Ongoing and Recent Work Relevant to Sound Financial Systems

Note by the FSF Secretariat (with inputs from various bodies) for the FSF Meeting on 8-9 September 2004

I. Work Completed Since the Previous FSF Meeting ............................................................... 2
   (i) Accounting, Auditing and Public Disclosure ............................................................. 2
   (ii) Market Functioning, Conduct and Transparency ..................................................... 3
   (iii) Prudential Regulation and Supervision ................................................................. 4
   (iv) E-Finance ................................................................................................................ 6

II. Ongoing Work ............................................................................................................. 7
   (i) Macroeconomic Management, Surveillance and Transparency .............................. 7
   (ii) Identifying Financial System Strengths and Weaknesses ......................................... 8
   (iii) Market Infrastructure ............................................................................................. 12
   (iv) Accounting, Auditing and Public Disclosure ........................................................... 19
   (v) Market Functioning, Conduct and Transparency ..................................................... 23
   (vi) Prudential Regulation and Supervision ................................................................. 28
   (vii) Combating Terrorist Financing and Other Market Abuses ..................................... 33
   (viii) Offshore Financial Centres (OFCs) ................................................................. 38
   (ix) E-Finance ................................................................................................................ 39

III. Glossary of Agencies and Web Addresses ............................................................... 41

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I. Work Completed Since the Previous FSF Meeting

(i) Accounting, Auditing and Public Disclosure

1. Financial Disclosure in the Banking, Insurance and Securities Sectors
   Agency: Joint Forum
   Completion Date: May 2004
   Brief Description: In 2002, the Joint Forum created a working group to follow up the recommendations contained in the April 2001 report of the Multidisciplinary Working Group on Enhanced Disclosure (MWGED). The working group began its work by surveying firm compliance with the specific recommendations made by the MWGED. The group has met with relevant end-users of financial reports to gain knowledge about their disclosure needs and with a number of firms, including hedge funds, to hear their views on the MWGED recommendations. In May 2004 the working group published its final report, and the report found that while firms have made good progress on enhancing financial disclosures, greater levels of disclosure are desirable in some areas. The work of this working group has come to an end for now, and regulators and standard setters are expected to continue to work on initiatives aimed at enhancing financial disclosures.

2. Disclosure and Transparency of the Reinsurance Industry
   Agency: IAIS
   Completion Date: March 2004
   Brief Description: In response to concerns within the FSF over potential vulnerabilities in the global reinsurance markets and the industry’s linkages to other sectors, the IAIS established a Task Force (referred to as Task Force Re) in late 2002, whose mandate was to develop a framework to enhance the transparency of the global reinsurance market and to propose measures to improve risk-oriented disclosure by individual reinsurance firms.

   The Task Force presented its final report to the FSF at the last meeting, announcing a new framework for collecting, processing and publishing global reinsurance market statistics, covering a significant proportion of reinsurance activity worldwide. The work has been a natural progression from the more general work on reinsurance by the IAIS, having to date produced a Standard on the Evaluation of Reinsurance Cover and a Standard on the Supervision of Reinsurers. Encouraged by the level of progress being made in enhancing risk-oriented disclosures by individual reinsurers, the Task Force has taken into account recent and ongoing work within the IAIS (notably that of the Enhanced Disclosure Subcommittee) and other groups such as the Joint Forum.

   To continue the work of the Task Force, a Reinsurance Transparency Group has been formed, which is responsible for the production of global reinsurance market statistics and reports on an annual basis, with the first report due in the fourth quarter of 2004.
(ii) Market Functioning, Conduct and Transparency

1. Credit Risk Transfer
   
   **Agency:** Joint Forum  
   **Completion Date:** September 2004  
   **Brief Description:** Under the aegis of the FSF, the Joint Forum reviewed the latest developments observed in the credit risk transfer (CRT) market. It particularly focuses on the most recent CRT techniques (credit default swaps – CDS and collateralised debt obligations – CDO), giving emphasis to the issues that are important from a financial stability perspective: (1) whether the instruments/transactions accomplish a clean risk transfer, (2) the degree to which CRT market participants understand the risks involved, and (3) whether CRT activities are leading to undue concentrations of credit risk inside or outside the regulated financial sector. The Joint Forum submitted an interim report to the FSF in March 2004, but has since continued investigations during the year. A final report, encompassing a number of recommendations, was submitted to the parent committees and to the FSF for its September meeting.

2. Performance Presentation Standards for Collective Investment Schemes
   
   **Agency:** IOSCO  
   **Completion Date:** May 2004  
   **Brief Description:** In February 2003, the Technical Committee published a consultative report on *Performance Presentation Standards for Collective Investment Schemes: Best Practice Standards* (“Best Practices Paper”). Having considered the comments received during the consultation process, the Technical Committee adopted a final version of this report at its Annual Conference in May 2004. The Best Practices Paper suggests best practice standards for the presentation of CIS performance in advertisements.

   
   **Agency:** IOSCO  
   **Completion Date:** July 2004  
   **Brief Description:** The IOSCO Executive Committee established an Islamic Capital Market Task Force to undertake a fact-gathering exercise to assess the extent of the development and potential regulatory issues relating to the Islamic capital market, as well as collecting information on Islamic financial products and activities. This Task Force issued an *Islamic Capital Market Fact Finding Report* in July 2004. The report is an information document that details the landscape of the Islamic financial services industry in general and broadly highlights key issues concerning the Islamic capital market.
4. Transparency of Corporate Bond Markets

Agency: IOSCO  
Completion Date: May 2004  
Brief Description: To address issues relating to the evolution of corporate bond markets, the Technical Committee has issued a report on *Transparency of Corporate Bond Markets*. The report reviews trading methodologies, transparency arrangements and regulatory frameworks for corporate bonds, including reporting requirements, in the corporate bond markets of the Technical Committee’s Standing Committee on Secondary Markets. It also compares differences in transparency arrangements among those jurisdictions and assesses the principal issues that arise in respect of corporate bond market transparency. The report proposes a number of core measures directed at the implementation of Principle 27 of the IOSCO Objectives and Principles of Securities Regulation, which states: “Regulation should promote transparency of trading.” These core measures call for greater access to bond market trading information and market surveillance to improve price discovery mechanisms and deter market manipulation.

(iii) Prudential Regulation and Supervision

1. Capital Standards for Banks

Agency: BCBS  
Completion Date: June 2004  
Brief Description: The BCBS achieved its objective of issuing the Basel II framework by mid-year. The paper issued on 26 June 2004, setting out the new three Pillar approach, consists of a complete version of the revised capital framework. The BCBS now expects its members (and other countries that wish to do so) to move forward with their appropriate adoption procedures. Three weeks after this release, the European Commission issued its own proposal for implementing Basel II in the European Union, which will now be taken forward in the European legislative process.

Since the FSF's March meeting a number of technical changes were introduced into the framework to deal with outstanding concerns regarding credit cards, securitisation and credit risk mitigation. A significant decision was also taken in relation to the implementation date: whereas the more simplified measures are to be introduced at end-2006, as planned, there will be a one-year delay in the implementation of the most advanced approaches to credit risk and operational risk. This means that the parallel running period will be extended until end-2009. The delay will allow both the industry and bank supervisors more time to calibrate, test and approve the advanced approaches. It is intended that banks moving to the advanced approaches would have the choice of staying on Basel I in year 2007 or adopting an interim simpler measure. The European Union's proposals are consistent with this choice.
A second issue that arose at a late stage was the calibration of the internal ratings (IRB) approaches. Consequent on the decision to move to an unexpected loss based measure for IRB banks, subject to an adjustment in the extent to which provisions are recognised in the capital numerator, testing has shown that minimum capital requirements for IRB banks are likely to fall. Given the BCBS's desire to maintain the overall level of capital in the system, the published paper refers to the possible need to apply a scaling factor to banks' internal ratings measures. The wording indicates that the scaling factor could be higher or lower than 1 and that present calculations indicate a factor of 1.06.

The paper also signals further work, going forward, on:

- Various trading book issues, including double default effects (in conjunction with IOSCO)
- Calibration of the final numbers on the basis of further testing by the industry and supervisors
- The possibility of recognising correlation effects in credit risk modelling
- The definition of capital

Many national supervisors who are not represented in the Committee have already begun to evaluate the suitability of the new Framework for banks in their jurisdiction and plan for the transition to Basel II. In order to further this process, the Committee at an earlier stage convened a Working Group largely comprised of members from non-member countries to assess the issues involved in implementing Basel II, to help them decide whether and when to implement Basel II, and to provide practical suggestions to supervisors for the transition to the new framework. These issues and suggestions are addressed in a paper published in July 2004 Implementation of Basel II: Practical Considerations.

2. Principles for the Management and Supervision of Interest Rate Risk

Agency: BCBS
Completion Date: July 2004
Brief Description: This paper, which updates an earlier paper on interest rate risk that was published by the BCBS in September 1997, sets forth principles for sound interest rate risk management. The principles in the paper address the need for effective interest rate risk measurement, monitoring, and control functions within the interest rate risk management process. In addition, the paper indicates that supervisors should pay close attention to banks where a standardised interest rate shock results in an economic value decline of more than 20% of the sum of Tier 1 and Tier 2 capital. This standardised rate shock (or an equivalent) is cited in Pillar 2 of the June 2004 Basel II capital framework.

3. Principles on Client Identification and Beneficial Ownership for the Securities Industry

Agency: IOSCO
Completion Date: May 2004
Brief Description: The IOSCO Technical Committee has adopted a statement of *Principles on Client Identification and Beneficial Ownership for the Securities Industry* (May 2004). These principles address key issues that have an impact over the whole spectrum of securities regulation.

(iv) **E-Finance**

1. Electronic Payments and Central Banks

Agency: CPSS
Completion Date: March 2004
Brief Description: In March 2004 the CPSS published the results of a survey on developments in electronic money, internet payments and mobile payments (the first such survey on electronic money developments was published by the BIS in May 2000, followed by an updated report in November 2001). As payments made using the internet and mobile phones have advanced quite rapidly during recent times as compared to e-money, these innovative methods of payment are included in the 2004 public survey. The report provides information on innovative products that are in use or being planned in 95 countries, as well as information on the policy stance adopted by the various authorities concerned, including central banks.
II. Ongoing Work

(i) Macroeconomic Management, Surveillance and Transparency

1. External Vulnerability Assessments
   
   Agency: IMF
   
   Target Date: Ongoing
   
   Brief Description: In April 2004, the IMFC reaffirmed that improving debt sustainability and reducing balance sheet risks were key immediate issues for addressing external vulnerabilities. Debt sustainability and balance sheet analyses are increasingly integrated into the Fund’s operations, with a particular focus on the role of public debt (both its level and structure), and balance sheet mismatches as sources of macroeconomic risks. Recent work in these areas include; (i) in February 2004, the Executive Board broadly endorsed the key elements of a framework to carry out debt sustainability analysis in low-income countries, and it is expected that in Fall 2004, a joint Fund-Bank staff paper will further extend the work on this topic; (ii) in March 2004, the Board discussed the policy of Data Provision to the Fund for Surveillance Purposes. With regard to external vulnerability assessments, most Directors agreed that improvements in the availability of data to conduct balance sheet analyses should be a priority in the period ahead, and emphasized the importance of breakdowns of assets and liabilities to gauge currency and maturity mismatches in sectoral balance sheets and the need to address weaknesses in public debt data; (iii) the integration of the balance sheet approach into Fund operations and its application in emerging market countries were discussed in an informal Board seminar in March 2004, and will be the subject of a staff paper that is expected to be discussed by the Board later this year; (iv) in May 2004, the Board held an informal seminar on Liquidity Management, which focused on the interactions between international reserves, public debt management, and private liability management in limiting liquidity risks; (v) in July 2004, during the Biennial Review of Surveillance, the Executive Board found that vulnerability assessments have been strengthened in surveillance and recommended that their various components be better integrated to further increase their usefulness.

2. Transparency of IMF Policies and Assessments
   
   Agency: IMF
   
   Target Date: Summer 2005
   
   Brief Description: In September 2003 the IMF Board concluded its review of the experience with policies to further enhance the transparency of its operations and the policies of its members. The Board (i) adopted a policy of voluntary, but presumed publication for most country documents, effective immediately for Use of Fund Resources documents and country policy intention documents, and beginning July 1, 2004 for documents related to Article
IV consultations and regional surveillance discussions; (ii) established special procedures for countries with programs involving exceptional access to Fund resources, according to which the Managing Director will generally not recommend Board approval of a program or completion of a review unless the authorities consent to publication of the staff report; and (iii) agreed to make the Board agenda public. Publication remains voluntary for Board documents related to Staff Monitored Programs and materials generated in the context of initiatives where participation is also voluntary, such as Financial Sector Stability Assessment reports and Reports on Observance of Standards and Codes. The presumed publication for Fund policy papers, except those pertaining to administrative matters of the Fund, has been in place since November 2002. Similarly, since March 1999 the public can have access to Board minutes after a lag of 10 years. The next review of the Fund’s transparency policy is expected to take place by June 2005.

(ii) Identifying Financial System Strengths and Weaknesses

1. Reports on Financial Stability and Regulatory Risk Assessments

A number of central banks, regulators and international institutions now publish reports that attempt to identify current and prospective risks to institutions and financial systems operating in their jurisdictions. Below is the list of website links of reports regularly published by the members of the Financial Stability Forum (similar reports are, needless to say, also published by bodies outside the FSF membership).

2. Financial Sector Assessment Program

Agency: IMF and World Bank
Target Date: Ongoing
Brief Description: The Financial Sector Assessment Program (FSAP) provides a coherent and comprehensive framework for identifying financial system strengths, risks and vulnerabilities, assessing development needs and priorities, and helping to develop appropriate policy responses. The FSAP work is based on a wide range of tools, including macroprudential and financial soundness indicators (FSI) analysis, stress testing, as well as standards and codes assessments, and is supported by experts from a range of national agencies and standard-setting bodies. It provides the basis for the IMF’s Financial Sector Stability Assessments (FSSAs) which are discussed by the IMF Executive Board within the context of a country's Article IV consultation. It also provides the basis for the World Bank staff's Financial Sector Assessments (FSAs), which are distributed to the World Bank Executive Board for information. A significant part of the IMF/World Bank work on assessing OFCs and on anti-money laundering and combating terrorist financing is also undertaken under the FSAP.

Under the program, 17-19 initial assessments are undertaken each year, and a number of past assessments are updated. A total of about 100 countries and economies, including almost three quarters of G-20 member countries, have undergone, are undergoing, or will soon participate in the FSAP. Those FSSAs which countries have decided to publish can be accessed at: http://www.imf.org/external/np/fsap/fsap.asp. The FSAs that have been published can be accessed at: http://www.worldbank.org/finance/html/cntry_rpts_fsap.html.

As part of the deepening of the FSAP work, FSAP training seminars are being conducted jointly by the IMF and the World Bank for supervisory/central bank officials. The seminar deals with substantive issues in financial sector assessment (relating to the assessment of financial stability and developmental needs), country experiences, and the FSAP process. Also, an FSAP handbook is being prepared covering these issues. It is expected that the next review of the FSAP by the Fund and Bank Boards would take place in 2005.

3. External Assessments of Implementation through Reports on the Observance of Standards and Codes (ROSCs)

Agency: IMF and World Bank
Target Date: Ongoing
Brief Description: Reports on the Observance of Standards and Codes (ROSCs) summarise the extent to which countries observe certain internationally recognized standards and codes. The IMF and the World Bank have endorsed internationally recognized standards and codes in 12 areas that are important for their operational work. In March 2004, the IMF and World Bank Boards endorsed the revised 40 Recommendations of the Financial Action Task Force (FATF) as the new standard for AML/CFT ROSCs, as well as the revised methodology to assess that standard. The final
stages have been reached in the definition of a unified standard for commercial insolvency and creditor rights on the basis of UNCITRAL’s legislative guidelines and the World Bank’s Principles and Guidelines for Effective Insolvency and Creditor Rights Systems.

ROSCs are prepared and published at the request of the member country. The ROSCs and FSAPs can be accessed at http://www.imf.org/external/standards/index.htm and http://www.worldbank.org/ifa.

As of end-March 2004, 528 ROSCs modules (for 107 economies) have been completed, of which 76 percent have been published.

In order to follow up on the recommendations arising out of the BCP assessments completed in the past, Fund staff are launching a survey of assessed countries to identify the areas in which authorities are facing obstacles in implementation of the principles. This will help in prioritizing areas for future Technical Assistance particularly that relate to Basel II, provide input into any future revision of the BCP and their methodology and at the same time provide an indication of the effectiveness of the assessment process itself.

4. Financial Soundness Indicators

Agency: IMF
Target Date: 1st half 2006
Brief Description: Several initiatives are aimed at developing further the use of Financial Soundness Indicators (FSIs) to enhance monitoring of financial vulnerabilities. They include (1) the preparation of a Compilation Guide on Financial Soundness Indicators (Guide) to encourage the widespread use and production of FSIs in member countries, and (2) the conduct of a coordinated compilation exercise (CCE) for around 60 countries to support efforts to compile and disseminate FSIs. A draft Guide was posted on the IMF’s external website for public comment in March 2003, and a comprehensive progress report was provided to the IMF Executive Board in June 2003. The Guide has been twice reviewed by a group of country and international agency experts in 2002 and 2003. The finalized Guide will be submitted to the IMF Executive Board prior to the posting on the IMF external website. It is expected to be published as an IMF document by the end of 2004.

To aid in the CCE, the IMF will be arranging a meeting at its headquarters during the fall of 2004 for compilers and coordinators of FSIs from the countries participating in the CCE. International agencies will also be invited to attend the compilers/coordinators meeting. The meeting will discuss the terms of reference of the CCE, address main issues arising from the current state of compilation efforts in countries participating in the CCE, provide guidance on the way forward for conducting the exercise, and help develop the standard format for reporting FSI data and metadata for purposes of the exercise. This will be followed by several rounds of regional consultations, in mid-2005 and in spring of 2006, to further help advance the compilation effort at the individual country level. Along with FSAPs and other IMF surveillance
work, the CCE should lead to an increasing number of countries compiling FSIs on an ongoing basis.

To promote awareness of the Guide among member countries, the IMF conducted eight outreach seminars in its various regional training centers. In order to encourage more data availability, the IMF, in collaboration with the Bank for International Settlements, also conducted a conference on real estate indicators and financial stability during October 2003. A volume on conference proceedings is expected to be released during the fall of 2004.

In parallel to this statistical development work, there has been substantial analytic work on FSIs aimed at enhancing their usefulness as a surveillance tool. It includes guidance on how to interpret FSIs and apply them to different country situations and work to clarify how to integrate the analysis of FSIs with other financial data, stress testing and standards assessments. This analysis is summarized in June 2003 Board Paper and reported in more detail in the associated Financial Soundness Indicators--Background Paper, both of which were posted on the IMF external website in July 2003. An IMF working paper has also been prepared on stress testing financial systems, which is expected to be issued during the summer of 2004. Efforts are also underway to further integrate FSIs into financial sector surveillance by IMF staff. Related work is ongoing in both the IMF and the World Bank to further develop and refine macro-prudential analysis and stress testing methodologies.

5. Financial Sector Regulation: Issues and Gaps
   
   **Agency:** IMF
   **Target Date:** September 2004
   **Brief Description:** IMF staff is reviewing the implementation of regulatory standards across a selected group of member countries. A regulatory evaluation was undertaken in these countries across banking, insurance, and securities sectors under the FSAP. The analysis will be grouped across four components of financial regulation: regulatory governance, prudential framework, regulatory practices, and financial integrity and safety net arrangements. The paper will (i) report on the state of implementation of internationally adopted financial regulatory standards in these countries; and (ii) raise issues relating to strengthening implementation, including the design or gaps in regulatory standards. It will also suggest actions that could be considered to intensify implementation and work towards developing further practical guidance for regulators on emerging regulatory risks.

6. Stress Testing
   
   **Agency:** CGFS
   **Target Date:** End 2004
   **Brief Description:** As part of the CGFS’s efforts to understand what financial institutions perceive to be the major risks in the period ahead, and how these risks
may have changed over time, national central banks are undertaking a survey of stress tests scenarios currently being used by financial institutions. There will also be a second phase which will involve discussions with reporting institutions on areas of particular interest to the CGFS, such as the treatment of changes in asset liquidity in stress tests.

7. Foreign Direct Investment in the Financial Sector

Agency: CGFS
Target Date: November 2004
Brief Description: The working group, which completed its final report in March 2004, explored the issues that foreign direct investment raises for investing institutions, home and host countries, and the global financial system. As part of this exercise, regional workshops have been conducted in Korea (June) and Mexico (July); another one is scheduled for Poland (November).

(iii) Market Infrastructure

1. Principles of Corporate Governance

Agency: OECD and World Bank
Target Date: Ongoing
Brief Description: In response to the May 2002 mandate by OECD Ministers, the OECD Steering Group on Corporate Governance has completed its assessment of the OECD Principles of Corporate Governance, with a revised edition of the Principles approved by the Organisation in April 2004. This review was supported by a survey of how member countries addressed the different corporate governance challenges they faced. It also drew on experiences in economies outside the OECD area where the OECD together with the World Bank Group, in co-operation with other sponsors, organizes Regional Corporate Governance Roundtables to support regional reform efforts.

Under the ROSCs initiative, the World Bank takes the lead in assessing the compliance of the corporate governance of emerging market countries to the OECD Principles of Corporate Governance. As of June 2004, a total of 38 corporate governance ROSCs assessments have been completed covering 33 countries; 27 assessments have been published.

The OECD and World Bank Group are regularly organising Regional Roundtable meetings in key emerging and developing markets, and a multi-donor Global Corporate Governance Forum has been established for dialogue and support in capacity building. Following the first White Paper on Corporate Governance in Russia in 2002, White Papers for Asia, Latin America and South East Europe were completed in 2003. On the basis of these White Papers, the Regional Corporate Governance Roundtables in 2004 are focusing their work on policy design, implementation and enforcement. For example, the Russian Roundtable is developing task force reports on the introduction of IFRS and on
policy issues with respect to beneficial ownership and related party transactions to be completed in November 2004.

The OECD is also advancing on the development of new “Guidelines for the Corporate Governance of State-Owned Assets,” due for completion by early 2005.

Concerning financial governance, the OECD completed work on guidelines on governance of pension funds in 2002 and should complete new guidelines on governance of insurers in 2004. The World Bank also developed special modules on corporate governance in pension funds, insurance companies, banks, and mutual funds.

2. Principles and Guidelines for Effective Insolvency and Creditor Rights Systems

Agency: World Bank
Target Date: Ongoing
Brief Description: In April 2001, the World Bank Board endorsed the Principles and Guidelines for Effective Insolvency and Creditor Rights Systems, for use in preparing ROSC assessments, with a mandate to review the experience and update the Principles. The Bank has completed its review and plans to release its revised Principles, taking into account lessons from the insolvency and creditor rights assessments conducted under the ROSC initiative, and following an extensive and broad-based consultation and coordination process. As this time, ROSC assessments have been completed in 27 countries, are ongoing in 6 and are being undertaken at the rate of 10-12 per year.

Building upon the work done by other international institutions (including the World Bank, IMF and the Asian Development Bank), UNCITRAL is completing a legislative guide for commercial insolvency law. An alignment exercise has been completed to ensure consistency between the Bank’s Principles and UNCITRAL’s legislative guidelines.

In cooperation with UNCITRAL and the IMF, the World Bank is currently preparing a paper on unified standards in the area of commercial insolvency and creditor rights systems covered by the Principles, for presentation to the Boards of the Bank and the IMF. The work is expected to be phased, with the first phase compiling standards for commercial insolvency systems, based on the Bank’s Principles, UNCITRAL legislative guide on insolvency, and guidelines pertaining for institutional and regulatory frameworks under development by the Bank in collaboration with other organizations, including the International Association of Insolvency Regulators. Phase one is due for completion by end 2004. The second phase will encompass unified standards in other areas covered by the Principles, including creditor rights systems (credit information systems, secured transactions, registries and enforcement) and credit risk management systems (e.g., wrongful trading, informal workouts, and recovery/resolution practices), where more technical guidelines are being developed by the Bank in collaboration with other organizations, due for completion in 2005.
The Bank’s assessment methodology will be conformed as necessary to the final unified standards document. The Bank is finalizing several papers discussing comparative practices in areas covered by the Principles, including the results of its survey of court practices and procedures. The Global Insolvency Law Database (GILD), launched as a companion piece to the initiative (www.worldbank.org/gild), has been developed further.

3. Bank Insolvency Initiative

Agency: World Bank and IMF
Target Date: Ongoing
Brief Description: The project, closely related to the work on effective insolvency described above, seeks to identify an appropriate legal, institutional and regulatory framework to deal with bank insolvency (the Framework), including in the context of systemic crisis and to develop the international consensus regarding that framework. Significant attention is devoted to participation of the highest possible number of countries. The initiative is being coordinated with other international efforts in related areas.

A number of global and regional seminars, as well as a series of consultation meetings with supervisory/legal authorities in all areas of the world have been completed. A Core Consultative Group with participation of 17 important countries and the international agencies participating in the Initiative has been actively cooperating in the preparation of the Main Document under the Initiative.

A version of the Main Document was presented for a technical briefing to the World Bank Board of Directors on January 8, 2004. The Document and its supporting and complementary papers will serve as benchmarks for voluntary policy dialogue with countries and for the respective reviews of their Framework for bank insolvency. A number of pilot policy dialogues with countries in different areas of the world (and reviews of their institutional and legal framework for bank insolvency) are underway, with the case of Chile already completed, the Czech Republic currently in progress, and the cases of South Africa and Brazil ready to start soon.


Agency: OECD and World Bank
Target Date: Ongoing
Brief Description: The World Bank organized the Forum on Insolvency Risk Management (FIRM) to sustain a global dialogue on the fundamental role and importance of insolvency and creditor rights systems. This initiative is being promoted by the Bank in collaboration with OECD to coordinate outreach on insolvency and creditor rights systems through a series of regional roundtables, including The Forum for Asian Insolvency Reform (FAIR) the Forum on Insolvency in Latin America (FILA), and the Global Judges Forum.
Organised by the OECD, and co-sponsored by the World Bank and ADB, in partnership with the Government of Japan, the third FAIR took place in Seoul, Korea in November 2003, where more than 100 participants from 18 countries met to discuss maximizing value of non-performing assets. The fourth FAIR convenes in Delhi, India in November 2004 to discuss credit and insolvency risk management practices. The meeting will distil experience on initiatives that have emerged since the Asian Financial Crisis in the area of insolvency and risk management, and assess whether they provide the right incentives for debtor and creditor discipline. In June 2004, the Bank and OECD launched the FILA, in which 150 participants took part from 31 countries, including most countries in the Latin American region. The first FILA focused on the comparative experience on insolvency reforms throughout the region and took stock of recent efforts to modernize insolvency and creditor rights systems in the light of some recent financial crises in the region.

The Global Judges Forum was launched in 2003 to promote the sharing of experience among insolvency and commercial law judges from around the world, bringing together more than 100 judges from 70 countries. In 2004, the Global Judges Forum reconvened to continue its work on a court practices guide aimed at providing guidance to strengthen courts and institutions responsible for implementing insolvency and commercial enforcement systems.

5. Collective Action Clauses (CACs)

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<td>Target Date:</td>
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<td>Brief Description:</td>
<td>Monitoring of draft model contractual clauses in sovereign bonds that will facilitate communication and promote orderly and predictable debt restructuring. The G10 had earlier released work by legal experts to ensure collective action clauses’ compatibility in major jurisdictions (Report of the G10 Working Group on Contractual Clauses, the Quarles Report). Follow-up work is ongoing. All relevant information is stored under eBIS (International Financial Architecture) which is an extranet facility provided to participating central banks.</td>
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6. Code of Good Conduct (COGC) in Sovereign Debt Resolution

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<td>Brief Description:</td>
<td>The G-10 is collecting information that might facilitate the process of establishing a COGC. The aim of the COGC might be to strengthen policy principles and to develop operational principles and to help (sovereign) debtors and creditors in a more timely, orderly and predictable resolution of a financial debt crisis. The contours of such a COGC are being debated by the private and official sector (in particular the G20).</td>
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7. Crisis Resolution

Agency: IMF
Target Date: Ongoing
Brief Description: The Spring 2003 IMFC meeting, while recognizing that it is not feasible now to move forward to establish the Sovereign Debt Restructuring Mechanism, urged the Fund to continue work on issues that are of general relevance to the orderly resolution of financial crises, a position the IMFC reiterated in September 2003 and April 2004. In response, the Fund’s current efforts on crisis resolution are focused on improving the process of restructuring sovereign debt within the existing legal framework. This includes (i) promoting the inclusion of collective action clauses (CACs) in international sovereign bonds in jurisdictions where they are not yet the market standard, (ii) contributing to initiatives aimed at formulating a voluntary code of conduct for sovereign debtors and their creditors, and (iii) continuing efforts to enhance the Fund’s capacity to assist members in resolving crises. The Board considered a paper on crisis resolution in the context of sovereign debt restructurings (February 2003) and a paper on the benefits, risks, and feasibility of aggregating creditor claims (September 2003) and recent developments in sovereign debt litigation (April 2004). The Fund has clarified the conditions under which it is willing to extend support in the context of a crisis for a member’s adjustment program and the scale of such support (February 2003), along with adopting a more comprehensive framework for making judgments on debt sustainability. The Board has also reviewed the application of the criterion concerning good-faith negotiations between sovereign debtor and its creditors in the context of the Fund’s lending into arrears policy (September 2002) and the IMFC has called on the Fund to continue reviewing implementation of this policy (April 2004). A summary of developments on crisis resolution initiatives, including on CACs and the development of a code of conduct, will be included in progress reports for the 2004 Fund-Bank Annual Meetings. Finally, staff have examined the usefulness of a balance sheet approach to crisis resolution.

8. Pension Systems and Financial Markets

Agency: G-10
Target Date: 2005
Brief Description: The objective of this project is to discuss how the evolution of pension systems, given ageing populations, will influence G10 financial markets and thereby impact on economic and financial policies. It is currently at the exploratory stage surveying past work carried out especially by the OECD and IMF. The precise focus of this project is to be decided at the next Deputies meeting.
9. Pension Funds Liabilities
Agency: OECD
Target Date: 2004
Brief Description: After completing a study on ageing and financial markets (Financial Market Trends, N°86, March 2004), the Committee on financial Markets launched in 2004 a benchmarking survey on financial issues related to pension funds liabilities in OECD countries, whose results should be discussed at the autumn session of the Committee. Further related work should also be considered in 2005, possibly with G10.

10. Oversight of Payment and Settlement Systems
Agency: CPSS
Target Date: Summer 2005
Brief Description: The CPSS will map and compare the objectives central banks have for their oversight work and the methodologies they use to achieve these objectives. The analysis will be carried out from both a national and an international perspective.

11. Developments in Large-value Payment Systems
Agency: CPSS
Target Date: Summer 2005
Brief Description: The CPSS will analyse recent developments in large-value payment systems including the introduction of new settlement algorithms designed to save liquidity in systems that provide intraday finality and the emergence of offshore payment systems. In addition, the risks and costs that arise from these new developments will be considered.

12. Foreign Exchange Settlement Risk Management
Agency: CPSS
Target Date: Spring 2005
Brief Description: The sub-group on foreign exchange settlement risk is monitoring the use of the Continuous Linked Settlement (CLS) service as part of its assessment of the implementation of the G10 Governors 1996 strategy for reducing foreign exchange settlement risk.

Agency: CPSS
Target Date: Summer 2005
Brief Description: The objective of the working group is to formulate practical guidance on the development and evolution of payment infrastructure in an economy, with an emphasis on dynamics of payment arrangements and on priorities within the context of an economy’s overall economic and financial development plan.

14. Risk Management Standards for Central Counterparties
   Agency: CPSS-IOSCO Task Force
   Target Date: End 2004
   Brief Description: The objective of the Task Force is to develop comprehensive standards that address all the major types of risk that central counterparties (CCPs) face. The Task Force published the consultative report on CCPs in March 2004. The three-month consultation period was closed on 9 June. About forty comments were submitted from central banks, industry groups and CCPs. The Task Force will consider how to accommodate these comments.

15. Exchange Demutualization
   Agency: IOSCO
   Target Date: Spring 2005
   Brief Description: Traditionally, exchanges have been responsible for a number of regulatory or quasi-governmental functions. Demutualization and other new ownership and organizational structures have, however, raised a number of regulatory issues and, in particular, there are concerns about the potential conflicts of interest between business operations and their regulatory obligations. Consequently, both the Technical Committee and the Emerging Markets Committee have undertaken new work projects relating to exchanges’ new ownership and organizational structures to assess appropriate regulatory responses to the issues raised.

16. Exchange Error Trade Policies
   Agency: IOSCO
   Target Date: Winter 2005
   Brief Description: The IOSCO Technical Committee has undertaken a new work project relating to the error trade policies of exchanges.

17. Enhancing Information Exchange among Securities Regulators
   Agency: IOSCO
   Target Date: Ongoing
   Brief Description: Following the event of Sept. 11th, a special Project Team on Cooperation worked on the development of a draft multilateral Memorandum of Understanding (MMOU) that would enhance information exchange
among the signatory securities regulators and facilitate financial crime investigation. The President's Committee of the Organization endorsed the IOSCO MMOU during its May 2002 annual meeting. The MMOU builds on the many previously existing IOSCO Resolutions and Principles to establish an international benchmark for cooperation and information sharing. Prior to signing the IOSCO MMOU, member regulators must establish through a fair and transparent process that they have the legal capacity to fulfil its terms and conditions. The process adopted for the implementation of the MMOU provides incentives for members that do not have the legal capacity to sign the MMOU to raise their respective national standards. IOSCO is committed to assisting them in this process and a framework for assistance is being developed. As a follow up to the endorsement of the MMOU, a screening group was set up. This group prepared an operational procedure to review the applications sent by members. The MMOU signatory process was officially opened in August 2002. Currently, 26 IOSCO members have completed the application process and have become signatories to the MMOU.

18. Enhancing the effectiveness of Deposit Insurance Systems

Agency: International Association of Deposit Insurers (IADI)
Target Date: Fall 2004
Brief Description: IADI has undertaken some investigations into the design of deposit insurance systems and the factors surrounding their introduction in a number of countries. A paper has been published to provide helpful guidance to policymakers in establishing deposit insurance arrangements as an integral part of a banking financial safety net.

IADI has also released a draft paper as general guidance for countries interested in adopting differential premium systems.

(iv) Accounting, Auditing and Public Disclosure

1. Accounting
   a) International Financial Reporting Standards

Agency: International Accounting Standards Board (IASB)
Target Date: Ongoing
Brief Description: Having completed a platform of standards for the adoption of International Financial Reporting Standards (IFRSs) by companies throughout the world in 2005, the IASB is now focusing on its convergence project aimed at eliminating differences among existing national and international accounting standards. In cooperation with national standard-setters, the IASB is also addressing major conceptual accounting issues, including insurance, performance reporting, a re-examination of financial instruments accounting, leasing, and employee benefits.
The BCBS, IAIS and IOSCO evaluate IFRSs in order to provide supervisory input in the development of existing and new standards in areas of supervisory interest. The IASB has also recently established a European Consultative Group to engage the regulatory community in Europe, including the European Central Bank (ECB), BCBS, European insurance supervisors, and the Committee of European Securities Regulators (CESR). This consultative group will focus on longer-term issues concerning fair value accounting and its application to regulated financial institutions. Additionally international working groups are being established to address insurance, financial instruments, and performance reporting issues.

b) Banking
Agency: BCBS
Target Date: Ongoing
Brief Description: The BCBS Accounting Task Force continues its update of the BCBS paper "Sound Practices for Loan Accounting and Disclosure" to reflect changes to the loan impairment guidance of IAS 39. It is planning to publish the document for consultation in due course.

The BCBS Capital and Accounting Subgroup (comprising members of the Accounting Task Force and the Capital Group) have been identifying and assessing the impacts on regulatory capital of accounting changes related to IFRS implementation. Release of decisions reached by the Committee began on 8 June and is continuing from time to time over the remainder of 2004. Further work is planned on impacts to risk-weighted assets and other aspects of financial reporting.

c) Insurance
Agency: IAIS
Target Date: Ongoing
Brief Description: At the end of March 2004 the International Accounting Standards Board (IASB) issued IFRS 4 Insurance Contracts, which is applicable to entities issuing insurance contracts on or after 1 January 2005. IFRS 4 has significant implications for insurers, as a number of changes in accounting practices will affect how insurers report their financial results and how insurance contracts are accounted for. The IAIS has emphasised to the IASB in its comments that it is vitally important that the methodologies for calculating the items in public financial statements are also acceptable for supervisory purposes. In its comments, the IAIS has raised two main concerns that are still valid with the final IFRS 4:

- the IASB standard does not lead to comparable and consistent accounting policies and may cause significant implementation problems in certain jurisdictions, including emerging markets;
- there are possible negative effects of inconsistent asset/liability reporting due to differing measurement bases during phase I. Financial statements might be perceived as not being fully reflective of the economic reality, pending development of phase II.
The IAIS has requested membership status on a working group that is being established by the IASB to work on the second phase, which is expected to be completed in 2007. Phase II will cover assets and liabilities arising from insurance contracts and probably require their measurement at fair value.

d) Securities

Agency: IOSCO
Target Date: Ongoing

Brief Description: The IOSCO Technical Committee has initiated a project on “Regulatory Interpretations of International Financial Reporting Standards” to address communications among IOSCO members to promote the consistent application and enforcement of IFRSs. The major outputs of this project are expected to be a central database of regulatory decisions and a process for facilitating communications and cooperation among regulators and other enforcers relating to IFRSs. The Technical Committee also will seek to coordinate its work on this project with a comparable project being undertaken by CESR-FIN. The Technical Committee also will undertake another initiative on “Review and Enforcement of Application of Financial Reporting Standards” focusing on the range of activities and powers that relate to reviews of public company financial statements by securities regulators and others. This project will focus on the powers and activities of a review process, and criteria and actions needed, regardless of the accounting standards in use. The major output of this project is expected to be an IOSCO statement of principles, best practices, and/or descriptions of effective models in use for such review functions. This project should conclude in 2005.

2. Auditing Standards

Agency: IFAC
Target Date: Ongoing

Brief Description: The International Auditing and Assurance Standards Board (IAASB) of IFAC has published its action plan for 2003 and 2004 (available at www.ifac.org). Early in 2004 it completed updated standards on fraud, quality control standards for both audit firms and audit engagements and audit planning. The IAASB is also issuing a major paper on matters involving the clarity of the standards – the language used and the style and length of the individual standards. By the end of the year it is scheduled to complete standards on the form and content of the auditor’s report and a new standard on group audits. Additional projects in process (with completion deadlines in 2005) include updating current standards on audit materiality, auditing accounting estimates, matters to be communicated to those charged with governance and the audit of related party transactions.

Steps have been taken to increase the independence of the IAASB Consultative Advisory Group with the appointment of an independent Chair and the creation of operating procedures aimed at making the CAG
better able to advise the IAASB on its technical issues and agenda priorities. The membership is being broadened to provide for greater geographic representation.

The BCBS, IAIS and IOSCO continue to evaluate International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Board (IAASB) in order to provide supervisory input.

3. Accountancy Profession

Agency: IFAC
Target Date: Ongoing
Brief Description: IFAC is working on achieving lasting reforms that increase confidence in accountants and the credibility of financial information. IFAC reform proposals were approved by the IFAC membership in November 2003. The BCBS, IAIS, IOSCO and the World Bank were closely involved in all stages of the development of these proposals, as was the European Commission. During 2004 a Public Interest Oversight Board (PIOB) will be created by the IFAC Monitoring Group to oversee IFAC’s public interest activities. The early establishment of PIOB, including the selection of its members, is essential to fully implement the reforms.

IFAC standard setting committees other than the IAASB – ethics, education and public sector accounting – will enhance the operations of their respective Consultative Advisory Groups to solicit both strategic and technical guidance from interested external parties. Increased confidence is possible only if the profession can demonstrate its accountability. IFAC encourages accountability in several ways: through its Code of Ethics, Compliance Program and the Transnational Auditors Committee. Early in 2004, IFAC approved 7 Statements of Membership Obligations (SMOs) which will set standards of compliance for its member bodies to follow – which include following the IFAC Code of Ethics and using their best endeavours to support the adoption of IFRS and ISAs in their jurisdictions.

4. Survey on Auditor Oversight

Agency: IOSCO
Target Date: 2005
Brief Description: The Technical and Emerging Markets Committees will initiate shortly a Survey on Auditor Oversight as a follow-up to the issuance of the IOSCO General Principles for Auditor Oversight and Independence. The survey will be comprehensive, covering not only compliance with the existing IOSCO principles, but also other aspects of oversight including legal frameworks. The questionnaire also will capture information on existing practices that may not be in conformity with the IOSCO principles - a “baseline” as to whatever is current practice - as well as a progress report on implementation of the principles. The
globalized results of this survey will be shared with other international standard setters and the Financial Stability Forum.

5. Global Reinsurance Market Statistics and Reports
   
   **Agency:** IAIS
   **Target Date:** 4th Quarter 2004
   **Brief Description:** The Reinsurance Transparency Group in the IAIS, which has recently superseded the IAIS Task Force on Transparency and Disclosure in the Reinsurance Sector, is now responsible for the production of global reinsurance market statistics and reports on an annual basis with the first report due in the fourth quarter of 2004. Work on this is on-going. The group will also continue to monitor closely the progress of other IAIS working parties, and work in other fora in the field of risk-oriented disclosures of internationally active reinsures.

6. Strengthening Country Capacity for Improving the Quality of Corporate Financial Reporting
   
   **Agency:** World Bank
   **Target Date:** Ongoing
   **Brief Description:** In view of the linkage between credible corporate financial information and economic development, the World Bank has been working with the authorities of many member countries to implement action plans on accountancy reform and development. These plans mainly focus on strengthening institutional capacity to implement accounting standards and related interpretations issued by the International Accounting Standards Board (IASB), and auditing standards and related pronouncements issued by the International Federation of Accountants (IFAC); and to develop monitoring and enforcement arrangements in order to ensure compliance with the applicable accounting and auditing standards. The action plans flow from the conduct of ROSC Accounting and Auditing assessments in these countries. As of end-June 2004, 38 Accounting and Auditing ROSCs had been completed, of which 20 have been published on the Bank’s web site, and assessment work was in progress in 2 countries. With the scaling up of ROSC Accounting and Auditing Program, there appears to be a growing demand for post-assessment follow-up and technical assistance to strengthen capacity for improving the quality of corporate financial reporting.

(v) Market Functioning, Conduct and Transparency

1. Credit Risk Transfer
   
   [Reporting on credit default swaps in the semi-annual central bank statistics on OTC derivatives]
   
   **Agency:** CGFS
   **Target Date:** End 2004
Brief Description: Following publication of the report on Credit Risk Transfer, the CGFS working group on credit risk transfer developed a statistical collection template for credit default swaps for the semi-annual central bank statistics on OTC derivatives published by the BIS. Following this, statistical experts in reporting central banks and the BIS have finalised reporting forms and guidelines for collection of the additional data.

2. Credit Rating Agencies

a) Regulatory perspective
Agency: IOSCO
Target Date: Fall 2004
Brief Description: An IOSCO special Chairmen’s Task Force is developing a Code of Conduct for Credit Rating Agencies (CRAs) designed to address many of the concerns raised by this industry and the role it plays in modern financial markets. Recent financial scandals, rightly or wrongly, have raised questions about how rating agencies ensure the quality and integrity of the rating process, how they address potential conflicts of interest, and how investors can be able to compare the ‘track records’ of different rating agencies when assessing how much weight to give a particular rating. The Code of Conduct for Credit Rating Agencies will be designed to address each of these concerns. The proposed Code of Conduct will follow the general structure of the Technical Committee’s Statement of Principles Regarding the Activities of Credit Rating Agencies, published by the Technical Committee in October 2003. These Principles laid out high-level objectives that rating agencies, regulators, issuers and other market participants should strive toward to improve investor protection and the fairness, efficiency and transparency of securities markets and to reduce systemic risk.

b) Ratings in structured finance
Agency: CGFS
Target Date: End 2004
Brief Description: A working group has been established which explores the role of rating agencies in the rapidly evolving markets for structured finance instruments. The group is seeking to develop an understanding of various methodological and organisational challenges involved in rating structured finance products, as well as determine the implications of the growth in structured finance for central banks in light of their financial stability responsibilities.

3. Bank Management and Disclosure of Liquidity Risk
Agency: Joint Forum
Target Date: November 2004
Brief Description: At its 25 February 2004 meeting, the Joint Forum agreed to undertake a preliminary investigation of funding liquidity risk in the banking, securities and insurance sectors. A dedicated sub-group is to conduct a two-stage exercise. The first stage primarily consists of research on what is presently known about funding liquidity risk and how it is managed. In this stage, the sub-group will (1) study and compare how banking, securities and insurance firms and groups manage liquidity risk, (2) study and compare the regulatory standards and practices adopted by various jurisdictions with respect to liquidity risk, and (3) prepare a factual report for the Joint Forum’s November 2004 meeting. At that meeting, the Joint Forum will decide whether to extend the scope of the sub-group’s mandate so as to establish a basis for the second stage of the project.

4. Emergency Liquidity Assistance
   Agency: CGFS
   Target Date: 2005
   Brief Description: Central bank liquidity assistance arrangements are being examined. As a first step, arrangements in each country are being documented (as part of this a 1999 survey of national central banks is being updated) and issues relevant for liquidity assistance to internationally active financial institutions are being considered.

5. Housing Finance
   Agency: CGFS
   Target Date: 2005
   Brief Description: A contact group has been established to explore issues such as the implications for financial stability of the institutional setup of national housing finance markets.

6. Governance of Collective Investment Schemes (CIS)
   Agency: IOSCO
   Target Date: Fall 2005
   Brief Description: Recent market events related to collective investment schemes (CIS) have called into question the effectiveness of the governance systems of the CIS operators involved. In response, the IOSCO Technical Committee has approved a new mandate for work relating to the governance of collective investment schemes. The intended output of this work will be the identification of broad general principles, in part based on past work of the Technical Committee relating to CIS (e.g., reports addressing infrastructures for decision-making and conflicts of interest). It also may specify additional general principles, such as fiduciary duties, investor rights and the transparency of information. As part of this work, the Technical Committee also will conduct a fact-finding survey regarding the differing models of governance for varying types of CIS and the internal control framework and procedures, with the
key objectives of understanding the effectiveness of current frameworks for oversight of regulatory or fiduciary obligations as well as the existing arrangements to ensure the safekeeping of CIS assets.

7. Mutual Funds: Market Timing
   Agency: IOSCO
   Target Date: Spring 2005
   Brief Description: Market timing, whereby arbitrageurs rapidly buy and sell collective investment schemes (CIS) shares to take advantage of out of date or stale prices within a CIS’s net asset value, raises costs for the CIS and harms other investors. By lowering the CIS’ overall returns, market timing also can present a conflict of interest between investors. This has resulted in regulatory action in several IOSCO member jurisdictions and the IOSCO Technical Committee has determined that consideration of the various international approaches to this issue would be advantageous. It, therefore, has approved a new mandate to develop international best practice standards in this area.

8. Standards on Fees and Expenses of Investment Funds
   Agency: IOSCO
   Target Date: October 2004
   Brief Description: The fees and expenses charged by investment funds have long been a concern for securities regulators and many jurisdictions are in the process of revising their regulations relating to such fees and expenses. The Technical Committee has completed a review of existing practices in this area and has issued a consultative report on Elements Of International Regulatory Standards on Fees and Expenses of Investment Funds (February 2004). Public comments on this report were due by 30 May 2004. The Technical Committee will issue a final report in October 2004.

9. Hedge Funds; and Risk Management and the Pension Fund Industry
   a) Hedge Funds
      Agency: IMF
      Target Date: Ongoing
      Brief Description: This work program aims to take stock of developments in the hedge fund industry, focusing on: (1) counterparty exposure; (2) use and measurement of leverage; (3) sources of market discipline; (4) disclosure practices and transparency; and (5) hedge funds’ impact on smaller and developing markets, including emerging markets. An initial report will be published in the September 2004 Global Financial Stability Report.

   b) Risk Management and the Pension Fund Industry
      Agency: IMF
      Target Date: September 2004
Brief Description: This study, to be published in the September 2004 Global Financial Stability Report, will consider the longer-term challenges pension funds face as populations age, and the key issues to address in order to enhance their risk management practices and their role as long-term investors.

10. Risk Transfer to the Household Sector
Agency: IMF
Target Date: March 2005
Brief Description: This study, to be published in the March 2005 Global Financial Stability Report, will examine the increasing transfer of market risk to the household sector, including in their savings for retirement and other purposes. It will look at how well equipped households are to bear such risks.

11. Coordinated Portfolio Investment Survey (CPIS)
Agency: IMF
Target Date: Ongoing
Brief Description: The purpose of the CPIS is to significantly improve the coverage and accuracy of global statistics on cross-border portfolio investment assets and liabilities. It collects comprehensive information, with geographical detail on the country of residence of the issuer, on the stock of cross-border equities, long-term bonds and notes, and short-term debt instruments for use in the compilation or improvement of international investment position (IIP) statistics on portfolio investment capital. A particular effort has been made to include small economies with international financial centers. The survey was conducted for year-end 1997, 2001 and 2002, and is now conducted on an annual basis. Results are published on http://www.imf.org. Metadata describing country compilation practices are also posted on the website.

12. Competition in Financial Services
Agency: OECD
Target Date: End 2004
Brief Description: In 2004, the Committee on financial Markets of the OECD sent a questionnaire on competition in financial services addressing major economic, regulatory and policy issues. A policy report should be completed by the end of 2004.

13. Financial Education
Agency: OECD
Target Date: 2005
Brief Description: The OECD launched last year a major project on financial education which is conducted by the Committee on Financial Markets, the
Insurance Committee and the Working Party on private pensions. One of the key objectives of the project is to develop good practices for policymakers to promote financial education at a time when individuals bear more and more risks, without the necessary related education and awareness.

(vi) Prudential Regulation and Supervision

1. Outsourcing in Financial Services
   Agency: Joint Forum and IOSCO
   Target Date: 2005
   Brief Description: The Joint Forum has embarked on a project on outsourcing in financial services. The work examines the growth in outsourcing in the financial sector and the trends that have accompanied this growth. It looks at the potential risks that outsourcing activities can pose to financial sector firms, while recognising the substantial benefits that outsourcing can provide. The Joint Forum is developing a set of principles, which are designed to assist regulated entities in determining the minimum steps they should take when considering outsourcing activities. There will also be some broad principles to help supervisors in taking into account outsourcing in their regular risk reviews of firms.

   The Joint Forum's high level cross-sectoral principles has been published for consultation in August 2004 in conjunction with a set of principles on outsourcing that are specific to the securities sector developed by IOSCO. The Joint Forum and IOSCO have collaborated on this work.

2. Mapping Regulatory Differences to Risks
   Agency: Joint Forum
   Target Date: June 2005
   Brief Description: In 2003 at a round table with industry the Joint Forum was asked about the extent to which industry practices were in fact converging across the banking, securities and insurance sectors and whether differences in the regulatory responses to risk between the three sectors reflect actual differences in risk and risk management between those sectors.

   In response, the Joint Forum has agreed to identify and explain regulatory differences in the context of market practice convergence. If differences are found to exist, in light of the findings, consider:

   - whether and how they could affect/hamper effective supervision of financial conglomerates;
   - the merits of addressing them further.

   The review will concentrate on those aspects of the regulatory responses to risks that are relevant to the areas of risk management where:

   - convergence in industry practice is taking place;
• financial conglomerates and their supervisors face concrete challenges with regard to evaluation and management of risk concentration and intra-group risk transfer.

   Agency: BCBS
   Target Date: Ongoing
   Brief Description: Building on the high-level principles for cross-border implementation of Basel II that were issued in August 2003, members of the BCBS are currently engaged in a number of actual case studies of internationally active banks. These case studies, which in many instances also involve non-G10 supervisors, are contributing significantly to members’ and banking organisations’ understanding of the practical aspects of cross-border implementation. The BCBS elaborated on its high-level cross-border principles regarding cross-border coordination and cooperation in a press release that was issued following its May 2004 meeting.

   Following the release in January 2004 of high-level principles governing cooperation and effective information exchanges between home and host supervisors in the practical implementation of the advanced measurement approaches (AMA) for operational risk capital requirements in Basel II, the BCBS has clarified its views on a number of issues that were raised by industry participants regarding practical application of the high-level principles. These were set out in the same May 2004 press release.

4. Compliance Function in Banks
   Agency: BCBS
   Target Date: December 2004
   Brief Description: The purpose of this document is to assist a bank in managing its compliance risk, i.e. the risk of legal or regulatory sanctions, financial loss or reputation damage that a bank may suffer as a result of failure to comply with applicable laws, rules and standards. Compliance risk management has become more formalised within the past few years and has emerged as a distinct risk management discipline. The document provides basic guidance for banks and sets out banking supervisors’ views on compliance in banking organisations. The version issued for comment in October 2003 is under revision with a view to finalisation toward the end of 2004.

5. Core Principles and Methodology in Effective Banking Supervision
   Agency: BCBS
   Target Date: Ongoing
   Brief Description: Over the past few years, the BCBS has moved more aggressively to promote sound supervisory standards worldwide. In close collaboration with many non-G-10 supervisory authorities, the BCBS in 1997 developed a set of "Core Principles for Effective Banking Supervision", 29
which provides a comprehensive blueprint for an effective supervisory system. To facilitate implementation and assessment, the BCBS in October 1999 developed the "Core Principles Methodology". The BCBS is currently exploring the scope and approaches for a possible review of the Core Principles, which can commence shortly.


Agency: IAIS
Target Date: Fall 2004-2005
Brief Description: Insurance principles, supervisory standards, guidelines or issues paper on the following topics are being developed by the IAIS:

- planned to be finalised and adopted at the annual meeting in October 2004:
  1) disclosure of technical performance and risks of non-life insurers and reinsurers, (2) investment risk management, (3) revised principles on the supervision of insurance activities on the internet, (4) revised guidance paper on Anti Money Laundering/Combating the Financing of Terrorism;

- intended to be adopted in fall 2005:
  5) supervisory framework - an outline of the general approach to insurance supervision and a roadmap for standard setting on capital adequacy and solvency, (6) forms of capital adequacy requirements, (7) criteria for valuation and measurement of insurance liabilities for prudential supervision, (8) disclosure of investment performance of insurers and reinsurers, (9) forms of capital;

- expected to be ready by fall 2006:
  10) revisions to paper on fit and proper principles, 11) disclosure of technical performance and risks of life insurers and reinsurers.

7. Insurance Core Principles Self Assessment

Agency: IAIS
Target Date: January 2005
Brief Description: As a result of the revision of the IAIS Insurance Core Principles in October 2003, it has been decided that it would be useful for all IAIS members to undertake a self-assessment exercise. A questionnaire was issued in July 2004 and is expected to be completed by January 2005, with an analysis of the results to be undertaken beginning in early 2005.

8. Insurance Regional Seminars and Training

Agency: IAIS and FSI
Target Date: Ongoing
FINANCIAL STABILITY FORUM

Brief Description: IAIS and FSI organise in collaboration with national insurance supervisory authorities and other bodies around 15 regional seminars annually to assist insurance supervisors implement IAIS principles and standards.

9. Core Curriculum for Insurance Supervisors
   Agency: World Bank, IAIS, and FSI
   Target Date: Ongoing
   Brief Description: World Bank, IAIS, and FSI, in collaboration with insurance supervisory authorities, are developing the core training curriculum for insurance supervisors. The programme will cover development of implementation material for the revised insurance core principles. Initial modules have been developed and were piloted in Singapore at a regional conference. Continuing module development and pilot courses, planned for southern Africa, the Middle East and Latin America in the near term, are being rolled out. Feedback on modules so far has confirmed that they are filling a substantial unmet need.

10. Trading Book Issues under the Basel II Accord
    Agency: IOSCO and BCBS
    Target Date: 2005
    Brief Description: The IOSCO Technical Committee and the BCBS have established a joint working group to address issues relating to the treatment of positions held by banks and investment firms in the trading book under the new Basel Capital Accord (Basel II). The joint group intends to identify and understand the full range of trading book-related issues and to analyze proposed solutions to the issues identified.

11. The IOSCO Assisted Self-Assessment Program
    Agency: IOSCO
    Target Date: Ongoing
    Brief Description: IOSCO is increasingly focusing its efforts on promoting the implementation of its principles by its members. To assist its members in this task, the IOSCO Executive Committee approved in February 2003, a pilot program to assist its members in the completion of a self-assessment of their level of implementation of the IOSCO Objectives and Principles of Securities Regulation. Pursuant to this pilot program, experts selected by IOSCO from among its membership assist each participating jurisdiction in an assessment of its level of implementation of the IOSCO Principles using an innovative Assessment Methodology and in the development of an action plan to correct identified deficiencies.

12. Securities Regional Seminars and Training & Assistance Programs
    Agency: IOSCO
Target Date: Ongoing

Brief Description: IOSCO and its members conduct a wide variety of seminars and training programs throughout the year. These programs take place in all regions of the world and benefit from the participation of IOSCO members and the expertise of their staff. The Securities and Exchange Board of India, with the assistance of the IOSCO General Secretariat and the IOSCO Implementation Committee, organized a regional training seminar in Mumbai on 2-4 April 2004. The seminar provided training in the use of the Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation. The Capital Markets Board of Turkey, with the assistance of the IOSCO General Secretariat, organized a regional training seminar in Istanbul on 26-29 April 2004. The Seminar focused on the EU Market Abuse Directive with comparisons to the regulation of market abuse under US federal securities laws. The Superintendencia de Compañías of Ecuador, with the assistance of the IOSCO General Secretariat, held a regional training seminar in Quayaquil, Ecuador on 7-11 June 2004. The Seminar focused on the use of the Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation and the IOSCO MMOU. The Emerging Markets Committee, with the assistance of the IOSCO General Secretariat, will host a regional training Seminar in Taipei on 24-25 February 2005, sponsored by the Securities and Futures Commission of Chinese Taipei. This seminar will address corporate governance in emerging markets, how to attract investors to emerging markets, investor protection policy and implementation, and the enhancement of the regulation of CIS in emerging markets. The 2004 IOSCO Seminar Training Program, organized by the IOSCO General Secretariat, will take place in Madrid, Spain in November 2004. This year’s program will address the practical aspects of using the new electronic, interactive version of the Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation that is currently available to IOSCO members on the IOSCO internet website and in developing action plans to implement changes in regulation whenever they are needed to meet the standards set out in the IOSCO Principles.

13. Principles for Regulation and Supervision of Private Pensions

Agency: OECD, International Network of Pensions Regulators and Supervisors (INPRS) and International Organisation of Pensions Supervisors (IOPS)

Target Date: Ongoing

Brief Description: Principles for regulation of occupational private pensions were endorsed by the OECD in December 2000 and the INPRS in April 2001 (see www.oecd.org and www.inprs.org). In May 2001, the OECD Ministers mandated the OECD to develop further principles. In October 2002, the OECD Working Party on Private Pensions endorsed a set of new guidelines for the governance of pension funds. In 2003, new guidelines
on rights of beneficiaries were finalised. A new recommendation on core principles on pension regulation was approved by the OECD Council in March 2004. The OECD is currently working on guidelines on funding and investment regulation. Further work on supervisory issues will be conducted by the new International Organisation of Pensions Supervisors (which was established on 12th July 2004) in close co-operation with the OECD.

14. Cross-border Trade in Insurance and Pensions
Agency: OECD
Target Date: 2006
Brief Description: The OECD is currently examining the Countries' reservations to the new insurance and pensions obligations of the OECD code of liberalisation of current invisibles operations. The OECD is also working on the link between liberalisation and appropriate regulations in insurance and pensions fields.

(vii) Combating Terrorist Financing and Other Market Abuses

1. Implementation of the Plan of Action to Combat Terrorist Financing
Agency: FATF
Target Date: Ongoing
Brief Description: (1) Since June 2002, an FATF Working Group on Terrorist Financing has been established for, among other things, developing further guidance on the individual Special Recommendations. In October 2002, the FATF published a Best Practices Paper on preventing the misuse of non-profit organisations by terrorists (Special Recommendation VIII). The FATF has continued to take steps to counter the financing of terrorism in developing further guidance to implement the 8 Special Recommendations. At its February 2003 Plenary, the FATF issued an Interpretative Note to Special Recommendation VI to prevent informal transfer systems and funds from being misused by terrorists. It also issued an interpretative note on Special Recommendation VII which focuses on the abuse of wire transfers by terrorist and their financiers. At the June 2003 Plenary, FATF released a Best Practices Paper on alternative remittance systems (Special Recommendation VI). At the October 2003 Plenary the FATF issued an Interpretative note on Freezing and Confiscating Terrorist Assets (Special Recommendation III) as well as a Best Practices Paper on Freezing of Terrorist Assets. Finally, in July 2004, the FATF issued an Interpretative Note to Special Recommendation II which clarifies the obligations of countries to criminalise the offence of terrorist financing.

(2) As part of its efforts to further strengthen measures against the financing of terrorism, FATF held a special session before its plenary meeting on the topic on 24 February 2004. The seminar focused specifically on the risks posed by alternative remittance systems, cash
couriers, non-profit organisations and the links between narcotics trafficking and terrorist financing. The consensus of the participants was that the international community must develop improved mechanisms to collect and share information on terrorism financing. The seminar was attended by 44 countries, including some non-FATF members from Asia and the Middle East, as well as observer international organisations and the FATF-style regional bodies. It came in the wake of a political commitment to combat terrorist financing made by the Finance Ministers and Central Bank Governors of the G-7 and invited countries in Dubai in September 2003. The FATF has undertaken further work on the above-mentioned issues.

(3) On the occasion of the G-7 meetings in September 2003 in Dubai and in April 2004 in Washington, D.C., the FATF President was invited to report on the FATF’s recent initiatives on combating terrorist financing. G-7 Ministers at their April meeting welcomed the initiatives taken by the FATF and encouraged more work to be done in this area. Since then, the FATF President has approached the Chairs of the Basel Committee on Banking Supervision (BCBS), the International Association of Insurance Supervisors (IAIS) and the International Organisation of the Securities Commissions (IOSCO), to discuss further initiatives to counter the financing of terrorism. As a result of this dialogue, the need for more work in the area of international co-operation between financial supervisors and the Financial Intelligence Units was recognised. The FATF, BCBS, IAIS, and IOSCO are considering further steps that should be taken in conjunction with the Egmont Group.

(4) In September 2003, the FATF began co-operating with the G-8 Counter-Terrorism Action Group (CTAG) and the United Nations Counter Terrorism Committee (UNCTC) in conducting an outreach initiative aimed at improving the international community’s delivery of technical assistance. The FATF began conducting technical needs assessments of countries which were willing to participate in a process to assess their technical assistance needs in developing an effective counter-terrorist financing (CFT) regime.
2. Intensification of the IMF/World Bank’s Contribution to Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

**Agency:** IMF and World Bank  
**Target Date:** Ongoing  
**Brief Description:** In March 2004, the Executive Boards of the World Bank and IMF agreed to adopt the new FATF 40 Recommendations on Money Laundering and Eight Special Recommendations on Terrorist Financing as the international standard for AML/CFT. The IMF and World Bank Boards agreed that AML/CFT assessments, including the preparation of a ROSC, should be included in all FSAPs and OFC assessments. Both Boards also endorsed the revised assessment methodology, amended according to the new FATF 40 Recommendations, for use in assessing compliance with the international standard. The revised methodology will be used in all World Bank/IMF AML/CFT assessments beginning around October 2004. AML/CFT assessments in FSAPs/OFC assessments may be carried out by either (i) the Bank/Fund or (ii) by the FATF/FATF-Style Regional Bodies (FSRBs), provided they use the revised FATF standard and methodology.

Additionally, the Boards called upon each institution to take a more comprehensive and integrated approach to AML/CFT by enhancing assessment work and stepping up the delivery of technical assistance to those countries at greatest risk. This decision followed the completion of a 12-month joint pilot program of assessments which began in October 2002. As part of the pilot, 33 countries were assessed by the World Bank and IMF using the first global methodology (developed and adopted in 2002), and an additional 8 country assessments were completed by the FATF and the FSRBs. A review of the pilot showed that the work of the World Bank and IMF has significantly raised awareness of the importance of international cooperation on AML/CFT, and found that most jurisdictions assessed are now in the process of developing and implementing measures to correct shortcomings identified in the process of assessment. In its review, the World Bank and IMF also found that a number of jurisdictions were behind in the implementation of measures to deter terrorist financing. Post pilot, there are expected to be some 30-40 assessments annually, for which the Fund and the Bank will conduct about half and the FATF and FSRBs, the other half.

A voluntary questionnaire on the AML/CFT policies and institutions has been circulated to IMF members in the context of Article IV discussions, with coverage of the membership expected by end-2005.

Over the past year, the World Bank and IMF responded to requests from more than 100 countries to help build capacity to fight money laundering and terrorist financing. Technical assistance has focused on helping countries bring legal and regulatory systems up to meet the international standards, building capacity for financial institutions, improving inter-governamental coordination and enhancing international and regional cooperation. As demand far outweighs the ability to respond, the World Bank and IMF continue to collaborate with several partner organizations.
in responding to requests for technical assistance including the UN Office of Drug Control, the Commonwealth Secretariat, FATF and FSRBs, and bilateral donors.

3. Terrorism Insurance

Agency: OECD
Target Date: 2004
Brief Description: In May 2002, the OECD Ministers mandated the OECD to develop policy analysis and recommendations on how to define and cover terrorism risks and to assess the respective roles of the insurance industry, financial markets and governments, including for the coverage of "mega-terrorism" risks. To carry out the work, the OECD Insurance Committee has set up a special Task Force on Terrorism Insurance. The Task Force is expected to complete its work in 2004. A draft Recommendation on elements to define terrorism in an indemnification perspective will be considered by the OECD Council in fall 2004.

4. Consolidated KYC (“know-your-customer”) Risk Management

Agency: BCBS
Target Date: 2nd Half 2004
Brief Description: Last October 2003 the BCBS issued a consultative document on Consolidated KYC Risk Management. The paper describes the critical elements for implementing a bank's KYC risk management policy consistently across its domestic and overseas operations and suggests ways in which the four essential elements of a sound KYC programme (namely, customer acceptance policy, customer identification, ongoing monitoring of higher risk accounts and risk management) can be fully applied by a bank on a global basis to all of its branches and subsidiaries around the world. A revised version of this paper is currently being developed by the BCBS cross-border banking group following discussions with the industry about legal impediments and certain other constraints.

5. Supervision of AML/CFT by Insurers

Agency: IAIS
Target Date: October 2004
Brief Description: The IAIS is revising the guidance paper on anti-money laundering and terrorist financing to take into account the revised FATF Forty Recommendations on Money laundering and the FATF Eight Special Recommendations on Terrorist Financing. The paper will explain the vulnerabilities within the insurance sector to money laundering and terrorist financing and address topics such as: measures and procedures to control these risks, role of the supervisor, case studies.
6. Securities Fraud and Market Abuses

Agency: IOSCO

Target Date: Ongoing

Brief Description: In February 2004 the IOSCO Technical Committee set up a special Chairmen’s Task Force to organize and coordinate IOSCO’s response to recent high-profile incidents of securities fraud and market abuse. This Task Force has focused on certain areas of concern, including:

- Corporate governance and the role of independent directors;
- Auditor oversight and the effectiveness of audit standards;
- Regulatory oversight;
- The use of complex corporate structures, such as “special purpose vehicles” and complex shareholding structures;
- The role of market intermediaries and market “gatekeepers,” such as investment banks and broker-dealers, in modern securities markets;
- The role of private-sector information analysts, such as securities analysts and credit rating agencies, in modern securities markets; and,
- Offshore financial centers.

The Task Force’s fact-finding exercise to date indicates that, in many cases, the issues implicated in recent financial scandals are adequately addressed by ongoing IOSCO work and by various international regulatory standards and best practices, such as IOSCO’s Principles on Auditor Oversight and Auditor Independence. In a few areas, particularly relating to bond issuance disclosure and offshore financial centers, the Task Force believes additional principles or best practices may be necessary to deal with potential weaknesses in the international financial system. The Task Force is preparing a final report analyzing the issues of concern and recommending projects designed to assess and improve implementation of existing regulatory principles or develop new principles, as appropriate. The Technical Committee intends to share the report among IOSCO members and with the Financial Stability Forum in order to help financial regulators identify possible weaknesses in the international financial regulatory system, improve implementation of existing standards, and enhance regulatory risk identification and assessment.

7. Asset Freezes and Repatriation

Agency: IOSCO

Target Date: Spring 2005

Brief Description: The IOSCO Technical Committee has commenced an analysis of powers available to regulators and other authorities within a jurisdiction to freeze assets and repatriate them to the jurisdiction where a securities violation has occurred. The objective is to identify a range of approaches to the challenges associated with cross-border asset-freezes and repatriation.
1. Offshore Financial Centre Assessments (OFCA)

Agency: IMF  
Target Date: Ongoing  
Brief Description: The IMF began assessing financial regulation and supervision in OFCs in 2000. Typically, the assessments reviewed compliance with supervisory standards in banking relative to the Basel Core Principles and the anti-money laundering and combating the financing of terrorism regime relative to the FATF 40+8 recommendations. In addition, where warranted the reviews included insurance and securities supervision as well. Member countries could also request to be assessed under the FSAP, which included in addition a review of domestic financial vulnerabilities.

The first phase of the assessment program is near completion with 41 of the 44 jurisdictions contacted having been assessed. Of the three remaining jurisdictions, one has received, and the other is scheduled to receive technical assistance in lieu of assessment in 2004, and an assessment is scheduled for the remaining jurisdiction in 2005.

The Executive Board of the IMF reviewed the OFC assessment program in November 2003 and concluded that the regular monitoring of OFCs should become a standard component of the work of the Fund. Key elements of the program include regular monitoring of OFCs supervisory and regulatory systems and activities, improving transparency of OFCs supervisory and regulatory systems, enhancing technical assistance, and collaboration with standard setters and supervisors to strengthen standards and exchanges of information. To this end, the IMF (i) is contacting jurisdictions for the next round of assessments; (ii) is developing an information framework that is expected to serve as a common template that jurisdictions may use in their dissemination efforts, and to provide data to the IMF to facilitate monitoring of developments in financial centres; and (iii) organized a conference on Cross-Border Cooperation and Information Exchange (July 7-8, 2004) to facilitate strengthening of cooperation and information sharing. As a follow up to the conference it has been proposed that the IMF, in collaboration with the standard setters, conduct a stock taking of cooperation barriers, gateways and practices, including a comparison of the four standards’ principles on information exchange to identify common elements and differences and ways to help facilitate compliance with the standards.

Progress reports on the OFC program prepared for the IMF Board were transmitted to the FSF prior to its meetings in September 2002, March 2003, September 2003 and March 2004.
2. Statistics on OFCs
   Agency: IMF
   Target Date: Ongoing
   Brief Description: The IMF is helping OFCs to improve their statistics, primarily by encouraging them to participate fully in international statistical collections such as the Co-ordinated Portfolio Investment Survey (CPIS), but also by helping them to improve their national macroeconomic statistics.

(ix) E-Finance

1. Implications for Developing Countries of Electronic Finance
   Agency: World Bank
   Target Date: Ongoing
   Brief Description: In-depth work is being undertaken on specific applications of technology to delivery of financial services and on e-security.

2. E-Finance and Debt Management
   Agency: OECD
   Target Date: Ongoing
   Brief Description: The OECD Working Party on Public Debt Management discusses on a regular basis the implications of information and communications technology on debt management practices. An interim report on this work is now available as chapters 4 and 5 in the OECD publication *Public Debt Management and Government Securities Markets in the 21st Century*.

3. E-Finance and Taxation
   Agency: OECD
   Target Date: Ongoing
   Brief Description: In the summer of 2003 the OECD published a series of papers on tax administration and consumption tax issues, which focused on issues, such as electronic payment accountability, on-line business/customer identification and data elements for transaction information. Work is continuing on the creation of an environment in which cross-border tax collection would be better facilitated and also on how tax standards might be applied in the creation of accounting software. Also, through the project on harmful tax practices, the OECD seeks to provide a cooperative framework within which countries can work together to eliminate such tax practices.

Agency: BCBS
Target Date: September 2004
Brief Description: The electronic banking group of the BCBS carried out, in year-end 2003, a stock-taking exercise to collect input from members on electronic security and IT outsourcing developments in their respective countries. This exercise is aimed at getting a better sense of the current landscape of IT outsourcing and electronic security. A report will be released, stressing the main points coming out of the stock-taking, summarizing the relevant supervisory rules, policies and guidance that are currently in place and tentatively addressing the main supervisory concerns associated with these topics.

5. Insurance Activities on the Internet

Agency: IAIS
Target Date: October 2004
Brief Description: The IAIS has revised its paper *Principles on the Supervision of Insurance Activities on the Internet* which is expected to be approved at the annual meeting in October 2004. The primary area of revision is the addition of comments regarding risk management of identified risks arising from insurance activities on the internet (such as the use of the internet for product sales).
III. Glossary of Agencies

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<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>BCBS</td>
<td>Basel Committee on Banking Supervision (<a href="http://www.bis.org/bcbs">www.bis.org/bcbs</a>)</td>
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<td>BIS</td>
<td>Bank for International Settlements (<a href="http://www.bis.org">www.bis.org</a>)</td>
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<tr>
<td>CGFS</td>
<td>Committee on the Global Financial System (<a href="http://www.bis.org/cgfs">www.bis.org/cgfs</a>)</td>
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<td>CPSS</td>
<td>Committee on Payment and Settlement Systems (<a href="http://www.bis.org/cpss">www.bis.org/cpss</a>)</td>
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<td>FATF</td>
<td>Financial Action Task Force on Money Laundering (<a href="http://www.fatf-gafi.org">www.fatf-gafi.org</a>)</td>
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<td>FSF</td>
<td>Financial Stability Forum (<a href="http://www.fsforum.org">www.fsforum.org</a>)</td>
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<tr>
<td>FSI</td>
<td>Financial Stability Institute (<a href="http://www.bis.org/fsi">www.bis.org/fsi</a>)</td>
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<tr>
<td>G-10</td>
<td>Group of 10 (A group of industrial countries)</td>
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<td>IADI</td>
<td>International Association of Deposit Insurers (<a href="http://www.iadi.org">www.iadi.org</a>)</td>
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<td>IAIS</td>
<td>International Association of Insurance Supervisors (<a href="http://www.iaisweb.org">www.iaisweb.org</a>)</td>
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<td>IASB</td>
<td>International Accounting Standards Board (<a href="http://www.iasc.org.uk">www.iasc.org.uk</a>)</td>
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<td>International Federation of Accountants (<a href="http://www.ifac.org">www.ifac.org</a>)</td>
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<td>International Monetary Fund (<a href="http://www.imf.org">www.imf.org</a>)</td>
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<td>International Monetary and Financial Committee</td>
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<td>INPRS</td>
<td>International Network of Pensions Regulators and Supervisors (<a href="http://www.inprs.org">www.inprs.org</a>)</td>
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<td>IOSCO</td>
<td>International Organization of Securities Commissions (<a href="http://www.iosco.org">www.iosco.org</a>)</td>
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<td>UNCITRAL</td>
<td>United Nations Commission on International Trade Law (<a href="http://www.uncitral.org">www.uncitral.org</a>)</td>
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<tr>
<td>World Bank</td>
<td>International Bank for Reconstruction and Development (<a href="http://www.worldbank.org">www.worldbank.org</a>)</td>
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