bank to commence business on 7 July

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The BRICS – Brazil, Russia, India, China and South Africa – agreed to set up the \$100 billion development bank last July, in a step toward reshaping the Western-dominated international financial system [Xinhua]

The BRICS New Development Bank will be launched at the first session of its Board of Governors in Moscow on 7 July, Russian officials have confirmed.

Russian Deputy Finance Minister Sergei Storchak announced at the St Petersburg International Economic Forum on Friday that the BRICS Bank will be ready for action after the maiden meet of the governors.

The New Development Bank will provide a financing alternative to the World Bank, where the five large emerging markets have sought more clout.

BRICS leaders also announced the establishment of the BRICS Contingent Reserve Arrangement, a 100-billion-dollar fund from which the BRICS member countries will be allowed to draw funds when going through a crisis.

The bank is set to be headquartered in Shanghai. India has already announced the first president of the Bank.

It will eventually open membership to non-BRICS countries and coincides with plans for the [Asian infrastructure development bank spearheaded by Beijing](#).

Russian Finance Minister Anton Siluanov will be the first chairman of the BRICS Bank's Board of Governors.

The leaders of five of the world's largest emerging markets will showcase a new currency reserve fund and development bank during the BRICS Summit in the Russian city of Ufa in July.

Brazil's envoy to the IMF and newly announced BRICS Bank Vice President, Paulo Nogueira Batista, said at the BRICS Business forum on Thursday in Russia that the BRICS are "not fully satisfied with the international financial architecture, not fully satisfied with the role that our countries are allowed to have at the IMF and the World Bank".

"Our countries are very active in IMF... We work together at the IMF... Despite this active involvement in the Washington institutions, our countries have begun to realize that we need to do our own thing," said Batista.

[Batista on Thursday said the BRICS have created a pre-management team in Shanghai even before the actual entry into force of the New Development Bank.](#)

The group's growth rate is still above that of the global average and its economic and political weight is increasing, evident from the decision of several European countries to join the China-led Asian Infrastructure Investment Bank.

As the BRICS countries prepare to launch new financial institutions like the \$100 billion BRICS Bank, the China-led Asia Infrastructure Investment Bank, and a \$100 billion BRICS currency reserve fund, the IMF has once again delayed voting reforms to give emerging countries greater say.

[A statement from the International Monetary Fund last week said the board has postponed the discussion on how to move forward without Washington.](#)

The board will now take stock of the situation in September.

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