For Information
11 September 2009

Ongoing and Recent Work Relevant to Sound Financial Systems

Cover note by the Secretariat for the FSB meeting on 15 September 2009

This cover note highlights and summarises those collective and multilateral initiatives started during the previous six months, out of the initiatives in the attached Secretariat detailed note on work relevant to sound financial systems. Contact information for projects is also provided in the detailed note.

The cover note also includes an overview of major ongoing international regulatory initiatives, including information on their schedules for public consultation and target dates for finalisation, so as to inform FSB members and other stakeholders of the international regulatory "pipeline" and the potential bunching of regulatory initiatives.

I. Identifying Financial System Strength and Weaknesses

1. *New Financial Risk Landscape* (OECD, page 31)

   The project analyses the current regulatory and supervisory landscape in relation to the transfer of risks between governments and financial institutions, and between financial institutions and to households; and tracks the location of risk and develops risk focused instruments. Work began in 2009 in the pensions field, where defined contributions plans (compared to defined benefit plans) transfer longevity and investment risks to households. It is conducted in cooperation with the International Organisation of Pension Supervisors which will focus on risk-based supervision and the OECD Working Party on Private Pensions that will develop work on risk based regulation (capital requirements and consumer protection). The International Network on Financial Education will take the lead on financial education and awareness component and the OECD will provide inputs related to risk management and governance.

II. Financial Globalisation, Market Functioning/Conduct and Transparency

1. *Margin Requirements and Haircuts* (CGFS, pages 56-57)

   The CGFS has established a Study Group to review current market practices for setting margin requirements and haircuts, building on the work of the joint FSF-CGFS Working Group on the role of valuation and leverage in procyclicality. The group will undertake a fact-finding study on margining practices, to analyse their impact on the financial system through the cycle, and to explore and analyse the desirability of various alternatives for reducing the procyclical effect of margining practices on asset prices.

III. Prudential Regulation and Supervision

1. *Systemic Funding Liquidity Risk* (BCBS/CGFS, page 69)

   The joint BCBS-CGFS Working Group will explore the development of a framework for assessing system-wide liquidity risk that could serve as a basis for internalising the

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externalities of system-wide liquidity risks by individual banks, develop policy options to contain system-wide funding liquidity risk, and explore potential "early warning indicators" to assess the build up of pressures surrounding systemic liquidity. The group's work will build on the literature survey on liquidity risk prepared by a research task force under the auspices of the BCBS's Working Group on Liquidity.

2. *Update of Corporate Governance Principles* (BCBS, page 69)

The BCBS is revising its principles on corporate governance to include lessons learned during the crisis and to put additional emphasis on the implementation of these principles. These revisions are targeted at board practices, the corporate governance of risk management, transparency, and the importance of banks understanding the complexities involved in both their organisational structure and the structures of certain products. The OECD and the World Bank are involved in this work to revise the principles for banks, and the BCBS is also coordinating with the IAIS on their work on corporate governance principles for insurance companies, to ensure that the focus of the two groups are aligned.

ATTACHMENT

International Regulatory Initiatives

This overview table is intended to provide a snapshot of key regulatory initiatives in the implementation, public consultation and development phases, along with an indication of their timing where applicable. It is intended to assist national authorities, firms and other stakeholders in keeping abreast of and better preparing for major regulatory initiatives as they are taken forward. Initiatives are included in this table, drawing on the advice of the principal international institutions, groupings and committees. The table captures only summary information on major initiatives, and is concerned largely with the timing of implementation. Thus readers are encouraged to refer to the accompanying detailed note on Ongoing and Recent Work relevant to Sound Financial Systems for further insight on the background and objectives of these, and other initiatives of the principal international institutions, groupings and committees. Readers should also be aware that decisions regarding implementation are in most cases left to national discretion, and thus the timing of implementation may vary across jurisdictions. Lastly, the timing of initiatives indicated in the table is based on information as of 29 March 2007, and the relevant bodies should be consulted directly for more recent developments.

International regulatory initiatives in the implementation phase

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
BCBS ***Basel II***	1 January 2007 for FIRB (credit risk) and BAI/TSA (operational risk); 1 January 2008 for AIRB (credit risk) and AMA (operational risk)											
BCBS ***Principles for Sound Liquidity Risk Management and Supervision***			Document published in September						Assessment of implementation of Principles to be conducted in 1H 2010			
BCBS ***Revisions to the Basel II Market Risk Framework***							Document published in July	Implementation by end 2010				
BCBS ***Enhancements to the Basel II Framework***							Document published in July	Implementation by end 2010				
IAIS ***Multilateral Memorandum of Understanding for Exchange of Information between Insurance Supervisors***	Ongoing validation of applicants and accession to MMOU											
IASB ***Financial Statement Presentation - Phase A - MOU project***					Periods beginning 1 January 2009							
IASB ***Financial Instruments - Puttable Instruments***					Periods beginning 1 January 2009							
IASB ***IFRS 3 Business Combinations - MOU project***							Periods beginning 1 July 2009					
IASB ***Reclassification of Financial Assets (Amendment to IAS 39)***			Periods beginning 1 July 2008									
IASB **Group Cash-settled Share-based Payment Transactions** ***(Amendment to IFRS 2)***									Periods beginning 1 January 2010			
IASB ***Embedded Derivatives (Amendments to IAS 39 and IFRIC 9)***							Periods ending 30 June 2009					
IASB ***Financial Instruments - Enhanced Disclosures (Amendments to IFRS 7)***					Periods beginning 1 January 2009							
IASB ***Improvements to IFRSs 2009***							Periods beginning 1 July 2009 or 1 January 2010					
IASB ***IFRS for SME***							Periods beginning 1 July 2009					
IASB ***First-time Adoption of IFRSs - Additional Exemptions (Amendments to IFRS 1)***							Periods beginning 1 July 2009					
IOSCO ***Revised Code of Conduct for Credit Rating Agencies***			Discussion on how regulators should check for compliance with the Revised Code									

International regulatory initiatives in the public consultation phase

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IOSCO ***Point of Sale Disclosures to Retail Investors***				P.C. on issues ended in October		P.C. on Principles	T.D.(publication of the report)					
IASB ***IAS 37 Provisions, Contingent Liabilities and Contingent Assets***								T.D. (P.C. for ED ended October 2005)				
IASB ***Insurance Contracts***								P.C. planned for ED (P.C. for DP ended November 2007)				T.D. in 2011
IASB ***Financial Instruments - Liabilities and Equities***	DP published in March								P.C. planned for ED			T.D. in 2011
IASB ***Financial Instruments - Replacement for IAS 39 Classification and Measurement***	DP published in March				Public discussion by IASB-FASB Financial Crisis Advisory Group		ED published in July	P.C. for ED and T.D.				
IASB ***Financial Instruments - Replacement for IAS 39 Impairment***	DP published in March				Public discussion by IASB-FASB Financial Crisis Advisory Group			P.C. planned for ED		T.D.		
IASB ***Financial Instruments - Replacement for IAS 39 Hedging***	DP published in March				Public discussion by IASB-FASB Financial Crisis Advisory Group			P.C. planned for ED			T.D.	
IASB ***Derecognition***						P.C. for ED including round-table discussion					T.D.	
IASB ***Fair Value Measurement Guidance - MOU project***						ED published in May	P.C. planned for ED including round-table discussion				T.D.	
IASB ***Consolidations - MOU project***			Round-table discussion	ED published in December	P.C. for ED	Round-table discussion		T.D.				
IASB ***Financial Statements Presentation -Phase B- MOU project***				P.C. for DP					P.C. planned for ED			T.D. in 2011

IASB *Revenue recognition - MOU project*					P.C. for DP				P.C. planned for ED			T.D. in 2011
IASB *Post-employment Benefits (including pensions) - MOU project*							P.C. planned for ED					T.D. in 2011
IASB *Income Taxes - Revision of IAS 12*					P.C. for ED						T.D.	
IASB *Emissions Tranding Schemes*										P.C. planned for ED		T.D. in 2011
IASB *Management Commentary*						ED published in June					T.D.	
IASB *Leases - MOU project*									P.C. planned for ED			T.D. in 2011
IASB *Rate Regulated Activities*							P.C. for ED		T.D.			
IASB *Joint Ventures - MOU Project*	P.C. ended 11 January							T.D.				
IASB *Credit Risk in Liability Management*						Staff Paper published in June	P.C. on Staff Paper					
IASB *Annual Improvements 2008-2010*							P.C. planned for ED		T.D.			
IASB *Annual Improvements 2009-2011*											P.C. planned for ED, T.D. in 2011	
IASB *Discontinued Operations (Amendments to IFRS 5)*					P.C. ended 23 January			T.D.				
IASB *Earnings per Share (Amendments to IAS 33)*											T.D.	
IASB *Amendments to IFRIC 14*						ED published in May		T.D.				
IASB *Related Party Disclosures (Amendments to IAS 24)*					P.C. ended 13 March		T.D.					
IASB *Conceptual Framework Phase A - Objectives and Qualitative Characteristics*			P.C. ended 29 September				T.D.					
IASB *Conceptual Framework Phase B - Elements and Recognition*											P.C. planned for DP	
IASB *Conceptual Framework Phase C - Measurement*								P.C. planned for DP			P.C. planned for ED	
IASB *Conceptual Framework Phase D - Reporting Entity*							P.C. planned for ED		T.D.			
IASB *Extractive Activities*							P.C. planned for DP				Agenda decision (to add the topic to active agenda)	
IOSCO *Viability-Secondary Market Reporting System for Structured Products*			Consultation with the Industry				P.C. planned					
IOSCO *Funds of Hedge Funds*					P.C. ended 30 January		T.D.(publication of the report)					

Other international regulatory initiatives under development

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
BCBS *Fundamental Review of Trading Activities*												T.D.
BCBS *Calibration of the Capital Charges for Correlation Trading*											T.D.	
BCBS *Definition of Capital*								T.D.				
BCBS *Development of Regulatory Standards for Liquidity Risk*								T.D.				
BCBS *Assessment of Systemic Funding Liquidity Risk*										T.D.		
BCBS *External ratings and securitisation*								T.D.				
BCBS *Supplemental measures of capital adequacy*								T.D.				
BCBS *Addressing procyclicality*								T.D.				
BCBS *Revision of Principles for Corporate Governance in Banking Organisations*										T.D.		
IAIS Insurers' Solvency: *Standard on the Valuation of Assets and Liabilities Including Technical Provisions, for solvency purposes (*)*												T.D.
IAIS Insurers' Solvency: *Standard and Guidance on Capital Resources (*)*								T.D.				
IAIS Insurers' Solvency: *Standard and Guidance on Investment Management (*)*												T.D.
IAIS *Guidance Paper on the Use of a Supervisory College in Group-wide Supervision (*)*								T.D.				
IAIS Insurance Groups: *Guidance Paper on the treatment of unregulated entities (*)*												T.D.
IAIS Insurance Groups: *Guidance Paper (overarching nature) Group supervision framework (*)*												T.D.
IAIS Revision of the Insurance Core Principles and Restructuring of Standards (*)												Underway - to be completed in 2011.
IAIS Reinsurance: *Global Reinsurance Market Report - mid year edition*							T.D.				T.D.	

IAIS **Reinsurance: *Global Reinsurance Market Report - end of year edition***				2008 report complete				T.D.				T.D.
IAIS **Microinsurance: *Issues in the Regulation and Supervision of Mutual Organisations in Emerging Markets (*)***												T.D.
IAIS ***Issues in the Role of and Relationship between the Actuary and External Auditor (*)***								T.D.				
IAIS ***Harmonised International Glossary(*)***					Ongoing							
IOSCO ***Unregulated Financial Markets and Products***							T.D.(publication of the report)					
IOSCO ***Principles for Disclosure Associated with ABS***							T.D.					

	Agreed international implementation date
P.C.	**Period of public comment on consultation documents**
T.D.	**Target date for finalisation of initiatives**

Note 1: (*): In consultation with IAIS Members and Observers including insurance industry and professionals

Note 2: For IASB projects, DP means Discussion Paper. ED means Exposure Draft, public comment of which is normally 120 days.

Note 3: For IASB's projects, target dates will not correspond to the date when entities must apply the standard, i.e. agreed international implementation date. Each IASB standard will have an 'application date' which is decided when the final standard is published. All standards issued over the next two year period will have an application date of 1 January 2009 or later. Further, target dates will differ in some parts of the world, depending on when a country will adopt IFRS or endorse the published standard into their framework. For further details of the IASB's overall work plan, please refer to the IASB's website link (http://www.iasb.org/current/iasbworkplan.asp).

Note 4: The IAASB issues proposals (called Exposure Drafts (EDs)) for new or amended International Standards on Auditing (ISAs) for public comment. ISAs are intended to guide auditors in performing high quality external audits and other assurance work and do not usually include guidance that directly affects private sector firms. However, given the indirect effect that audit standards can have on regulators, audit oversight authorities and private sector firms, the link to the IAASB' EDs (http://www.ifac.org/Guidance/EXD-Outstanding.php) is provided for the information of those that use this table.

ANNEX (for FSF members only)

EU Legislative Measures on Financial Services

EU legislative measures in the implementation phase

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consumer Credit Directive 2008/48/EC (adopted on 23 April 2008 and published in OJ L133, 22.5.2008)		Adopted on 23 April 2008								Transition to national law by May 2010		
The 8th Company Law Directive on Statutory Audit 2006/43/EC (adopted on 17 May 2006 and published in OJ L157, 9.6.2006)	Adoption of the Directive 2008/30/EC on 11 March 2008 amending the Directive 2006/43/EC	Implementation by 29 June 2008									Granted a transitional period in respect to registration requirements until 1 July 2010	
Payment Services Directive 2007/64/EC (adopted on 13 November 2007 and published in OJ L319, 5.12.2007)				Decision of the Commission on 18 December 2008 to set up a Payment Systems Expert Group				Implementation by 1 November 2009				
Solvency II Framework Directive (including codification)						Adoption of the Directive by the European Parliament and the Council	Adoption of implementing measures in 2011. Application to insurers from the end of October 2012.					
Amendment to Undertaking for Collective Investment in Transferable Securities (UCITS) Directives					A revised text adopted by the European Parliament in January 2009	The revised text adopted by the Council in June 2009						The change will come into effect on 1 July 2011
Amemdment to Settlement Finality Directive						Adoption of the Directive on 6 May 2009 amending the Directive 98/22/EC						Transposition of Directive into national law by member states by 30 December 2010 (The change will come into effect from 30 June 2011)
Amendment to Financial Collateral Directive						Adoption of the Directive on 6 May 2009 amending the Directive 2002/47/EC						Transposition of Directive into national law by member states by 30 December 2010 (The change will come into effect from 30 June 2011)

EU legislative measures in the public consultation phase

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Review of Capital Requirements Directive		Consultation on 16/17 June 2008		The Commision adopted a proposal to amend CRD on 1 October 2008.		Consultation regarding CRD 3 amendment on trading book, resecuritisation, and remuneration policies	The Commission adopted in July 2009 a proposal for CRD 3 amendment on trading book, resecuritisation, disclosure of securitisation exposures, and remuneration policies. Proposal for CRD 4 amendment on supplementary measures, provisioning etc.	Proposal for reforms of the EU supervisory structure		The Commission intends to publish its proposal for modified Directive by mid-2010.		
Review of the Directive on winding-up of credit institutions (2001/24/EC)	Public consultation ended 30 September 2007. In December 2007 the Commission published a report summarsing answers to the consulation.		The Commission put out to tender in Q3 2008 a feasibility study on reducing obstacles to asset transfers within cross-border banking groups during a financial crisis and on a legal framework for reorganising and winding-up cross-border banking groups.							The Commission intends to publish its proposal for modified Directive by mid-2010.		
Credit Rating Agencies			The Commission published two consultation documents on 31 July 2008 seeking views by 5 September on conditions for authorisation, operation and supervision of CRAs and on options relating to reliance on ratings in EU legislation.	On 12 November 2008 the Commission produced legislative proposals for the regulation of CRAs to go through the Council and the European Parliament with a view for agreement before the end of the current Parliament. Council working group sessions began.			EU regulation on CRAs adopted by the Council in July 2009. Adoption by the European Parliament exptected in September 2009.					
Review of Deposit Guarantee Schemes Directive				On 15 October 2008 the Commission adopted a proposal to amend the Directive.	Revision of the Directive adopted by the Council and the European Parliament in March 2009	Commission consultation on review of the Directive published in May 2009	Responses to Commission consultation published in August 2009	Commission report to the European Parliament and Council submitted by end-2009				

Other EU initiatives under development

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Directive on Alternative Investment Fund Managers						The Commission has adopted a proposal of the Directive on 29 April 2009.	Consideration by the Council and the European Parliament					
Clearing and Settlement	The Commission submitted a report on the implementation and functioning of the European Code of Conduct for Clearing and Settlement in February 2007. The last phase of the Code of Conduct entered into force on 1 January 2008. The Commission presented a progress report to ECOFIN in March 2008.			A revised version of the ESCB-CESR Recommendations put out for public consultation	On 5 February 2009 the ECB published all the responses to the public consultation.	On 23 June 2009 the ESCB and CESR published the final version of the ESCB-CESR Recommendations.						
Consumer Credit Directive (Revised proposal of the Commission in October 2005)	The European Parliament Internal Market and Consumer Protection Committee has commissioned an economic analysis of the second revised proposal.											
Insurance Guarantee Schemes	The Commission published on 7 January 2008 a Report on Insurance Schemes in the EU.	Public hearing on 2 June 2008. Public consultation by the Commission from 7 May to 7 July 2008.				Commission asked CEIOPS in May 2009 for input to its consideration of whether to introduce and EU solution. CEIOPS submitted its input to the Commission in June 2009.		Commission White Paper setting out EU solution on Insurance Guarantee Schemes expected by end-2009				
Investor Compensation Schemes					In February 2009, the Commission published a call for evidence concerning the review of the Investor Compensation Schemes Directive.		Hearing on 3 September organised by the Commission		Expected Commission proposal for review of the Investor Compensation Schemes Directive			
Market Abuse						In May 2009, the Commission published a call for evidence concerning the review of the Market Abuse Directives.			Expected Commission proposal for review of the Market Abuse Directives			
Strengthening the Savety of Derivatives Markets							Commission issued Communication on ensuring efficient, safe and sound derivatives markets in July 2009. Consultation period until 31 August 2009. Public hearing will be held on 25 September 2009.	Commission will present operational conclusions by end-October 2009.	Commission will present appropriate initiatives, including legislative proposals as justified in 2010.			
Mortgage Credit	The European Parliament adopted a resolution on mortgage credit in the EU in November 2006. The Commission published the reports of two expert groups in January 2007. The Commission adopted a White Paper on the Integration of EU Mortgage Credit Markets in December 2007.			Commission launched consumer testing of revised European Standardised Information Sheet (ESIS) and study on costs and benefits of different policy options for mortgage credit.	Commission commited in Communication to the Spring European Council to reflect on how to ensure responsible lending and borrowing, including a reliable framework on credit intermediation.	Commission launched a consultation on responsible lending and borrowing and Expert Group report on Credit Histories - deadline 31 August 2009.	The costs and benefits analysis and consumer testing of ESIS to be completed by September 2009. Commission held a Public Hearing on Responsible lending and borrowing on 3 September 2009. Cost and benefits study due to be completed in September 2009.	Consumer testing of ESIS to be completed by October/November 2009	The Commission likely to announce actions in Q1 2010.			
Solvency Rules Applicaple to Institutions for Occupational Retirement Provision (IORPs)			The Commission published a consultation document on 9 September 2008 seeking stakeholders' views by 28 November 2009 whether a further harmonisation of the solvency regime for IORPs covered by the IORP Directive and IORPs operating on a cross-border basis is desirable.			Public hearing on 27 May 2009						

Agreed implementation date for EU Member States

Period of public comment on consultation documents

Target date for adoption of measures

For Information

11 September 2009

Ongoing and Recent Work Relevant to Sound Financial Systems

Note by the FSB Secretariat (with inputs from various bodies) for the FSB Meeting on 15 September 2009

For further information, please contact the FSF secretariat at fsb@bis.org. +41 61 280 8298.

I. Work Completed Since the FSF Meeting in March 2009

(i) Macroeconomic Management, Surveillance and Transparency

1. Credit Risk Transfer Statistics

Agency:	CGFS
Contact Information:	Michael Chui (michael.chui@bis.org)
Completion Date:	September 2009
Website Locator:	http://www.bis.org/publ/cgfs35.pdf?noframes=1
Brief Description:	The financial crisis has revealed gaps in statistics on credit risk transfer (CRT) instruments. A working group explored the feasibility of widening the coverage of credit default swap (CDS) instruments to include more detailed information on multi-name indices and enriching current statistics with additional geographical and counterparty breakdowns. It also investigated the compatibility of CDS statistics and statistical information on other CRT instruments. Several recommendations have been approved by the CGFS and they will be implemented by 2010.

(ii) Accounting, Auditing and Public Disclosure

1. Ethical and Independence Standards for Auditors

Agency:	IESBA
Contact Information:	Jim Sylph, IFAC Executive Director, Professional Standards (jimsylph@ifac.org)
Completion Date:	July 2009
Website Locator:	http://www.ifac.org/Ethics/Pronouncements.php
Brief Description:	The International Ethics Standards Board for Accountants (IESBA) has issued a revised *Code of Ethics for Professional Accountants* (the Code), clarifying requirements for all professional accountants and significantly strengthening the independence requirements of auditors. The revised Code has been released following the consideration and approval by the PIOB of due process and extensive public interest consultation. The revised Code, which is effective on January 1, 2011, includes the following changes to strengthen independence requirements: • Extending the independence requirements for audits of listed entities to all public interest entities; • Requiring a cooling off period before certain members of the firm can join public interest audit clients in certain specified positions; • Extending partner rotation requirements to all key audit partners; • Strengthening some of the provisions related to the provision of non-assurance services to audit clients;

- Requiring a pre- or post-issuance review if total fees from a public interest audit client exceed 15% of the total fees of the firm for two consecutive years; and
- Prohibiting key audit partners from being evaluated on or compensated for selling non-assurance services to their audit clients.

The revised Code maintains the principles-based approach supplemented by detailed requirements where necessary, resulting in a Code that is robust but also sufficiently flexible to address the wide-ranging circumstances encountered by professional accountants.

The independent Consultative Advisory Group continues to provide input from numerous stakeholder groups to IESBA in the direction of its projects and the content of its agenda.

The BCBS and IOSCO continue to evaluate the Code of Ethics in order to provide supervisory input.

2. Improving Disclosures about Financial Risk

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: March 2009

Website Locator: http://www.iasb.org/Current+Projects/IASB+Projects/Amendments+to+IFRS+7+Financial+Instruments+Disclosures/Amendments+to+IFRS+7+Financial+Instruments+Disclosures.htm

Brief Description: The amendments issued in March 2009 introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of the inputs used. These disclosures are expected to provide more information about the relative reliability of fair value measurements. The disclosures are also expected to improve comparability between entities about the effects of fair value measurements and increase convergence of IFRSs and US Generally Accepted Accounting Principles (GAAP).

In addition, the amendments enhance disclosure requirements on the nature and extent of liquidity risk arising from financial instruments to which an entity is exposed.

3. Embedded Derivatives

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: March 2009

Website Locator: http://www.iasb.org/Current+Projects/IASB+Projects/Embedded+Derivatives+%28amendments+to+IFRIC+9+and+IAS+39%29/Summary.htm

Brief Description: The amendments issued in March 2009 respond to requests received from those who took part in public round-table discussions organised by the IASB and the US Financial Accounting Standards Board (FASB) to clarify the requirements in IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*.

The amendments clarify that on reclassification of a financial asset out of the "at fair value through profit or loss" category all embedded derivatives have to be assessed and, if necessary, accounted for separately in financial statements.

4. Leases

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: March 2009

Website Locator: http://www.iasb.org/Current+Projects/IASB+Projects/Leases/Leases.htm

Brief Description: The IASB and the US FASB published in March 2009 a joint Discussion Paper for comment on lease accounting. TheBoards' goal is to develop a new common approach to lease accounting that would ensure that all assets and liabilities arising under lease contracts are recognised in the statement of financial position (balance sheet).

5. Derecognition

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: March 2009

Website Locator: http://www.iasb.org/Current+Projects/IASB+Projects/Derecognition/Derecognition.htm

Brief Description: The IASB issued in March 2009 an exposure draft of proposals to improve the derecognition requirements for financial instruments. This occurs if the entity no longer controls a financial asset or no longer has an obligation to settle a financial liability. The IASB is also proposing to enhance disclosure requirements, especially in situations when an entity continues to have an ongoing involvement in a financial asset that would be derecognised under the proposals. The additional disclosures would allow users to make a better assessment of the risks associated with such an asset. The proposals are part of the IASB's comprehensive review of off-balance sheet activities and follow the publication of proposals in December 2008 to strengthen and improve the requirements for identifying which entities a company controls, known as consolidation.

6. Fair Value Measurement

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: May 2009

Website Locator: http://www.iasb.org/Current+Projects/IASB+Projects/Fair+Value+Measurement/Fair+Value+Measurement.htm

Brief Description: The IASB issued in May 2009 an exposure draft of guidance on fair value measurement. If adopted, the proposals would replace fair value measurement guidance contained in individual IFRSs with a single, unified definition of fair value, as well as further authoritative guidance on the application of fair value measurement in inactive markets. The proposals deal with how fair value should be measured when it is already required by existing standards.

7. Financial Instruments: Classification and Measurement

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: July 2009

Website Locator: http://www.iasb.org/Current+Projects/IASB+Projects/Financial+Instruments+A+Replacement+of+IAS+39+Financial+Instruments+Recognitio/Financial+Instruments+Replacement+of+IAS+39.htm

Brief Description: The IASB in July 2009 published an exposure draft on *Financial Instruments: Classification and Measurement,* as part of its comprehensive review of financial instrument accounting. The proposals, which the IASB believes will significantly reduce complexity and make it easier for investors to understand financial statements, address how financial instruments are classified and measured. The proposals also answer concerns raised by interested parties during the financial crisis (for example, eliminating the different impairment approaches for available-for-sale assets and assets measured using amortised cost). The IASB plans to finalise the classification and measurement proposals in time for non-mandatory application in 2009 year-end financial statements.

8. Credit Risk in Liability Measurement

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: June 2009

Website Locator: http://www.iasb.org/Current+Projects/IASB+Projects/Credit+Risk+in+Liability+Measurement/Credit+Risk+in+Liability+Measurement.htm

Brief Description: The IASB published in June 2009 an *Invitation to Comment* on a staff paper that outlines the three most often-cited arguments in favour of including credit risk in current measurement of liabilities and the three most often-cited arguments against.

9. Impairment of Financial Assets

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: June 2009

Website Locator:

http://www.iasb.org/Current+Projects/IASB+Projects/Financial+Instruments+Impairment+of+Financial+Assetseplacement+of+IAS+39+Financial+Instruments+Recog/Financial+Instruments+Impairment+of+Financial+Assets.htm

Brief Description: The IASB published in June 2009 a *Request for Information* on the feasibility of an expected loss model for the impairment of financial assets.

10. Management Commentary

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: June 2009

Website Locator:

http://www.iasb.org/Current+Projects/IASB+Projects/Management+Commentary/Management+Commentary.htm

Brief Description: The IASB issued in June 2009 a proposed framework to help entities prepare and present a narrative report, often referred to as Management Commentary (or MD&A). Such a framework would help improve the comparability of management's explanations of how they are managing the risks faced by their organisation or matters such as how the accounting requirements relate to regulatory requirements. Management Commentary is seen as an important complement and supplement to the financial statements.

11. Report of the Financial Crisis Advisory Group (FCAG)

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: July 2009

Website Locator:

http://www.iasb.org/News/Press+Releases/Financial+Crisis+Advisory+Group+publishes+wide-ranging+review+of+standard-setting+activities+followi.htm

Brief Description: The FCAG was formed at the request of the IASB and the US FASB to consider financial reporting issues arising from the crisis. Co-chaired by Hans Hoogervorst, Chairman, AFM (the Netherlands Authority for the Financial Markets) and Harvey Goldschmid, former Commissioner, US Securities and Exchange Commission, the FCAG met six times from January to July 2009.

The report of the FCAG articulates four main principles and contains a series of recommendations to improve the functioning and effectiveness of global standard-setting. The chief areas addressed in the report are:

1. Effective financial reporting;
2. Limitations of financial reporting;
3. Convergence of accounting standards; and
4. Standard-setters' independence and accountability.

12. Other improvements to International Financial Reporting Standards

Agency: IASB

Contact Information: Alan Teixeira (ateixeira@iasb.org)

Completion Date: March 2009 to July 2009

Website Locator: http://www.iasb.org/Current+Projects/IASB+Projects/IASB+Work+Plan.htm

Brief Description: In the period March to July 2009 the IASB also completed other work that will improve the quality of information available to investors and improve the comparability of information available on international markets.

The completed work includes: in June 2009 amendments to the share-based payments standard to address group cash-settled share-based payment transactions; a proposal in May 2009 to amend the employee benefits standard; and in July 2009 an IFRS designed for use by small and medium-sized entities – which are estimated to represent more than 95 per cent of all companies.

13. Procyclicality and the Fair Value Accounting

Agency: IMF

Contact Information: Monetary and Capital Markets Department, Global Financial Stability Division (lkodres@imf.org, +1 202 623 6161)

Completion Date: March 2009

Website Locator: http://www.imf.org/external/pubs/cat/longres.cfm?sk=22634.0

Brief Description: In light of the uncertainties about valuation highlighted by the 2007-2008 market turbulence, this paper provides an empirical examination of the potential procyclicality that fair value accounting (FVA) could introduce in bank balance sheets. The paper finds that, while weaknesses in the FVA methodology may introduce unintended procyclicality, it is still the preferred framework for financial institutions. It concludes that capital buffers, forward-looking provisioning, and more refined disclosures can mitigate the procyclicality of FVA. Going forward, the valuation approaches for accounting, prudential measures, and risk management need to be reconciled and will require adjustments on the part of all parties.

(iii) Financial Globalisation, Market Functioning/Conduct and Transparency

1. Task Force on Unregulated Financial Markets and Products

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Completion Date: September 2009

Website Locator: http://www.iosco.org/news/pdf/IOSCONEWS165.pdf

Brief Description: In light of the impact that unregulated financial markets and products have had on global capital markets, in November 2008, the Technical Committee launched the Task Force on Unregulated Financial Markets and Products (TFUMP). TFUMP worked on an interim report on regulatory measures to improve confidence and transparency in the OTC market, with particular focus on securitized products and credit default swaps (CDS). An interim report was published in May 2009. TFUMP has explored whether and how extending key regulatory principles that apply to regulated products and markets in the areas of transparency, market conduct, and market infrastructure, should apply to securitized products and CDS. The final report was published on 4 September 2009.

2. Asset Managers Due Diligence Relating to Structured Finance Products

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: August 2009

Website Locator: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD300.pdf

Brief Description: As a result of the findings regarding investor due diligence presented in the *Report on the Subprime Crisis* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD273.pdf), published in May 2008, the Technical Committee Standing Committee on Investment Management (TCSC5) has reviewed the degree to which investment managers who offer collective investment schemes to retail investors have invested in structured finance products; the type of due diligence typically conducted when making these investments; the degree to which these investment managers have been affected by the current market turmoil; and if and how investment managers may have shielded retail investors from the effects of their exposure to losses from structured finance products and any broader market implications such activity may have. TCSC5 submitted a questionnaire to TCSC5 members to obtain the regulators' perspective and identify the key regulatory aspects. TCSC5 submitted a different questionnaire to market practitioners, through their trade associations, in order to identify the industry's good and bad practices in this area. Completed questionnaires were returned in Fall 2008. TCSC5 has established a working group that includes industry representatives to identify issues in this area and consider if and how it would be appropriate to address any such issues. TCSC5 published a report on investment managers' due diligence practices in August 2009.

3. Human and Technological Resources for Asset Valuation

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Completion Date: July 2009

Website Locator: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD300.pdf

Brief Description: As discussed in the *Report on the Subprime Crisis* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD273.pdf), published in May 2008, IOSCO's Task Force on the Subprime Crisis found that some financial firms appear to have inadequate human and technological resources to model their financial positions using fair value accounting principles under illiquid market conditions. The Technical Committee Standing Committees on Regulation of Market Intermediaries and Investment Management have explored whether, as a matter of internal control, registered intermediaries and investment advisors avail themselves of practitioners who are skilled or trained enough to model fair valuation adequately in illiquid market conditions in its due diligence report published in July 2009 (*Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments*:).

4. Outsourcing Arrangements for Markets

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Completion Date: June 2009

Website Locator: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD283.pdf
http://www.iosco.org/library/pubdocs/pdf/IOSCOPD299.pdf

Brief Description: Market operators are increasingly using third party service providers to perform processes, services or activities (regulated or not) that would otherwise be undertaken by the market operators themselves (outsourcing arrangements). This may bring benefits for market operators, in particular cost reductions resulting from the use of specialized expertise and improved technology. However, an increased reliance on outsourcing of activities may impact the ability of markets to manage risks and monitor compliance with regulatory requirements. This may have an impact on market integrity and on the ability of regulators to fulfil their missions. The Technical Committee report entitled *Principles on Outsourcing of Financial Services for Market Intermediaries*, the February 2005 Joint Forum report entitled *Outsourcing in Financial Services* and the November 2006 Technical Committee report entitled *Regulatory Issues Arising from Exchange Evolution* do not assess risks nor identify principles related to outsourcing arrangements made by markets. The Technical Committee Standing Committee on the Regulation of Secondary Markets (TCSC2) has surveyed markets and regulators in the jurisdictions of the members of TCSC2 to identify different regulatory regimes in place regarding outsourcing by exchanges and operators of exchanges. The mandate also involves assessing the impact of various types of outsourcing arrangements, and evaluating the main challenges faced by regulators arising from such arrangements. TCSC2 assessed related risks and developed possible principles for outsourcing. The Technical Committee published a consultation report on principles on outsourcing in February 2009 (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD283.pdf). Comments were received in May 2009 and a final version of the report has been approved by the Technical Committee in June 2009 and published.

(iv) Prudential Regulation and Supervision

1. Refinements to the Basel II Framework

Agency:	BCBS
Contact Information:	baselcommittee@bis.org
Completion Date:	July 2009
Website Locator:	http://www.bis.org/press/p090713.htm
Brief Description:	In July 2009, the BCBS issued a package of enhancements to the Basel II regulatory capital framework. The changes to capital requirements cover trading book exposures, including complex and illiquid credit products; certain complex securitisations in the banking book (e.g., CDOs of ABS); and exposures to off-balance sheet vehicles (i.e., ABCP conduits). The Committee also issued supplementary Pillar 2 standards to promote more rigorous supervision and risk management of risk concentrations, off-balance sheet exposures, securitisations and related reputation risks. Through the supervisory review process, the Committee is promoting improvements to valuations of financial instruments, the management of funding liquidity risks and firm-wide stress testing practices. In addition, the Committee issued enhanced Pillar 3 disclosure requirements for securitisations and sponsorship of off-balance sheet vehicles, which should provide market participants with a better understanding of an institution's overall risk profile.

2. Core Principles for Effective Deposit Insurance Systems

Agency:	BCBS and IADI
Contact Information	baselcommittee@bis.org
Completion Date:	June 2009
Website Locator:	http://www.bis.org/publ/bcbs156.htm
Brief Description:	The BCBS and the International Association of Deposit Insurers (IADI) issued in June 2009 the *Core principles for Effective Deposit Insurance Systems*. The Core Principles, which were developed by a joint working group between the BCBS and IADI, address a range of issues including deposit insurance coverage, funding and prompt reimbursement. They also focus on issues related to public awareness, resolution of failed institutions and cooperation with other safety net participants, including central banks and supervisors. Events during the recent international

financial turmoil illustrate the importance of effective depositor compensation arrangements and the need for authorities to agree on an international set of principles for effective deposit insurance systems.

3. Sound Stress Testing Principles

Agency: BCBS

Contact Information: baselcommittee@bis.org

Completion Date: May 2009

Website Locator: http://www.bis.org/publ/bcbs155.htm

Brief Description: The BCBS issued principles for sound stress testing practices and supervision in May 2009. The paper sets out a comprehensive set of principles for the sound governance, design and implementation of stress testing programs at banks. The principles address the weaknesses in banks' stress tests that were highlighted by the financial crisis.

4. Issues Paper on Group-wide Solvency Assessment and Supervision

Agency: IAIS

Contact Information: iais@bis.org

Completion Date: March 2009

Website Locator: http://www.iaisweb.org/__temp/Issues_paper_on_group-_wide_solvency_assessment_and_supervision.pdf

Brief Description: This paper considers the practical issues and challenges associated with the establishment of a risk-sensitive approach to group-wide solvency assessment. The paper provides a preliminary analysis of a range of possible approaches to group-wide solvency assessment and their interaction with solo solvency assessment. It further considers the relative merits of these various approaches to group-wide supervision and the challenges associated with their implementation in practice.

5. Issues Paper on Corporate Governance of Insurers and Reinsurers

Agency: IAIS and OECD

Contact Information: iais@bis.org

Completion Date: July 2009

Website Locator: to be provided

Brief Description: This paper was prepared jointly with the OECD and discusses core elements of corporate governance including governance structures, functions of the board, control functions, the actuarial function and auditors, disclosure and transparency, relationship with stakeholders, and interaction with the supervisors.

6. Multilateral Memorandum of Understanding for Exchange of Information between Insurance Supervisors (MMoU)

Agency: IAIS

Contact Information: iais@bis.org

Completion Date: June 2009

Brief Description: In June 2009, the IAIS MMoU became operational with the first three insurance supervisory authorities becoming signatories. There is a strong commitment from IAIS members to this project and applications from an additional 17 insurance supervisory authorities are currently being validated. The MMoU is a framework for cooperation and the exchange of information and sets minimum standards to which signatories must adhere. With the MMoU in place, insurance supervisors will be better equipped to improve the effectiveness of cross-border supervision of insurance companies. The MMoU will also contribute to the global effort to ensure that systemically important financial institutions are appropriately regulated.

II. Ongoing Work

(i) Macroeconomic Management, Surveillance and Transparency

1. External Vulnerability Assessments

Agency: IMF

Contact Information: IMF Surveillance Policy Division (uvonallmen@imf.org)

Target Date: Ongoing

Brief Description: In light of the emphasis of surveillance on external stability, key objectives of IMF surveillance (Article IV) country reports are to provide in-depth analysis of exchange rate and financial sector issues, debt sustainability, regional and global spillovers, and balance sheet vulnerabilities. In recent years, there has been a general shift in the emphasis of Fund surveillance from real sector to financial developments and their interactions, a greater focus on balance sheet linkages and the sources of financing, and more emphasis on risk-based scenario analysis.[1]

In the Fall 2008, the IMF completed its Triennial Surveillance Review. The review found that the overall quality of Fund surveillance is held in high regard by its key stakeholders and that significant progress has been made since the previous review, notably in sharpening focus of surveillance on the Fund's core mandate. Nonetheless, the review identified areas where more is needed to meet expectations.

Drawing on these findings, the IMF Executive Board subsequently adopted a Statement of Surveillance Priorities for 2008-2011, including four operational priorities, namely: (i) risk assessment; (ii) financial sector surveillance and real-financial linkages; (iii) multilateral perspective (spillovers and cross-country perspective); and (iv) analysis of exchange rates and external stability risks. Progress has been made on fostering these priorities. Recent steps include a dry run exercise on the Fund-FSB Early Warning Exercise and the issuance to Fund staff of guidance on financial sector surveillance.

2. Transparency of IMF Policies and Assessments

Agency: IMF

Contact Information: IMF Surveillance Policy Division (uvonallmen@imf.org)

Target Date: Ongoing

Brief Description: Under the IMF's transparency policy, publication is voluntary but presumed for most country documents, including Article IV consultation, Use of Fund Resources, country policy intention, regional surveillance, and related documents. Publication of Financial System Stability

[1] Some recent examples of balance sheet work are: the coverage of the U.S. household sector and mortgage markets in the *WEO* and *GFSR*, the long-term public sector balance sheet issues set out in Germany's Article IV report, and the analysis of the credit derivatives market in the United Kingdom Article IV report.

Assessments (FSSAs) and Reports on the Observance of Standards and Codes (ROSCs) is voluntary. ("Voluntary" means that publication requires the member's explicit consent. "Presumed" means that a document is expected to be published within 30 calendar days following the Board meeting.) For countries with programs involving exceptional access to IMF resources, 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. The IMF's transparency policy allows for the deletion of specified sensitive material prior to publication at the relevant member country's request. In addition, publication of Fund policy papers, except those pertaining to administrative matters of the IMF, is presumed, and the Executive Board agenda is made public several days in advance. The vast majority of IMF staff reports are now published. Detailed publication statistics and trends are available at http://www.imf.org/external/np/pp/eng/2008/013108.pdf. The review of Fund's transparency policy is currently being undertaken, and it is expected to be discussed at the Board in the fall of 2009.

3. Sovereign Asset Management: Guidelines for Foreign Exchange Reserves Management

Agency: IMF

Contact Information: Monetary and Capital Markets Department, Sovereign Asset and Liability Management Division, IMF (udas@imf.org)

Target Date: Ongoing

Brief Description: The *Guidelines for Foreign Exchange Reserves Management* have been developed as part of the IMF's broader program to help strengthen the international financial architecture, promote policies and practices that contribute to stability and transparency in the financial sector, and reduce external vulnerabilities (see http://www.imf.org/external/pubs/ft/ferm/guidelines/2004/index.htm).

The Guidelines are intended to assist governments in strengthening their policy frameworks for reserve management so as to help increase their country resilience to shocks that might originate from global financial markets or within the domestic financial system. The aim is to help the authorities articulate appropriate objectives and principles for reserve management and build adequate institutional and operational foundations for good reserve management practices. The Guidelines are being used as a framework to review reserve management practices. Key issues regarding reserve adequacy, strategic asset allocation framework, transparency, and accounting and measurement of reserves are covered in IMF's work on Article IV surveillance, FSAPs, as needed, and through technical assistance work.

4. Sovereign Liability Management: Guidelines for Public Debt Management

Agency: IMF and World Bank

Contact Information: Monetary and Capital Markets Department, Sovereign Asset and Liability Management Division, IMF; the World Bank Treasury and the Economic Policy and Debt Department, World Bank

Udaibir S. Das (udas@imf.org); Phillip R. D. Anderson (prdanderson@worldbank.org); and Carlos Alberto Primo Braga (cbraga@worldbank.org)

Target Date: Ongoing

Brief Description: The *Guidelines for Public Debt Management*, developed by the IMF and the World Bank in 2001, are used as a framework to review debt management framework and practices and as a tool in assisting governments in designing debt management reforms http://treasury.worldbank.org/web/pdf/guidelines_2001_english.pdf. An assessment of public debt management has been incorporated into surveillance work, where relevant, and included in other Bank and Fund advisory and technical assistance work. A paper reviewing Bank-Fund staff experience with applying the Guidelines in strengthening public debt management frameworks and capacity in developing countries was discussed by the Boards of the two institutions in May 2007 and led to endorsement of an agenda for strengthening debt management practices, including strategy development in middle- and low-income countries (*Strengthening Debt Management Practices: Lessons from Country Experiences and Issues Going Forward*, Prepared by the Staff of the IMF and the World Bank http://www.imf.org/external/np/pp/2007/eng/032707m.pdf). In March 2009, updates on the work programs were discussed by the Boards of the two institutions (Managing Public Debt: Formulating Strategies and Strengthening Institutional Capacity, Prepared by the Staff of the IMF and the World Bank http://siteresources.worldbank.org/INTDEBTDEPT/PolicyPapers/22135929/SecM2009_0105.pdf).

5. Methodological Framework for Medium-Term Debt Management Strategies

Agency: IMF and World Bank

Contact Information: Udaibir S. Das (udas@imf.org); Carlos Alberto Primo Braga (cbraga@worldbank.org); and Philip R. D. Anderson (prdanderson@worldbank.org)

Target Date: Ongoing

Brief Description: The Boards of the two institutions in May 2007 endorsed the development of a methodological framework for the design of *Medium-Term Debt Management Strategies* (MTDS) in low-income countries (LICs) and subsequently welcomed the progress in developing and implementing the toolkit for strengthening public debt management in March 2009. The MTDS toolkit developed by a joint Bank-Fund technical working group includes a guidance note on the process of designing and implementing a debt management strategy in a LIC context as well as a quantitative cost-risk analysis tool available through the IMF (http://www.imf.org/external/pp/longres.aspx?id=4326) and World Bank websites (http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0,,contentMDK:21718429~menuPK:4876316~pagePK:64166689~piPK:64166646~theSitePK:469043,00.html). The objective of the program is to help LICs make well-informed decisions about public debt and its management that is consistent with maintaining debt sustainability and limiting portfolio and default risk over the medium term. The MTDS toolkit has been applied in Bangladesh, Cameroon, Cape Verde, Ghana, Kenya, Nicaragua, Moldova and Zambia and 4 additional missions are expected through June 2010. The work has been undertaken in close cooperation with various stakeholders - including other technical assistance providers and donors.

6. Debt Management Performance Assessment (DeMPA) Tool

Agency: World Bank

Contact Information: Carlos Alberto Primo Braga (cbraga@worldbank.org)

Target Date: Ongoing

Brief description: The *Debt Management Performance Assessment* (DeMPA) tool is a methodology for identifying strengths and weaknesses in debt management operations through a comprehensive set of indicators. To date, 35 DeMPA assessments have been completed. In addition Reform Plans have been developed in 4 countries, which develop concrete action plans for implementing a comprehensive reform program and are coordinated with wider capacity building efforts related to strengthening debt management (http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0,,contentMDK:21707750~menuPK:4876300~pagePK:64166689~piPK:64166646~theSitePK:469043,00.html).

7. Debt Management Facility for Low Income Countries (DMF)

Agency: World Bank

Contact Information: Carlos Alberto Primo Braga (cbraga@worldbank.org)

Target Date: Ongoing

Brief description: A multi-donor trust fund was established to support the scaling up and accelerated implementation of the Bank’s debt management work program in low-income countries (LICs). The objective of the DMF is to strengthen debt management capacity and institutions in developing countries through the systematic application of the Debt Management Performance Assessment (DeMPA) tool in LICs; country-led application of a toolkit for formulating and implementing a Medium-Term Debt Management Strategy (MTDS); design of debt management reform programs; and, promotion of learning and knowledge generation via an extensive program of training and outreach, including a peer-learning initiative – the Debt Management Practitioners’ Program (http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0,,contentMDK:22123005~menuPK:6030665~pagePK:64166689~piPK:64166646~theSitePK:469043,00.html).

8. Debt Sustainability Framework for Low Income Countries

   Agency: IMF and World Bank

   Contact Information: Debt Policy Division, IMF and PRMED, World Bank Herve Joly (hjoly@imf.org) and Carlos Alberto Primo Braga (cbraga@worldbank.org)

   Target Date: Ongoing

   Brief description: The objective of the joint Fund-Bank debt sustainability framework (DSF) is to support low-income countries (LICs) in their efforts to achieve their development goals without creating future debt problems. It aims to help countries monitor their debt burden and take early preventive action, to provide guidance to creditors in ensuring their lending decisions are consistent with countries' development goals, and to improve the Bank and Fund's assessments and policy advice. The DSF was last reviewed in 2006, and another review focused on options to enhance the flexibility and predictability of the DSF was discussed in both Boards in August 2009. The 2009 paper seeks to address concerns that the DSF has unduly constrained the ability of LICs to finance their development goals and, in light of the current crisis, that the DSF may be too procylical. Ongoing work consists of outreach to debtors and creditors so that they can use debt sustainability analyses to inform their borrowing and lending decisions, and refining the framework as a direct input for the formulation of medium-term debt strategies.

9. Sovereign Liability Management: Leading Practices in Debt Management and Government Securities Markets

   Agency: OECD

   Contact Information: Hans J. Blommestein (hans.blommestein@oecd.org)

   Target Date: Ongoing

   Brief description The OECD provides authoritative information on technical and policy issues in the area of public debt management and government securities markets through its Working Party on Public Debt Management (WPDM). The WPDM formulates leading practices based on discussions among OECD debt managers. For example, a report on *Advances in Risk Management of Government Debt* deals with practices on market, credit, and operational risk as well as guarantees. The section on pricing of guarantees is currently under review. Other reports are in preparation, including on liquidity in secondary bond markets, on issuing techniques and on electronic trading systems.

   The WPDM has achieved a singular international status in the international community of debt managers, while its activities have resulted in a set of leading practices that function de facto as global standards. (Many of them are reflected in the IMF-WB *Guidelines for Public Debt Management*.)

   The WPDM is addressing the implications of the global credit crisis for public debt management policies and operations. Policy issues for debt management offices (DMOs) include challenges to funding operations, the provision of liquidity, role of DMOs in the pricing and management of guarantees, including responsibility for new guarantees, new asset classes such as government-guaranteed bonds issued by banks, and rating issues. In June 2009, two reports on Issuance Strategies and Issuance Techniques and Procedures were published in OECD's Financial Market Trends. Other ongoing work includes policy challenges related to primary market systems such as auction systems and the scope and usefulness of market-making obligations in electronic markets, cash management and risk management, sovereign asset and liability management and balance sheet (centralised) risk management, Best Practices for Central Government Financial Management.

The *Annual OECD Global Forum on Public Debt Management* brings together debt managers from all over the world to discuss viewpoints and experiences relating to policies and techniques in the field of government debt management. The focus of the *Annual OECD/World Bank/IMF Global Bond Market Forum* is on the latest developments in worldwide bond markets and to share and learn from country cases and leading practices in developing efficient public and corporate bond markets. Conclusions from the last two forums are incorporated in the OECD/WB/IMF reports and published as *Use of Derivatives for Debt Management and Domestic Debt Market Development* and *Secondary Market Liquidity in Domestic Debt Markets.*

10. Public Debt Management and Bond Markets in Africa

Agency: OECD

Contact Information: Hans J. Blommestein (hans.blommestein@oecd.org)

Target Date: Ongoing

Brief description The project, organised under the aegis of the OECD Working Party on Public Debt Management, has three principal pillars. The OECD Forum on African Public Debt Management constitutes the *first,* the Regional Workshops on African Debt Management and Bond Markets, the *second*. Both pillars seek to promote frank and open policy discussions between African and OECD debt managers on the one hand, and African market participants like banks, exchanges and rating agencies, on the other. The regional workshops focus on market infrastructure issues. Forum meetings address specific problems, issues, and public debt management policies of particular relevance to African countries. Forum meetings also function as an efficient clearing house to share and exchange information on the activities by the various international and regional players involved in different aspects of African debt management, including the IMF, World Bank, African Development Bank, NEPAD, MEFMI, WAIFEM and BCEAO/BEAC.

The *third* pillar concerns the construction of a database on African debt statistics (see section on Database on African Central Government Debt below).

Together with the South African National Treasury, the OECD is currently planning the creation of a Centre on African Debt Management and Bond Markets.

11. Database on African Central Government Debt

Agency: OECD

Contact Information: Hans J. Blommestein (hans.blommestein@oecd.org)

Target Date: Ongoing

Brief description A *Database on African debt statistics* is being developed as part of OECD's Africa project. This new data project responds to a statement by the G7 meeting of May 2007. The new database will give a comprehensive and detailed view of African public debt and that will be on par with the best practices used among OECD member countries. The database will be built according to OECD methodology as set out in the publication "*Central Government Debt: Statistical Yearbook 1997-2006*", 2007 ed. Progress on this new database has been reported at OECD's Africa Forums and Regional Workshops as at workshops of the G8 (also attended by the IMF, World Bank, African Development Bank and other institutions). At the June 2009 meeting of the Annual Regional Workshop on African Debt Management and Bond Markets, the first pilot version of the new publication *African Central Government Debt: Statistical Yearbook* was presented.

12. Sovereign Wealth Funds and Recipient Country Policies

Agency: OECD

Contact Information: kathryn.gordon@oecd.org

Target Date: Ongoing.

Brief Description: The OECD Investment Committee has completed its guidance for recipient country policies toward sovereign wealth funds (SWFs) in October 2008. This work benefited from the contributions of officials from many non-OECD countries and is part of ongoing international cooperation on building open and fair international investment markets. The OECD's guidance recognizes the benefits of SWFs' investments and confirms that the OECD's established principles for investment policy apply equally well to investments by SWFs. Ongoing work in this area involves: (i) peer reviews of participating countries' observance of the guidance; (ii) improved international data on countries' investment policies; and (iii) deeper integration of non-members into the OECD's work on investment policy, including a standing invitation to SWFs participating in the SWF Forum to participate in the "Freedom of Investment" Roundtables hosted at the OECD.

13. Sovereign Wealth Funds and Government Bond Markets

Agency: OECD

Contact Information: hans.blommestein@oecd.org

Target Date: Ongoing

Brief Description: The Working Party on Public Debt Management assesses the impact of the investment strategies of sovereign wealth funds (SWFs) on domestic government bond markets. This includes a quantification of the effect on yields. The work also focuses on the potential influence of SWFs on the global bond market. A related joint project with the IMF focuses on work related to debt management within the context of a broader sovereign asset-liability management framework.

14. Task Force on Sovereign Wealth Funds

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Brief Description: The Technical Committee launched the Task Force on Sovereign Wealth Funds (TFSWF) in September 2008 to review the regulatory issues related to the activities of sovereign wealth funds and to present related recommendations for consideration by the Technical Committee. Due to other priorities related to the global financial crisis, this work has not proceeded as yet.

15. Macroprudential Regulation and Supervision

Agency: BIS

Contact Information: claudio.borio@bis.org

Target Date: 2009

Brief Description: This work is exploring possible concrete options to strengthen the macroprudential orientation of regulatory and supervisory frameworks. The work considers both the evolution of financial system-wide risk over time (and hence how to address financial system procyclicality) and the distribution of system-wide risk at a point in time across individual financial institutions (resulting from interdependencies and common exposures). The possible calibration of prudential instruments is assessed based on quantitative analysis. Some of this work is done jointly with the Bank of Spain.

16. Financial Sector Rescue Plan Database

Agency: CGFS

Contact Information: Corrinne Ho (corrinne.ho@bis.org)

Target Date: Ongoing

Brief Description: Following the marked deterioration of financial sector conditions in mid-September 2008, governments around the world have introduced measures to support troubled financial institutions and markets – or, in some cases, to forestall spillovers from other jurisdictions. The CGFS Secretariat initiated in October 2008 an effort to compile and maintain information on government measures to support troubled financial institutions and markets. The database focuses on four main categories of measures: deposit insurance/guarantees, bank debt guarantees, capital injection/emergency loans, and asset purchases/guarantees.

17. Inter-Agency Group on Economic and Financial Statistics

Agency: IMF (chair), BIS, ECB, Eurostat, OECD, UN, and the World Bank

Contact Information: Alfredo Leone (aleone@imf.org; +1 202 623 8628)

Completion Date: Ongoing

Brief Description: The Group was created in late 2008 with the objective of improving data availability in financial and related statistics, taking account of resource constraints. In April 2009 the Group launched the "Principal Global Indicators," website containing key economic and financial data for G20 economies, with link to relevant websites, including the agencies on the Group. Each agency represented in the Group has contributed data. Over time, the Group intends to enhance the website further by adding to the richness of the information that can be accessed. The Group is also looking at gaps in data availability arising from the crisis.

(ii) Identifying Financial System Strengths and Weaknesses

1. Financial Sector Assessment Program

Agency: IMF and World Bank

Contact Information: IMF, Monetary and Capital Markets Department, Financial Sector Policy Division, Mark Swinburne (mswinburne@imf.org, + 1 202 623 4777); World Bank, Financial Systems Department, FSAP Unit, Mario Guadamillas (mguadamillas@worldbank.org, +1 202 473 0344)

Target Date: Ongoing

Brief Description: The Financial Sector Assessment Program (FSAP) provides a comprehensive framework for identifying financial system strengths, risks, and vulnerabilities, assessing development needs and priorities, and helping to develop appropriate policy responses. These analyses provide the basis for the IMF's Financial System Stability Assessments (FSSAs) which are discussed by the IMF Executive Board within the context of a country's Article IV consultation (see http://www.imf.org/external/np/fsap/fsap.asp for published FSSAs). They also provide the basis for the World Bank staff's Financial Sector Assessments (FSAs), which are distributed to the World Bank Executive Board for information (see http://worldbank.org/fsap for published FSAs). Offshore financial centers have started to be assessed under the FSAP. The IMF/World Bank work on anti-money laundering and combating terrorist financing continues to be undertaken in connection with the FSAP.

In all, 152 countries and economies, including all G-20 member countries, and three regional supervisory bodies have undergone, or have requested, an initial assessment under the program (for Argentina, a G20 country, an initial assessment started in 2001, but was interrupted by the financial crisis). 62 countries, including some G-20 countries, have undergone or requested an update of their initial assessment, and 6 countries have undergone or requested a second update.

The IMF and World Bank Boards last reviewed the FSAP in March 2005 (see http://www.imf.org/external/np/sec/pn/2005/pn0547.htm; http://www1.worldbank.org/finance/html/policy_fsap.html); the next review will be presented to the Boards in the Fall 2009.

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

Agency: IMF and World Bank

Contact Information: IMF Surveillance Policy Division (uvonallmen@imf.org); World Bank, Financial Systems Department, Consolate Rusagara (crusagara@worldbank.org)

Target Date: Ongoing

Brief Description: The IMF and the World Bank have recognized 12 areas as useful for their operational work and endorsed associated standards in 11 areas, which fall in three broad categories: transparency, financial sector, and market integrity. The financial sector standards include banking supervision, securities, insurance, payments and securities settlement systems, and AML/CFT, and are usually assessed under the FSAP. Reports on the Observance of Standards and Codes (ROSCs), which are prepared and published at the request of the member country, summarize the extent to which countries observe these standards and codes. ROSCs and FSAP can be accessed at http://www.imf.org/external/standards/index.htm and http://www.worldbank.org/ifa.

As of end-April 2009, 1,061 ROSC modules and updates (for 154 economies) have been completed, of which 78 percent have been published.

Following the review of the standards and codes initiative in July 2005 (http://www.imf.org/external/np/sec/pn/2005/pn05106.htm), the IMF issued in June 2006 a paper laying out operational changes made to its work on standards and codes to implement its recommendations as well as those of the Managing Director’s medium-term strategy. The changes aim at improving the country coverage and prioritization of ROSCs, the integration of ROSCs with IMF surveillance and technical assistance, and the quality and timeliness of ROSCs (http://www.imf.org/external/pp/longres.aspx?id=566). The *Code of Good Practices on Fiscal Transparency* was revised in May 2007 (http://www.imf.org/external/np/fad/trans/index.htm).

3. Financial Soundness Indicators

Agency: IMF

Contact Information: S. Rajcoomar (brajcoomar@imf.org); Andreas Georgiou (ageorgiou@imf.org)

Target Date: Ongoing

Brief Description: The work program on the Financial Soundness Indicators (FSIs) involves a number of initiatives. In the period 2004-2007, the IMF conducted a pilot project – the coordinated compilation exercise (CCE) – that aimed to support efforts by 62 participating countries to compile and disseminate cross-country comparable FSIs with 2005 as a reference period. Along with FSAP and other IMF surveillance work, the CCE was to lead to an increasing number of countries compiling FSIs on an ongoing basis. The 2005 data and corresponding metadata compiled under that pilot project for 58 countries were disseminated by the IMF on its website.

In November 2007, the Executive Board of the IMF reviewed the experience with the work program on FSIs, and in particular the pilot project (CCE), and discussed proposals for taking forward the work on FSIs. The Executive Board discussion was based on a paper entitled *Financial Soundness Indicators: Experience with the Coordinated Compilation Exercise and Next Steps*, and on supporting information provided in a background paper. The paper, among others, reflected the CCE participating countries' views on and experience with compiling FSIs.

In the November 2007 Board meeting, Executive Directors had a positive assessment of the CCE and underscored the importance of continued IMF engagement with regard to FSIs. In this context, Directors saw clear value in the regular collection and dissemination of FSIs by the IMF, with the creation of a centralized public FSI database that would be available to member countries, international institutions, and markets. Directors agreed that countries should be encouraged – but not required – to regularly report FSIs to the IMF.

In this context, on July 31, 2009, the IMF launched a new website (http://fsi.imf.org/) that allows public access to an expanding database of FSIs that have begun to be regularly reported to the IMF by member countries. The FSI database is holding FSI data from more than 26 countries, a number that is expected to increase as the database is expanded and more countries contribute data on a voluntary basis. In addition to the numerical information, the FSI database includes the metadata provided by countries, which are intended to provide information about the national practices that govern the compilation of FSIs. The data can be searched and sorted, using criteria chosen by the user from the set of metadata categories. This permits the retrieval of data that are comparable across countries, and/or across time, for the chosen metadata categories.

Next steps in the work on FSIs include the expansion of the FSI database by having additional member countries report their FSIs to Statistics Department with a view to disseminating them through the FSI website. Moreover, existing reporters will be encouraged to rapidly build time series of FSI data by regularly submitting data as well as by providing data for previous periods. It is also envisaged that the list of FSIs will be reviewed – taking inter alia into consideration the lessons of the recent financial crisis – with a view to (i) amending, if needed, the current allocation between core and encouraged FSIs and (ii) incorporating new FSIs to the current list. Proposals for amendments to the list of FSIs will be consulted widely within the IMF and with international experts and will be presented to the IMF Executive Board for approval. In addition, work is underway to propose the introduction of selected FSIs into the Special Data Dissemination Standard (SDDS) as encouraged data.

In the FSI pilot project (CCE), the recommendations of the *Compilation Guide on Financial Soundness Indicators* (Guide), were used as a reference in compiling FSIs and producing the metadata for the indicators. In the November 2007 IMF Board meeting, Directors noted that the Guide had been helpful during the CCE, and acknowledged the need for some amendments to the Guide in light of experience. The amendments, presented and discussed at that 2007 IMF Board meeting, were outlined in a note labelled "*Amendments to the Financial Soundness Indicators: Compilation Guide*" that was posted on the IMF's external website in July 2008.

In parallel with this statistical development work, there has been ongoing analytic work on FSIs aimed at enhancing their usefulness as a surveillance tool. This work has been integrated with the development of other surveillance tools, such as stress testing and standards assessments, and the FSAP. 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 and early warning indicators. This work is summarized in the *Handbook of Financial Sector Assessment*, a joint publication of the IMF and the World Bank, which was released in late 2005. The IMF, in collaboration with the BIS, conducted a conference on real estate indicators and financial stability during October 2003. A volume on conference proceedings was released in April 2005. The publication is also posted on the IMF and BIS websites.

4. Joint External Debt Statistics Hub

Agency: BIS, IMF, OECD, and World Bank

Contact Information: http://www.jedh.org/jedh_contact.html

Completion Date: Ongoing

Brief description: To increase the availability of external debt data to the public, the BIS, IMF, OECD, and the World Bank have developed a joint external debt hub (JEDH) (http://www.jedh.org/). The JEDH brings together national external debt data (from the Quarterly External Debt Statistics (QEDS) database, see below) provided by most of the subscribers to the IMF's Special Data Dissemination Standard (SDDS); creditor/market sourced external debt and selected foreign assets data for 175 countries; and associated metadata for the two sets of statistics. A major enhancement, made possible by ongoing work with the Berne Union (the International Union of Credit & Investment Insurers), was the availability from end-January 2008 of data collected from its members on export credit exposures, as an alternative source following the discontinuation of the collection of data on official and officially-supported trade credits at the OECD. The JEDH will also benefit at a later stage in 2009 from a joint project between the IMF and World Bank aimed at extending their QEDS database to subscribers of the IMF's General Data Dissemination Standards (GDDS), particularly low-income countries. The project focuses on disseminating public and publicly guaranteed external debt stock data in line with the GDDS data category (see below, Point 5). The data will also be available from the JEDH in the coming months.

5. Expansion of Debtor Data Coverage in QEDS

Agency: IMF and World Bank

Contact Information: Ralph Kozlow (rkozlow@imf.org, +1 202 623 9398); Eric Swanson (eswanson@worldbank.org); Ibrahim Levent (Ilevent@worldbank.org)

Target Date: Ongoing

Brief description: The IMF and the World Bank have developed a project to improve the availability of developing countries' quarterly external debt data to the public (http://www.worldbank.org/qeds). The project aims to extend the Special Data Dissemination Standards-based Quarterly External Debt Statistics (QEDS) to participants of the IMF's General Data Dissemination Standards (GDDS), particularly low-income countries (LICs). At present, GDDS participants are not required to report these data for GDDS purposes but rather to provide metadata to be posted on the IMF website. Considering the capacity constraints to produce external debt data in most LICs, the project focuses on the public external debt stock data, as the mandatory item for participation in QEDS, but encourages the dissemination of other data in line with the GDDS framework. The first results of the project were made available with the publication of data for 9 LICs in the QEDS database in February 2008. Much work was completed near the end of 2008 and early in 2009 to expand the number of GDDS countries providing data to the QEDS database. As of early February 2009, 20 additional GDDS countries have agreed to work toward providing data to the QEDS database.

6. International Reserves and Foreign Currency Liquidity

Agency: IMF

Contact Information: Ralph Kozlow (rkozlow@imf.org, +1 202 623 9398)

Target Date: Ongoing

Brief Description: To promote transparency on countries' international reserves and foreign currency liquidity positions, the International Reserves and Foreign Currency Liquidity Data Template (reserves template) is a prescribed item of the IMF's Special Data Dissemination Standard (SDDS). The SDDS calls for subscribing countries to disseminate timely, accurate, and comprehensive template data on their national websites, which are hyperlinked to the IMF's Dissemination Standards Bulletin Board (DSBB). The DSBB is accessible to the public at http://www.dsbb.imf.org. In addition, to bring together comparable data for SDDS-subscribing countries in one central location, since 2000 the IMF has invited subscribers, both existing and new, to provide their reserves template data to the IMF for re-dissemination on the IMF's external website (http://www.imf.org/external/np/sta/ir/index.htm). This website also disseminates countries' time series data on key components of the reserves template, facilitating research and analysis. 63 economies (inclusive of the ECB and the Eurosystem) currently transmit their template data to the IMF for re-dissemination. Countries' template data are to be compiled under an internationally agreed framework set out in the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template* (Guidelines). The Guidelines will be reviewed in the context of the new *Balance of Payments and International Investment Position Manual, sixth edition (BPM6).*

7. Coordinated Portfolio Investment Survey

Agency: IMF

Contact Information: Emmanuel Kumah (ekumah@imf.org, +1 202 623 6003); John Joisce (jjoisce@imf.org, +1 202 623 6136)

Target Date: Ongoing

Brief Description: The annual Coordinated Portfolio Investment Survey (CPIS) provides information on reporting countries' end-of-year holdings of portfolio investment securities (equities, bonds, and money market instruments) valued at market prices and allocated by country of issuer. 74 economies participated in the 2006 survey. The partner country information permits the derivation of the partner countries' portfolio investment liabilities, valued at market prices and allocated by country of investor. The coverage of the CPIS is augmented by a survey of securities held as foreign exchange reserves assets. CPIS information and data are available on http://www.imf.org/external/np/sta/pi/cpis.htm.

8. Effectiveness and Efficiency of Financial Regulation

Agency: OECD

Contact Information: André Laboul (andre.laboul@oecd.org, +33 145 24 91 27)

Target Date: Ongoing

Brief Description: The OECD Committee on Financial Markets (CMF) and the OECD Insurance and Private Pensions Committee (IPPC) are conducting an analysis of regulatory effectiveness and efficiency in selected sub-components of financial services. Participating delegations with regulatory review procedures in place have provided information on their methodology, how they identify costs and benefits, and resultant outcomes. Selected good practices have been identified, including on preconditions for regulatory effectiveness and efficiency. The CMF and the IPPC agreed on a draft general guidance and checklist for effective and efficient financial regulation and policy, which have been submitted in 2009 for a wide public consultation including with several international organisations. A revised guidance will be submitted to the OECD Council in the Fall 2009 for consideration as draft OECD Recommendation.

9. Financial Management of Large-Scale Disasters

Agency: OECD

Contact Information: Timothy Bishop (timothy.bishop@oecd.org, +33 145 24 84 66)

Target Date: Ongoing

Brief Description: The OECD has established an International Network and a High Level Advisory Board on the Financial Management of Large-Scale Catastrophes, operating under the aegis of the Insurance and Private Pensions Committee and the Committee on Financial Markets. The Network promotes the exchange of information regarding the mitigation and financial management of large-scale natural and man-made disasters, reviews the tools and schemes implemented in OECD and non-OECD countries, and develops policy analysis and recommendations aimed at improving catastrophe mitigation and compensation strategies and addressing financial and systemic risks that may arise from large-scale disasters. A policy handbook on awareness for catastrophic risks has been prepared for review by OECD members and has been circulated for public consultation. A revised version will be submitted to the OECD Council for consideration as draft OECD Recommendation. Other current studies include the analysis of alternative financial instruments. A conference under the auspices of the Network was held in Hyderabad, India, on 26-27 February 2007, in cooperation with the Insurance Regulatory and Development Authority of India. A high level seminar was held in September 2008 in Beijing, in cooperation with the Chinese authorities. The next conference will be held on 24-25 September 2009 in Bangkok.

10. Global Project on Insurance Statistics and Indicators

Agency: OECD

Contact Information: jean-marc.salou@oecd.org

Target Date: Ongoing

Brief Description: In 2008, the OECD launched a global insurance statistics project to enhance the relevance, timeliness, and geographical scope of the OECD's insurance statistics and indicators. The OECD has accelerated the collection of specific insurance statistics and conducted a special data collection exercise in spring 2009 in light of the crisis. Given this experience, the OECD will be seeking to augment its insurance statistics to include basic balance sheet, income, and solvency data of the insurance and reinsurance industry. Further additional improvements may be sought. A special seminar on insurance statistic is planned for 2010 in South East Asia.

11. Global Pension Statistics

Agency: OECD

Contact Information: jean-marc.salou@oecd.org

Target Date: Ongoing

Website Locator: http://www.oecd.org/daf/pensions/gps

Brief Description: The Working Party on Private Pensions and its Task Force on Pension Statistics launched the Global Pension Statistics (GPS) project in 2002.

The GPS intends to provide a device for measuring and monitoring the pension industry, and permit inter-country comparisons of current statistics and indicators on key aspects of retirement systems across OECD and non-OECD countries. This unique database gathers essential data on assets, investments, membership, and industry structure based on the latest official statistics. The OECD Private Pensions Outlook (http://www.oecd.org/daf/pensions/outlook), a new OECD publication that guides readers through the changing landscape of retirement income provision across OECD and non-OECD countries, draws largely on data acquired as part of the GPS project. The OECD has conducted a special data collection exercise in spring 2009 in light of the crisis and will be seeking to collect micro data from largest pension funds worldwide over 2009-2010.

12. Financial Sector Capacity Enhancement Program

Agency: World Bank

Contact Information: ssmith7@worldbank.org; Afleming@worldbank.org (learning); jpesme@worldbank.org (AML/CFT)

Target Date: Ongoing

Brief Description: The Financial Sector Capacity Enhancement Program of the World Bank has three main components: the Financial Sector Learning Program; the Anti-Money Laundering and Combating the Financing of Terrorism; and the Financial Sector Assessment Capacity Enhancement Initiative. The program offers a range of training activities, including institution building, that foster a firm foundation for financial services, sound banking systems, strong capital markets, a diversified financial system, and improved access by the poor and small-and medium-sized enterprises to financial services. The topics range from risk management to financial infrastructure and access to finance. Activities, which include global, regional and country focus events, are steadily growing.

In delivering training activities, the Financial Sector Capacity Enhancement Program partners with various multilateral, bilateral and academic organizations as well as standard setting agencies, private sector institutions, and NGOs at the local level.

The AML/CFT capacity enhancement program has been rolled out in all regions except Central Asia (in the pipeline). It has been customized by countries as training modules to build up a cadre of experts on AML/CFT. In recent months, the risk assessment templates in the program have been updated under a joint project with the Asian Pacific Group.

13. Dialogue with Financial Market Stakeholders

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD278.pdf

Brief Description: IOSCO is continuing to enhance its dialogue with financial market stakeholders. As a follow on to its November 2007 and March 2008 meetings with stakeholders, representatives of the IOSCO Technical Committee met with an expanded group of stakeholders in January 2009 to discuss current IOSCO workstreams related to the global financial crisis. The matters discussed included the work of the Task Forces on Credit Rating Agencies; Short Selling; Unregulated Financial Entities; and Unregulated Financial Markets and Products. The group also discussed IOSCO work on accounting. IOSCO is using the input of the stakeholders to inform the work of its task forces and standing committees. IOSCO plans to have another meeting like the January meeting in October 2009 and to continue the ongoing informal dialogue between stakeholders and task force and standing committee chairs on specific workstreams.

14. Task Force to Assess Implications of Current Financial Crisis within Emerging Markets

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator: http://www.iosco.org/news/pdf/IOSCONEWS131.pdf

Brief Description: In October 2008, the IOSCO Emerging Markets Committee launched a task force (EMC Task Force) to assess the implications of the current financial crisis within emerging markets jurisdictions, with a particular focus on structured financial products. The first step was an urgent assessment of the impact of the current turmoil on members' markets and their regulatory responses. The EMC Task Force has completed a survey of the impact of the crisis on emerging markets. The survey collected information from 38 jurisdictions from all parts of the world on regulatory and supervisory issues arising from the crisis. The Task Force also will address the role of structured financial products in market development and will work closely with the IMF on this issue, as the IMF has worked on case studies on securitization in emerging markets. The work of the EMC Task Force will lead to the development of standards of good practice for emerging markets aimed at mitigating vulnerabilities in these markets and providing a sound basis for long-term development.

15. Enhancing Market and Institutional Resilience

Agency: FSB

Contact Information: fsb@bis.org

Target Date: Ongoing

Brief Description: Following a request by the G7, the Financial Stability Forum (FSF) established in the Fall 2007 a Working Group on Market and Institutional Resilience (the FSF WG). The FSF WG worked to develop a diagnosis of the causes of the current turmoil, identify the weaknesses that merit attention for policymakers, and recommend actions needed to enhance market discipline and institutional resilience. Drawing on the work of the WG, the FSF delivered in April 2008 specific recommendations in its

Report to the G7 on Enhancing Market and Institutional Resilience (http://www.financialstabilityboard.org/publications/r_0804.pdf).

Since the publication of the April 2008 report, the FSF and its WG have continued to monitor and coordinate the implementation process of its recommendations, while working on additional issues it has committed to address, including procyclicality, compensation, and cross-border financial crisis management. These efforts resulted in April 2009 in the publication of (i) *Report on Addressing Procyclicality in the Financial System* (http://www.financialstabilityboard.org/publications/r_0904a.pdf); (ii) *Principles for Sound Compensation Practices* (http://www.financialstabilityboard.org/publications/r_0904b.pdf); and (iii) *Principles for Cross-border Cooperation on Crisis Management* (http://www.financialstabilityboard.org/publications/r_0904c.pdf).

All these recommendations and principles were endorsed by G20 Leaders at their November 2008 Summit in Washington and April 2009 Summit in London. At the London Summit, the G20 Leaders transformed the FSF into the Financial Stability Board (FSB), with an expanded membership and a broadened mandate to promote financial stability, and asked the FSB to monitor progress in implementing the London Summit recommendations. In response to this, the FSB will provide a report to the Pittsburgh Summit in September 2009, as well as the G20 Finance Minister and Governors meeting in November 2009.

16. Early Warning Exercise

Agency: IMF and FSB

Contact Information: Martin Mühleisen (mmuhleisen@imf.org); fsforum@bis.org

Completion Date: Ongoing

Brief Description: In view of the ongoing financial crisis and against the background of the G20 Leaders' Summit on Financial Markets and the World Economy (November 2008), the IMF and the FSB have agreed to cooperate in conducting early warning exercises.

The Early Warning Exercise (EWE) is envisaged as a recurrent process to identify, prioritize and suggest policy responses to macro-financial and regulatory risks and vulnerabilities. To provide integrated perspective, the Fund and the FSB will cooperate closely, with the IMF taking the lead on macro-financial concerns and the FSB on regulatory challenges.

The EWE will be conducted twice-yearly, and timed around the Annual and Spring Meetings. A dry run has been conducted in the Spring of 2009, and the exercise will be formally launched at the IMF's Annual Meetings in Istanbul in October 2009. The EWE will involve four phases: (i) *consultations* with external sources (including policy makers, market participants, analysts, and academics); (ii) *distillation* of this information through an Early Warning Group (comprised of a few Fund staff), in close cooperation with the FSB; (iii) *prioritization* by Fund management and the FSB Chair, including policy responses and areas where more analysis is needed; (iv) *presentations* to the IMF Board and other forums (including IMFC), as well as public dissemination through the IMF's standard vehicles, notably the WEO and GFSR.

17. New Financial Risk Landscape

Agency: OECD

Contact Information: André Laboul (andre.laboul@oecd.org)

Completion Date: Ongoing

Brief Description: The OECD is leading a major project on risk transfer between governments and financial institutions, and between financial institutions and to households. The project analyses the current regulatory and supervisory landscape in relation to the transfer of risks in several key financial areas, tracks the location of risk and develops risk focused instruments. Work began in 2009 in the pensions field, where defined contributions plans (compared to defined benefit plans) transfer longevity and investment risks to households. It is conducted in cooperation with the International Organisation of Pension Supervisors (IOPS) which will focus on risk-based supervision and the OECD Working Party on Private Pensions that will develop work on risk based regulation (capital requirements and consumer protection). The International Network on Financial Education will take the lead on financial education and awareness component and the OECD will provide inputs related to risk management and governance.

18. Effectiveness of Market Interventions During the 2007-09 Crisis

Agency: IMF

Contact Information: Monetary and Capital Markets Department, Global Financial Stability Division (lkodres@imf.org, +1 202 623 6161)

Target Date: October 2009

Brief Description: This work assesses the effectiveness of nonconventional interventions undertaken by the authorities of major advanced economies during the current financial crisis in moving toward the twin objectives of regaining financial stability and restoring access to credit. These interventions are analyzed in terms of their short-term effectiveness in stabilizing financial markets, their link to economic activity, and the ease with which policymakers can disengage from them.

19. Granger Causality Relationship Between CDS and Equity Options

Agency: IMF

Contact Information: Monetary and Capital Markets Department, Global Financial Stability Division (lkodres@imf.org, +1 202 623 6161)

Completion Date: October 2009

Brief Description: The Fund is conducting a research project on linear and nonlinear Granger Causality tests between CDS and equity options. Useful policy implications can be drawn on the role of financial market indicators of overall systemic risks.

(iii) Market Infrastructure

1. Principles of Corporate Governance

Agency:	OECD and World Bank
Contact Information:	mats.isaksson@oecd.org
Target Date:	Ongoing
Brief Description:	Building on the OECD *Principles of Corporate Governance* and the OECD's *Methodology for Assessing the Implementation of the OECD Principles on Corporate Governance*, the Steering Group on Corporate Governance is analysing current corporate governance issues in order to provide policy guidance based on interpreting the Principles. The first study in the new series (commentaries) concerns alternative investors and forthcoming topics will include the proportionality debate (i.e. one-share-one-vote, and control enhancing mechanisms) and takeover arrangements where there is an insider involved. The Steering Group will also release a paper for consultation in Summer 2009 dealing with rules governing cooperation between shareholders. At its meeting in November 2008, the Group considered the financial market turmoil and the relevance of the Principles. It established an Action Plan focusing on risk management, remuneration systems, performance of company boards, and the exercise of shareholder rights particularly by institutional shareholders (http://www.oecd.org/dataoecd/32/1/42229620.pdf). A consultation with stakeholders, including from emerging economies, was held on 18 March 2009 and in April 2009 the Steering Group considered its Key Findings and Main Messages (http://www.oecd.org/daf/crisisresponse). It agreed in principle to launch a peer review of the implementation of the Principles, modalities of which will be decided in November 2009 when a set of Recommendations to complement the Principles will also be agreed. The peer reviews are also intended to support the work of the FSB. Under the ROSCs initiative, the World Bank takes the lead in assessing the compliance of the corporate governance of emerging market countries with the OECD Principles. As of 30 June 2009, 71 Corporate Governance ROSCs have been completed for 58 countries, including 13 updates; 53 assessments have been published. The World Bank assisted in the development of the OECD's Methodology, and has now incorporated the Methodology into the ROSC process. The World Bank is now developing a ROSC database, which will facilitate data collection, improve inter-country comparisons, and sharpen the ROSC ratings. The OECD is also using the Methodology and its State-Owned Enterprises Guidelines as a basis for carrying out corporate governance reviews of Chile, Estonia, Israel, Russia and Slovenia during 2009 as part of its accession review process of candidates for OECD membership. The OECD and World Bank Group regularly organise Regional Roundtable meetings in key emerging and developing markets. These are also supported by the IFC-administered multi-donor funded Global Corporate Governance Forum. The Roundtables are working to

implement priorities agreed to in White Papers on Corporate Governance issued for Asia and Latin America. This has led to the establishment of a new task force in Asia to study related party transactions (to be released in September 2009) and to the preparation of a new White Paper in Latin America focused on institutional investors. The OECD also has corporate governance programmes in China, the Middle East North Africa (MENA), and in southern Africa (see http:www.oecd.org/daf/corporate-affairs/roundtables).

2. Corporate Governance of State-Owned Enterprises

Agency: OECD and World Bank

Contact Information: Mats Isaksson (mats.isaksson@oecd.org); Alex Berg (aberg@worldbank.org)

Target Date: Ongoing

Brief Description: The OECD promotes the active use and implementation of the OECD *Guidelines on Corporate Governance of State-Owned Enterprises* (SOEs) through a Global Network on Privatisation and Corporate Governance of SOEs, and regional networks in Asia, Southern Africa and MENA. The Global Network, which convened for the first time in March 2008, reviewed the OECD Working Group's *Accountability and Transparency Guide* for the state as a shareholder, and will meet again in October 2009 to consider best practices in governance of SOEs as well as in privatisation. The Asia Network on SOEs has met annually since 2006 and developed a policy brief with recommendations for SOEs adapted to the Asian context. The Southern Africa network had its inaugural meeting in May 2008 in Cape Town and met again in Mozambique in May 2009. The MENA Task Force is just beginning its work to develop an SOE survey for the region in partnership with the Hawkamah Institute. Corporate Governance Roundtables in Russia, Eurasia and Southeast Europe have also promoted use of the OECD *Guidelines*.

In response to demand from its client countries, the World Bank has also developed a set of diagnostic tools to review the corporate governance of SOEs and the performance of client governments as owners, in line with the OECD Guidelines. 8 reviews have been drafted to date, and several more are on-going. The reviews cover the corporate governance of SOEs, as well as the performance and professionalism of the state acting as the owner/shareholder of the enterprises.

3. Temporary Government Control over Commercial Entities

Agency: OECD

Contact Information: Mats Isaksson (mats.isaksson@oecd.org)

Target Date: Ongoing

Brief Description: The OECD Working Group on Privatisation and Corporate Governance of State Owned Assets has established an Expert Group to examine the challenges for the state ownership function and other corporate governance issues that arise when governments unexpectedly have to take control of commercial entities. The project is mostly motivated by the recent wave of public investment in financial institutions, but is expected to address issues arising from government equity investment in other sectors as well. The main concerns to be discussed, against the background of the values espoused by the OECD *Guidelines on Corporate Governance of State-Owned Enterprises*, include the separation of the ownership and regulatory functions during temporary government control; the role of incumbent state-ownership institutions; non-commercial objectives; the maintenance of a level playing field with private institutions; and equitable treatment of remaining non-state shareholders. A Workshop organised under the auspices of the Expert Group is foreseen in early October 2009.

4. Assistance for Countries in Reviewing Corporate Governance in Banking Organizations

Agency: World Bank

Contact Information: Laura Ard (lard@worldbank.org, +1 202 473 9662)

Target Date: Ongoing

Brief Description: In concert with the BCBS revision and issuance of the revised principles for "Enhancing Corporate Governance in Banking Organizations", the World Bank is assisting partner countries to review the state of their commercial bank governance framework. Since inception, 6 reviews have been completed with additional reviews planned. The objectives of each review are tailored to a country's existing settings and circumstances. The final report, in the form of a technical note, includes key findings and recommendations for bank governance enhancement at the country level.

A toolkit with which to conduct the bank governance reviews has been developed. This toolkit includes a comprehensive methodology, a set of benchmarks based on the BCBS guidance, and a set of questionnaires for banks and the bank supervisor. Following the review, the toolkit will be published and posted on the World Bank website.

The World Bank also has recently developed guidelines for the corporate governance of state-owned commercial and development banks and is preparing case studies that highlight good practices. The objective of the work is to clarify the essential components of good corporate governance in a state bank and how demanding and costly it can be to put in place. The work is a response to resurging interest in state banking, especially state development banking, in many client countries.

In the coming months, the World Bank will be enhancing already existing modules designed to review the state of governance in insurance companies, pension funds, and mutual funds.

5. Impact Assessment and Better Regulation in the Area of Corporate Governance

Agency: OECD

Contact Information: mats.isaksson@oecd.org

Target Date: Ongoing

Brief description: The OECD Steering Group on Corporate Governance is examining ways to improve evaluation of the regulatory impact and regulatory costs in the area of corporate governance. The ambition is partly to investigate the scope for more evidence-based reform and thereby prepare policy-makers and regulators for taking adequate and more informed actions in response to perceived or real shortcomings in the corporate governance framework. The work is also addressing the issue of unintended consequences, including unforeseen compliance, surveillance or enforcement costs. An initial paper including market failure analysis and case studies was published by the OECD in mid-2009. The activity will be extended in 2009 to include regular updates of experience in OECD countries.

6. Corporate Governance of Listed Companies

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD238.pdf
http://www.iosco.org/library/pubdocs/pdf/IOSCOPD295.pdf
http://www.iosco.org/library/pubdocs/pdf/IOSCOPD299.pdf

Brief Description: In collaboration with the OECD, IOSCO's Task Force on Corporate Governance (TFCG) is examining how different jurisdictions address important issues relating to the corporate governance of companies on stock exchanges. IOSCO published in February 2007 a Report entitled *Board Independence of Listed Companies,* which contains a useful review of the various definitions and roles of independent directors on the board of issuers as they apply in many capital markets. In November 2006, the Technical Committee also agreed to approve detailed terms of reference for a mandate on the protection of minority shareholders. TFCG is concentrating on Principle III A.2 as applied to listed companies in major securities markets. The focus is on minority shareholders holding ordinary voting stock, but also covers some issues arising out of the use of different classes of equity securities, the mechanisms for minority shareholders to participate in corporate decisions and the impact on them of certain corporate events, including take-over bids. A preliminary draft report has been discussed within TFCG. TFCG circulated a questionnaire to TFCG members that intended to broadly capture all protections afforded to minority shareholders in listed issuers. TFCG has compiled the responses to the survey questionnaires and prepared the corresponding amended draft terms of reference. The aim of the report is to describe, in a fact-finding approach, the different mechanisms in place, including the principles and objectives that inspire them, without establishing recommendations or best practices among them.

At its June meeting, the Technical Committee approved both reports on Principles on outsourcing by markets http://www.iosco.org/library/pubdocs/pdf/IOSCOPD299.pdf and on Protection of Minority shareholders in listed issuer http://www.iosco.org/library/pubdocs/pdf/IOSCOPD295.pdf. The Task Force will continue to follow up on those issues.

7. Corporate Governance of Insurers and Reinsurers

Agency: IAIS and OECD

Contact information: iais@bis.org; andre.laboul@oecd.org

Target Date: Ongoing

Brief Description: The mandate of the IAIS Governance and Compliance Subcommittee is to develop high level corporate governance principles and guidance applicable to the insurance industry. As part of the review of the Insurance Core Principles, the Subcommittee is reviewing and/or developing standards on licensing, suitability of persons, corporate governance, internal control, and risk assessment and management. The OECD reviewed its 2005 guidelines on governance of insurers, which were developed based on the *OECD Principles of Corporate Governance*. Together, the OECD and IAIS conducted a survey of corporate governance practices. A joint issues paper has been endorsed by IAIS and OECD. The survey findings will aid the standard development process by identifying and explaining best practices for corporate governance. The OECD is expected to revise its guidelines based on this joint work and in close consultation with the IAIS.

8. Assessments and Technical Assistance for Insolvency and Creditors Rights Reform

Agency: World Bank

Contact Information: vtata@worldbank.org; rmokal@worldbank.org; jmgarrido@worldbank.org

Target Date: Ongoing

Brief Description: In July 2005, the World Bank reported to its Board on the experience in carrying out assessments of insolvency and creditor rights systems under the ROSC programme.

The World Bank is the designated institution for the conduct of ROSC assessments in the area of insolvency and creditor rights (ICR). To date, ICR ROSC assessments have been completed or are underway in 45 countries. Assessments typically lead to a dialogue on legal modernization initiatives and have led to assistance on reform in 80% of the countries where assessments have been completed. The World Bank continues to review the contributions of the ROSC programme in order to consolidate lessons learned.

In regions where the lack of development of insolvency systems has been particularly acute, the World Bank has launched region-wide initiatives (e.g. MENA) to catalyze the ICR reform process.

The World Bank Group's follow-on technical assistance projects have included (i) supporting the legislative reform and drafting process (numerous countries, particularly in LAC and ECA), (ii) implementing collateral registries (Nepal and Honduras), and (iii) providing specific, tailored advice to governments on the implementation of specific ROSC recommendations (Nigeria, India and Sri Lanka).

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

Agency: World Bank

Contact Information: vtata@worldbank.org; rmokal@worldbank.org; jmgarrido@worldbank.org

Target Date: Ongoing

Brief Description: The revised version of the World Bank's *Principles and Guidelines for Effective Insolvency and Creditor Rights Systems* (Revised Principles 2005) and the *Creditor Rights and Insolvency Standard* (ICR Standard), comprising the Revised Principles 2005 and the recommendations that form part of the UNCITRAL Legislative Guide on Insolvency Law, have been posted on the Bank's website at http://www.worldbank.org/ifa/rosc_icr.html.

Working with the IMF and UNCITRAL staff and experts, World Bank legal staff and internationally recognized experts have completed the *ICR ROSC Assessment Methodology* (ICR ROSC Methodology). The ICR ROSC Methodology is based on the World Bank's Principles, as well as UNCITRAL's Legislative Guide on Insolvency Law.

As part of the World Bank's ongoing standard-setting functions, the World Bank, UNCITRAL and other international partner continue to examine emerging issues in insolvency through colloquia involving experts and stakeholders, and publications. Current issues most relevant to systemic stability include (i) the need for a legal framework for the treatment of corporate groups in insolvency, (ii) the impact of the extensive use of derivative instruments as loan-risk hedging tools and (iii) the insolvency of state-owned enterprises.

The Global Insolvency Law Database (GILD), which, inter alia, provides an information portal for policy-makers to access both global and region-specific information on insolvency reform (http://www.worldbank.org/gild), was launched as a companion piece to the initiative and is currently undergoing a major overhaul to serve as a global hub for comparative insolvency information.

10. Global Forum on Insolvency Risk Management and Regional Roundtables

Agency OECD and World Bank

Contact Information: Daniel.Blume@oecd.org; vtata@worldbank.org; rmokal@worldbank.org; jmgarrido@worldbank.org

Target Date: Ongoing

Brief Description: The World Bank organised the Forum on Insolvency Risk Management (FIRM) to sustain a global dialogue on the fundamental role and importance of insolvency and creditor rights systems. The Forum is being promoted in collaboration with the 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 a new Forum for the Middle East and North Africa (MENA).

Organised by the OECD, and co-sponsored by the World Bank and APEC with support from INSOL International, UNCITRAL and the Government of Australia, the FAIR seeks to promote a regional policy dialogue on initiatives related to insolvency, risk management and credit systems. The FAIR draws on a dedicated Network of policy makers and practitioners from the region, established in 2007. The FAIR held its sixth meeting in July 2009, hosted by the Thailand Ministry of Justice in Bangkok, focusing on the adequacy of insolvency regimes following the global financial crisis. In June 2004, the World Bank and OECD launched the FILA, to promote a dialogue in the Latin American region on the topic of enterprise restructuring and revitalizing business environments. The OECD, in conjunction with the World Bank and Hawkamah, organised a first meeting for the MENA region on insolvency in Cairo in 2007. A second meeting was organised by Hawkamah in Abu Dhabi in May 2009 with the support of the World Bank, OECD and INSOL International.

11. Global Judges Forum

Agency: World Bank

Contact Information: vtata@worldbank.org; rmokal@worldbank.org; jmgarrido@worldbank.org; arouillon@worldbank.org

Target Date: Ongoing

Brief Description: The World Bank launched the Global Judges Forum 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 2007, the first joint Judicial Colloquium between the Bank, UNCITRAL and INSOL International was held in Cape Town, South Africa and was hailed as a huge success. This represented the first such joint effort and the first major international insolvency conference to ever be held on the African continent. The second joint Judicial Colloquium was held in Vancouver, Canada in June 2009.

The World Bank continues to work towards the development of protocols that permit court-to-court communication and facilitate the reduction of duplicative and contradictory processes in multi-jurisdictional insolvencies. In addition, the World Bank continues to facilitate knowledge sharing and policy dialogue *within* countries and, in particular, between policy-makers, judges, academics and private-sector actors (most recently in Honduras, Sri Lanka and Nigeria).

12. Bank Insolvency Initiative

Agency: World Bank and IMF

Contact Information: Vijay S. Tata (vtata@worldbank.org, +1 202 473 8161); Maike Luedersen (mluedersen@imf.org, +1 202 623 7795)

Target Date: Ongoing

Brief Description: The project, closely related to the work on effective insolvency described above (see Point 9), seeks to identify an appropriate legal, institutional and regulatory framework to deal with bank insolvency, including in the context of systemic crisis, and to develop an international consensus regarding that framework. The study of IMF and World Bank staff entitled *An Overview of the Legal, Institutional, and Regulatory Framework for Bank Insolvency* has been published (www.imf.org/external/np/pp/eng/2009/041709.pdf) after discussion by the IMF's Executive Board in March 2009. This document is being used as benchmark for voluntary policy dialogue with countries and for the respective reviews of their framework for bank insolvency.

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 a number of international agencies has been actively cooperating in the preparation of the Main Document under the initiative.

A previous version of the Main Document was presented for a technical briefing to the World Bank Board of Directors in January 2004. A number of pilot country reviews (including Chile, Czech Republic, South Africa and Brazil) have been completed and sent to the respective country authorities. An additional Annex to the Main Document, with a comparative analysis of the pilot country reviews undertaken by the World Bank was completed.

13. Collective Action Clauses

Agency: IMF

Contact Information: IMF Sovereign Asset and Liability Management Division (udas@imf.org)

Target Date: Ongoing

Brief Description: A working group of the G10 Ministers and Governors developed recommendations for Collective Action Clauses (CACs) in international sovereign bond contracts in September 2002 (Report of the G10 Working Group on Contractual Clauses). The use of such clauses has steadily increased since the first such bond was issued in March 2003. By the second half of 2004, almost all bonds issues issued under New York law by emerging market countries included CACs, which has become the market standard. As of February 2009, bonds with CACs represented 75 percent of the value of the outstanding stock of bonds issued by emerging market countries. In response to calls by the IMFC, the IMF has continued to promote the use of CACs in international sovereign bonds. Progress has also been made in the design of CACs. It now appears that market practice for bonds issued under New York law has rapidly converged to a 75 percent voting threshold (based on outstanding principal) for majority restructuring provisions, in line with the G-10 recommendations. The inclusion of CACs in sovereign bonds has not resulted in any observable impact on pricing.

14. Principles for Stable Capital Flows and Fair Debt Restructuring in Emerging Markets

Agency: G20/IIF

Contact Information: IMF Emerging Markets Division (lgiorgianni@imf.org); IMF Sovereign Asset and Liability Management Division (udas@imf.org)

Target Date: Ongoing

Brief Description: In September 2005, the IMFC welcomed the efforts by emerging market issuers and private sector creditors to broaden the consensus on the *Principles for Stable Capital Flows and Fair Debt Restructuring in Emerging Markets*. These Principles could facilitate dialogue between creditors and debtors, promote corrective policy action to reduce the frequency and severity of crises, and improve the prospects for an orderly and expeditious resolution of crises. The Principles are based on four pillars: information sharing and transparency, close debtor-creditor dialogue and cooperation, good faith actions during debt restructuring, and fair treatment of all parties. A three-tier process for monitoring implementation of the Principles has been developed, including the completion of technical work (Tier One), the creation of the Principles Consultative Group (Tier Two), and the formation of the Group of Trustees (Tier Three).

15. Foreign Exchange Settlement Risk Management

Agency: CPSS

Contact Information: cpss@bis.org

Target Date: 2nd half of 2010

Brief Description: Following the publication of the May 2008 CPSS report "*Progress in reducing foreign exchange settlement risk*", the CPSS will be working with the BCBS to engage market participants on the development of best practices for managing foreign exchange settlement risk, and to revise the BCBS's *Supervisory guidance for managing settlement risk in foreign exchange transactions.*

16. Operational Resilience of Major Payment and Settlement Organisations

Agency: CPSS

Contact Information: cpss@bis.org

Target Date: 1st half of 2010

Brief Description: Following its fact-finding effort on the operational resilience of major settlement organisations in early 2008, the CPSS has established a small task force to work with major payment and settlement organisations, national authorities, and other international bodies to develop lessons learned in adopting stronger business continuity planning arrangements and engender support for further improvements. A multilateral workshop is planned to complement the work.

17. Standards for Payment and Settlement Systems

Agency: CPSS

Contact Information: cpss@bis.org

Target Date: 1st half of 2010

Brief Description: The CPSS and the Technical Committee of IOSCO have set up a working group to review the application of the 2004 *CPSS-IOSCO Recommendations for Central Counterparties* (CCPs) to clearing arrangements for over-the-counter (OTC) derivatives. The recommendations, which were developed by the CPSS and the IOSCO Technical Committee, set out standards for risk management of a central counterparty.

To promote consistent interpretation, understanding and application of the recommendations across CCPs for OTC derivatives, the working group has been formed to discuss key issues that can arise when CCPs, including the new credit default swaps CCPs, provide central clearing services for OTC derivatives. Where necessary, the working group will propose guidance on how CCPs for OTC derivatives may meet the standards set out by the recommendations and will identify any areas in which the recommendations might be strengthened or expanded to better address risks associated with the central clearing of OTC derivatives.

18. Conceptual Developments and Compilation Guidance for Measuring Remittance-related Flows in the Balance of Payments Framework

Agency: IMF and World Bank

Contact Information: Emmanuel Kumah (ekumah@imf.org, +1 202 623 6003); Tamara Razin (trazin@imf.org, +1 202 623 8364)

Target Date: 2nd half of 2009

Brief Description: The IMF and the World Bank are leading efforts to improve data on remittances in the balance of payments statistics framework. This project is being carried out mainly in response to the outcome of the G8 summit on Sea Island in 2004 which emphasized the importance of remittances and called for better data. The Luxembourg Group (a consultative group formed to develop proposals for improved compilation guidance) held its final meeting in Brazil, where a draft of the compilation guide on remittances statistics was discussed. A final draft of the compilation guide (subject only to final editing) was posted on the IMF website (http://www.imf.org/external/np/sta/bop/remitt.htm) at the end of 2008. An edited draft will be released in 2009.

19. Bilateral Remittance Corridor Analysis (BRCA)

Agency: World Bank

Contact Information: jpesme@worldbank.org

Target Date: Ongoing

Brief Description: The World Bank has been conducting bilateral remittance corridor analysis (BRCA) between several countries. These studies are based on a research guideline that allows for consistency, quality, and comparability of results from the different corridor analyses. The guideline is continuously revised to reflect lessons from new BRCA studies. 7

corridor studies have been published: US-Mexico, Canada-Vietnam, Germany-Serbia, Italy-Albania, Malaysia-Indonesia, US-Guatemala, and UK-Nigeria. 2 other reports were initiated and financed by a third party and conducted employing the BCRA guideline compiled by the Bank: Netherlands-Suriname and Netherlands-Morocco. Currently, reports on 5 other corridors are being finalized: Canada-Caribbean, US -Honduras, South Korea-Mongolia, Qatar-Nepal, and UK/US/South Africa-Uganda. It is expected that these studies will be published in 2009. In addition, the World Bank will hold workshops to share the findings from the BRCA studies in 2009-10. By the end of 2009, results from studies of these 14 corridors will be compiled into a comprehensive report that will draw lessons and options for public policy on remittances that protect the integrity of remittance flows, maximize development impact of remittances, and improve access by remittance senders and beneficiaries to financial services. For more information, visit http://www.worldbank.org/amlcft.

20. Enhancing Information Exchange among Securities Regulators

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD126.pdf

Brief Description: To enhance information exchange among the signatory securities regulators and facilitate financial crime investigation, the President's Committee of IOSCO endorsed the IOSCO Multilateral Memorandum of Understanding (MMOU) during its May 2002 annual meeting (http://www.iosco.org/library/index.cfm?section=mou_main). 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 MMOU, member regulators must establish through a fair and transparent process, that they have the legal capacity to fulfill 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. Currently, 55 IOSCO members have completed the application process and have become signatories to the MMOU, and 27 IOSCO members have been invited to be listed in Appendix B of the MMOU.

Part of the IOSCO strategic direction involves giving greater prominence to the MMOU. At its April 2005 Annual Conference, IOSCO adopted a Resolution according to which by 1 January 2010, all IOSCO ordinary and associate members, with primary responsibility for securities regulation in their jurisdictions, should have applied for and been accepted as signatories, or have expressed a commitment to seek the legal authority that would enable them to become full MMOU signatories. In order to achieve these objectives, IOSCO is currently providing additional assistance to members through its MMOU Assistance Program.

21. Dealing with Uncooperative Jurisdictions in Cross-border Cooperation

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator: http://www.iosco.org/news/pdf/IOSCONEWS80.pdf

Brief Description: IOSCO has been examining the problems of cross-border cooperation for a number of years. During its 2005 Annual Conference, IOSCO took the opportunity to re-confirm its commitment to raising the standards for cross-border cooperation among securities regulators as a priority task. IOSCO has identified jurisdictions that appear to be unable or unwilling to cooperate, and it has been engaging a dialogue with the relevant authorities in order to resolve outstanding issues. At the 2009 Annual Conference, IOSCO noted that good progress has been made with a number of previously unresponsive jurisdictions. A number of jurisdictions with which IOSCO has been engaged in a dialogue are expected to apply to join the IOSCO Multilateral Memorandum of Understanding soon. While some contacts have been constructive, there still remain a number of jurisdictions that require further attention.

Given the progress made by jurisdictions initially contacted as part of this initiative, IOSCO has expanded the group of jurisdictions with which it is dealing.

22. Credit Derivatives: Systemic Risks and Policy Options

Agency: IMF

Contact Information: Monetary and Capital Markets Department, Global Financial Stability Division (lkodres@imf.org, +1 202 623 6161)

Target Date: September 2009

Brief Description: Credit derivative markets are largely unregulated, but calls are increasingly being made for changes to this "hands off" stance, amidst concerns that they helped to fuel the current financial crisis, or that they could be a cause of the next one. The purpose of this paper is to address two basic questions: (i) do credit derivative markets increase systemic risk, and (ii) should they be regulated more closely, and if so, how and to what extent? The paper begins with a basic description of credit derivative markets and recent events, followed by an assessment of their recent association with systemic risk. It then reviews and evaluates some of the authorities' proposed initiatives, and discusses some alternative directions that could be taken.

23. The Role of Securitization Markets in Recovery and Exit Strategies

Agency: IMF

Contact Information: Monetary and Capital Markets Department, Global Financial Stability Division (lkodres@imf.org, +1 202 623 6161)

Target Date: October 2009

Brief Description: This work tracks the decline and fall of private-label securitization markets, and evaluates the various initiatives aimed at restarting them. In very broad terms, the causes of the market collapse and the various prescriptions to restart them on sounder footing are analyzed and evaluated. While most of these prescriptions are unambiguously positive for markets and financial stability, care must be taken in implementing schemes that are designed to put more securitizer skin in the game. Subtle variations in such schemes can have extreme consequences, ranging from zero impact on incentives to more intensively screen and monitor the underlying assets, to the complete shutdown of parts or all of the market.

(iv) Accounting, Auditing and Public Disclosure

1. Accounting

a) International Financial Reporting Standards

Agency: IASB

Contact Information: http://www.iasb.org/about/contact_details.asp

Target Date: Ongoing

Brief Description: The IASB has worked on a programme to address in a timely manner the issues raised by the FSF/FSB, the G20, the European Commission and other interested parties in the over 100 countries using IFRSs. Its initial focus has been on the three topics identified by the FSF/FSB:

i. the application of fair value in illiquid markets;

ii. accounting for off-balance sheet items; and

iii. disclosures related to risk.

Fair value in illiquid markets: In October 2008 the IASB published its expert advisory panel's report *Measuring and disclosing the fair value of financial instruments in markets that are no longer active*. The US FASB publications gave similar guidance. To make sure that global consistency was obvious, the IASB published in May 2009 an exposure draft on fair value measurement that directly incorporates the relevant FASB guidance.

Off-balance sheet items: The IASB has published proposals related to off-balance sheet items (consolidation in December 2008 and derecognition in March 2009), tightening requirements on consolidation and derecognition. In June 2009 the IASB held roundtables on those proposals, in conjunction with the FASB, in London, Toronto, and Tokyo. Using the information gained from those roundtables and the comments received on the proposals, the IASB will advance its proposals. The IASB plans to finalise the consolidation standard by the end of 2009 and the derecognition standard in mid 2010.

Disclosures related to risk: In March 2009 the IASB issued improvements to the disclosure requirements about fair value measurements and reinforced existing principles for disclosures about the liquidity risk associated with financial instruments.

At the 2 April 2009 Summit in London, the Leaders called for accounting standard-setters "to reduce the complexity of accounting standards for financial instruments". The IASB had already committed itself to achieving that objective, but the call for a common global approach from the Leaders has provided impetus to the IASB's efforts and highlights the urgency of the project.

On 1 April 2009, the IASB announced that it would undertake an urgent six-month comprehensive project to produce a proposal aimed at a comprehensive revision of IAS 39 *Financial Instruments: Recognition and Measurement*. In making this announcement, the IASB was building on existing work undertaken by both the FASB and the IASB. In March 2008 the IASB and the FASB issued for comment a discussion paper *Reducing Complexity in Reporting Financial Instruments*. The comment period had ended on 19 September 2008.

The IASB has now prioritised the portion of the comprehensive project concerning classification, measurement, and related impairment issues. The IASB will issue a final standard related to the prioritised portion of the IAS 39 replacement by year-end for use in 2009 financial statements.

The proposal being considered is to simplify the requirements by reducing the number of categories of financial assets and liabilities to two (fair value and amortised cost) and to only use one impairment approach (today, several approaches are used). One outcome of this simplification would be that all the present impairment and recycling rules relating specifically to available-for-sale financial assets would be eliminated. Furthermore, anticipating a problem that will arise in the future, the IASB is considering proposing that the restrictive tainting rules affecting held-to-maturity assets be replaced by simply showing the gains and losses on sales of financial instruments measured at amortised cost separately from other gains and losses.

There are several benefits resulting from the IASB's acceleration of this portion. First, though mandatory implementation could be in 2010 or later, the IASB will make its solution, which will be completed this year, available for year-end 2009 financial statements. Second, the new approach will reduce complexity by reducing the number of categories of financial assets and the variety of impairment rules, thereby addressing the London Summit recommendation. Third, the IASB's approach provides a lasting solution to the contentious issues of IAS 39, thereby avoiding the confusion and cost that would arise from repeated changes in reporting requirements. Fourth, the IASB's solution for year-end 2009 responds to concern raised by the European Union and other parties on specific issues.

To complete this accelerated portion of the IAS 39 revision, the IASB published an exposure draft in July 2009. The exposure draft is open for two months to public comment to ensure conclusions follow a transparent and open due process that considers the views of all stakeholders. Additional board meetings have already been held, and will continue to be scheduled as required to complete the project in time for 2009 financial statements.

The revisions will respond to other issues raised by the G20, the FASB, and securities regulators.

The IASB is working closely with the BCBS on provisions. The IASB is now meeting with prudential supervisors who have implemented dynamic provisioning, and is working with financial institutions to test the feasibility of approaches to an expected loss model. The IASB published initial proposals on its website in June 2009 to seek input regarding feasibility of an expected loss model before issuing an exposure draft in October 2009.

The IASB will also publish an exposure draft on hedge accounting by end 2009.

Building off the work of the Financial Crisis Advisory Group, the IASB is now seeking an enhanced global engagement with prudential supervisors, in addition to its regular consultations with securities regulators and other interested parties. The crisis has highlighted the interdependence of accounting and prudential regulation, and the need to ensure that this is properly reflected in the process of creating standards. Many of the issues now under consideration regarding IAS 39 are in areas that primarily affect financial institutions.

The IASB wishes to ensure that any changes provide transparency to investors and take into account the needs of supervisors and regulators. At the same time, the IASB understands the relevance of this issue as policymakers consider their response to the crisis and wants to ensure that both are working together and communicating to reinforce market confidence. For this reason, the IASB is working with prudential supervisors and the FSB to establish a mechanism to receive input from prudential supervisors on financial reporting for financial institutions. This mechanism would provide a forum in which all relevant issues can be raised and direct consultation can take place. To complement this process, IASB Board members and senior IASB staff met with FSB members in London on 27 August to exchange views on the steps the IASB is taking to respond to the G20 and FSB recommendations.

The development of a single set of high quality, understandable and enforceable global accounting standards for use in the world's capital markets has been the primary goal of the IASB since its inception in 2001. The global financial crisis has only served to emphasise that having similar requirements around the world is simply not good enough. The requirements must be the same; otherwise entities, or jurisdictions, will seek regulatory arbitrage by trading off the differences.

Underpinning the IASB's efforts to develop one set of global standards is a Memorandum of Understanding (MoU) with the FASB. The MoU identifies the projects that each Board has committed to complete, either on its own or together, in the short term. The purpose is to eliminate differences between the Boards' requirements.

Although this is often characterised as a convergence programme, a more appropriate description of the MoU is that it is an agreement that guides a collaborative effort by the IASB and the FASB to deliver the greatest possible improvements to financial reporting. By combining resources and having the Boards challenge each other should result not only in identical standards but will also create more robust and sustainable solutions.

The IASB plans to have the major projects completed by 30 June 2011. This target is important because many jurisdictions, including Canada, India, Japan and Korea, have announced plans to adopt or converge with IFRSs in 2011. Mexico has announced plans to adopt IFRSs for all listed entities from 2012. Setting a deadline of 30 June 2011 ensures that the major changes to IFRSs will be in place in time for these jurisdictions and will avoid the need for them to make major changes shortly after they have adopted IFRSs.

The successful completion of each MoU project eliminates differences between IFRSs and US GAAP. Having similar requirements is not good enough, and one set of global standards remains the IASB's primary goal.

b) Banking

Agency:	BCBS
Contact Information:	baselcommittee@bis.org
Target Date:	Ongoing
Brief Description:	The Accounting Task Force (ATF) is continuing its ongoing program to evaluate proposals for new standards put forward by the IASB (accounting) and the IAASB (auditing and assurance). Additionally, the ATF is evaluating implementation efforts of banks on the recent BCBS publications regarding fair value accounting, loan valuation, and compliance. The ATF will also concentrate on emerging accounting and auditing issues related to fair value measurements and loan loss provisioning. The BCBS is also participating as an observer in the IASB's international working groups dealing with financial instruments, insurance and performance reporting.

c) Insurance

Agency:	IAIS
Contact Information:	iais@bis.org
Target Date:	Ongoing
Brief Description:	The IAIS is currently drafting an Issues paper on the role of and relationship between the actuary and the external auditor in the preparation and audit of financial reports. The paper, expected to be released in October 2009, discusses the relationship between the actuary and the external auditor from the perspective of the insurance supervisor. Topics discussed include roles and responsibilities, communication, reporting, relationship between external auditor and insurance supervisor, and professional standards and qualifications.

The IAIS provides comments to the IASB on proposed accounting standards with a focus on the effect of accounting proposals on the insurance industry within the overall objective to promote the development of well regulated insurance markets. Throughout the IASB project on accounting for insurance contracts, the IAIS will continue to be actively involved. In establishing a close working relationship with the IASB, the IAIS's goal is to facilitate as much consistency as possible between the general purpose accounting model and the approach used for prudential purposes. It is important that the accounting model recognises the specific characteristics of insurance in order to avoid accounting rules that lead to misleading information being provided.

The IAIS also continues to monitor and comment on the international standards on auditing (ISAs) issued by IFAC.

Between 2004 and 2006, the IAIS issued three key disclosure standards (*Disclosures Concerning Technical Performance and Risks for Non-Life Insurers and Reinsurers*; *Disclosures Concerning Investment Risks and Performance for Insurers and Reinsurers*; and, *Disclosures Concerning Technical Risks and Performance for Life Insurers*). Last year, the IAIS conducted a high-level survey on the implementation by members of these disclosure standards. Based on the survey findings and taking into account the G20 Action Plan, the IAIS will raise focus and priority of public disclosure requirements, notably by further reviewing its disclosure standards and considering enhancements or the development of new standards where necessary, and respond to implementation needs of its membership.

d) Securities

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator: https://www.iosco.org/ifrs/

Brief Description: The IOSCO Technical Committee launched 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 output of this project is a central database of regulatory decisions and a process for facilitating communications and cooperation among regulators and other enforcers relating to IFRSs, which was made operational in January 2007. 52 members have up to now agreed to participate in the IOSCO IFRS Interpretation Database, which is now fully operational. The Technical Committee team is communicating and coordinating with CESR-FIN regarding a similar project in the EU.

A series of teleconference of IFRS users has been set up to regularly discuss issues of interpretation of the IFRSs with the aim of facilitating common approaches on technical issues amongst securities regulators.

2. Accountancy Profession

Agency: PIOB

Contact Information: Gonzalo Ramos, Secretary General (gramos@ipiob.org)

Target Date: Ongoing

Brief Description: The PIOB, established in February 2005 to oversee the public interest activities of the IFAC, focuses its attention on IFAC's international standard-setting activities in the areas of audit performance standards, independence and other ethical standards for auditors, audit quality control and assurance standards, and education standards. It also oversees IFAC's program to monitor member body compliance with these same standards.

The PIOB's ongoing operations are focused primarily on active observation of the groups responsible for these activities, including the Consultative Advisory Groups constituted to provide ongoing input to each of the three standard setting boards. This activity is supplemented by regular dialogue with the Chairs of these groups and other IFAC leaders and by additional staff assessments and recommendations regarding the completeness of related due process. The PIOB also oversees and continuously assesses all elements of the annual due process used by IFAC to recruit and select members for these groups and approves all final nominees. Finally, the PIOB reviews the future strategic plans and work programs of the three standard-setting boards.

The PIOB's key oversight task in the second quarter of 2009 has been the evaluation of whether due process had been followed effectively and with proper regard for the public interest in the development and approval of the final redrafted IFAC Code of Ethics (including the Code's revised independence sections – "Independence 2"), following the evaluation in the first quarter of the due process followed in the development of the three final standards of the Clarity Project. Also during the second quarter, the PIOB published its fourth public report, which focuses not only on the PIOB's activities of the past year but also on the continuing relevance of its public interest mission (http://www.ipiob.org/downloads/INFORME_PIOB_2009.pdf).

Remaining monitoring work will focus increasingly on Compliance Program initiatives designed to promote national adoption of international standards and, as appropriate, to support local implementation efforts.

In addition to its oversight tasks, the PIOB maintains ongoing relations with various external stakeholder groups having a common interest in the improvement of audit quality. During the last quarter of 2008, the PIOB engaged with key bodies and individuals involved in EU activities for endorsing International Standards on Auditing (ISAs) to ensure a clear understanding of the PIOB's governance role in the setting of international standards. It continues this effort in 2009 and stands ready to engage with legislative and decision-making bodies in other jurisdictions that may be considering adoption of ISAs.

3. Auditing Standards

Agency: IAASB

Contact Information: Jim Sylph, IFAC Executive Director, Professional Standards (jimsylph@ifac.org)

Target Date: Ongoing

Brief Description: In response to calls from regulatory groups and others, the IAASB has been working on a program to issue a set of clarified ISAs (International Standards on Auditing). This project is now finished and the complete set of ISAs has now been published. IOSCO has issued a letter of support for the clarity of ISAs.

One very important current initiative of the IAASB is its project to monitor the implementation of the clarified ISAs. At its June 2009 meeting, the IAASB provided direction on the scope of, and approach to, implementation monitoring in 2009 and 2010. It intends to further discuss this matter at its September 2009 meeting.

The EC Directorate General for Internal Market and Services has recently released its *Consultation on the Adoption of International Standards on Auditing*. The consultation paper explores various aspects of ISA adoption for statutory audits and solicits feedback on whether the ISAs are internationally accepted and the manner in which respondents would support adoption of the ISAs at the EU level. It also highlights the results of the external study by the University of Duisburg-Essen, which concludes that adoption of ISAs in the EU would result in recurring quantitative and qualitative benefits for companies, investors, and regulators that would outweigh increases in audit costs.

In July 2009, staff of the IAASB issued a new question-and-answer publication entitled *Applying ISAs Proportionately with the Size and Complexity of an Entity*. The publication is relevant in the context of any audit, but will be of particular help to those who audit, or oversee the audits of, small- and medium-sized entities.

In June 2009 the IAASB approved commencement of a project to update and revise International Auditing Practice Statement (IAPS) 1012, *Auditing Derivative Financial Instruments*. In addition, to help raise awareness of some practical challenges in auditing complex financial instruments in advance of the 2010 audit season, the IAASB also plans to consider at its September 2009 meeting a proposed briefing paper on the topic of auditing complex financial instruments to be issued this Fall.

The IAASB also agreed to commission the development of a Staff Audit Practice Alert on external confirmations. While this publication will be broadly relevant in light of recent developments such as the large fraud cases in which external confirmations appear to have played a role and anecdotal evidence of practitioners unduly relying on confirmations to support valuation of investments in investment vehicles, it is likely to have particular bearing in the context of when external confirmations are used for confirmations of investments in funds – a matter raised by the Fair Value Auditing Guidance Task Force. Release of this staff alert is planned also for the Fall.

The independent Consultative Advisory Group continues to provide input from numerous stakeholder groups to IAASB in the direction of its projects and the content of its agenda.

The BCBS, IAIS and IOSCO continue to evaluate ISAs in order to provide supervisory input.

4. The Clearinghouse of Information Related to Global Financial Crisis

Agency: IFAC

Contact Information: Jim Sylph, IFAC Executive Director, Professional Standards (jimsylph@ifac.org)

Target Date: Ongoing

Website locator: http://www.ifac.org/financial-crisis/

Brief Description: Accountancy organisations, regulatory bodies, standard setters, and other international organisations have developed guidance, articles, and resources on issues related to the global financial crisis. IFAC has developed a section of its website to serve as an international clearinghouse of programs, articles, speeches, and other initiatives undertaken by IFAC, its independent standard setting boards, members and associates and others that are relevant to professional accountants and its many stakeholders.

5. Strengthening Country Capacity for Improving the Quality of Corporate Financial Reporting

Agency: World Bank

Contact Information: John Hegarty (jhegarty@worldbank.org);
M. Zubaidur Rahman (mrahman@worldbank.org)

Target Date: Ongoing

Brief Description: The World Bank support for improving corporate financial reporting in member countries includes analytical and advisory activities, knowledge sharing programs, and technical assistance for capacity building. The ROSC (Reports on the Observance of Standards and Codes) Accounting and Auditing (ROSC A&A) program is used as the entry point for carrying out accounting and auditing reform and development activities. The ROSC A&A assesses the strengths and weaknesses of existing corporate financial reporting infrastructure, the comparability of national accounting and auditing standards with internationally recognised standards IFRS and ISA, the degree of effective compliance with the applicable accounting and auditing standards and the strength of enforcement mechanisms. By end-August 2009, the number of completed ROSC A&A reviews was 100, and underway 3. There are 81 ROSC A&A reports published and available at http://www.worldbank.org/ifa/rosc_aa.html. In assisting countries to strengthen institutional capacity for improving observance of internationally recognized accounting and auditing standards, and to put in place arrangements for high quality corporate financial reporting, the World Bank helps its member countries to develop and implement ROSC follow-up country action plans. In the recent years, the country authorities in all parts of the world have been showing keen interest in ROSC follow-up capacity development activities.

6. Issues on Audit Services of Auditors

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD269.pdf
http://www.iosco.org/library/index.cfm?section=pubvids&pubvidID=1
http://www.iosco.org/news/pdf/IOSCONEWS119.pdf

Brief Description: The Technical Committee created a Task Force on Audit Services (TFAS) in June 2006. TFAS has undertaken work in two areas: (i) development of a regulator's contingency plan in the event of an audit crisis or the demise or suspension of a major audit firm; and (ii) exploring the possible drivers of audit quality. The paper, *Contingency Planning for Events and Conditions Affecting Availability of Audit* Services (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD269.pdf) was published in May 2008. In connection with exploring the possible drivers of audit quality, TFAS organized a roundtable discussion on *Quality of Public Company Audits from a Regulatory Perspective*, in June 2007 (Roundtable). A written transcript and video of the Roundtable are available on the IOSCO website. TFAS has prepared a comprehensive list of issues raised during the Roundtable and will consider these issues. In May 2008, it was agreed that TFAS would focus its future work on transparency and governance of audit firms, including the intersection of governance with both firm viability and audit quality, the scope of audit reports, including varying levels of assurance in different circumstances, the possibility of enhanced disclosure of the bases for different levels of assurance, and the potential role of joint audits; and potential expansion of allowable organizational structures and forms to allow for greater firm viability and industry competition. In this regard, the Technical Committee has agreed to publish for public consultation three papers on (i) auditor communications; (ii) transparency of firms that audit public companies; and (iii) the ownership structure of audit firms. These papers will be published by September 2009.

7. Periodic Disclosure by Listed Issuers

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: (1) 2009 (2) Linked to IASB work

Brief Description: (1) The Technical Committee's Standing Committee on Multinational Disclosure and Accounting (TCSC1) has developed principles for the disclosure that listed issuers provide in their periodic reports. These principles should facilitate an international consensus on minimum standards for disclosures to be included in periodic reports, particularly annual reports.

As part of the consultation, IOSCO is considering whether these principles can be amended to support the implementation of disclosure requirements supporting the FSB's Principles for Sound Compensation Practices. The consultation period was open until 31 August. IOSCO will consider the input received and identify any needed improvements to the draft principles that were issued for consultation before internal approval and public release.

(2) As a result of the work in connection with the *Report on the Subprime Crisis* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD273.pdf), the Technical Committee will consider whether additional guidance and disclosure relating to (i) off-balance sheet entities and (ii) measurement at fair value would be valuable in meeting the needs of investors. TCSC1 has provided and will continue to provide related input to the IASB in connection with the IASB's work in this area.

8. Disclosure Practices and Requirements for Asset Backed Securities

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: 2009

Brief Description: As discussed in the *Report on the Subprime Crisis* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD273.pdf), published in May 2008, IOSCO's Task Force on the Subprime Crisis found that the recent market turmoil had relatively less effect on publicly traded structured finance products in some markets. Given this finding, the Technical Committee Standing Committee on Multinational Disclosure and Accounting (TCSC1) has consulted with market participants about the typical structures and disclosure practices (including disclosure practices for the risks associated with underlying assets) for private placements of asset backed securities (ABS), using disclosure requirements pertaining to public offerings and trading of ABS as a point of comparison.

In connection with the request of the FSB for IOSCO to assess the adequacy of recent recommendations made by the industry to restore confidence in securitization, TCSC1 has assessed the adequacy of recent recommendations made by a coalition of securitization groups in the report, *Restoring Confidence in the Securitization Markets* (December 2008). This report includes a range of recommendations, some related to disclosure practices and valuation. Additionally, the recommendations in this report related to due diligence by originators and sponsors of securitization programs will be assessed by Technical Committee Standing Committee on Investment Management.

TCSC1 also will review the degree to which existing IOSCO issuer disclosure standards and principles are applicable to public issuance of ABS, and will develop international principles regarding disclosure requirements for public offerings of ABS if it finds that existing standards and principles are inapplicable to such offerings.

The ABS consultation period ended on 10 August. TCSC 1 is to consider the input received and identify any needed improvements to the draft principles that were issued for consultation. Then the Technical Committee considers the resulting final set of principles and, if approved, these are then publicly released.

9. Internal Controls

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: 2009

Brief Description: As a result of the findings presented in the *Report on the Subprime Crisis* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD273.pdf), published in May 2008, the Technical Committee Standing Committee on Multinational Disclosure and Accounting will review the degree to which existing internal controls and due diligence documentation procedures regarding the ownership rights attached to the assets underlying publicly traded securitized products protect the interests of investors in such products.

(v) Financial Globalisation, Market Functioning/Conduct and Transparency

1. Hedge Funds

Agency: IMF

Contact Information: Monetary and Capital Markets Department, Global Financial Stability Division (lkodres@imf.org, +1 202 623 6161)

Target Date: Ongoing

Brief Description: This work program aims to take stock of developments in the hedge fund industry, focusing on: (i) counterparty exposure; (ii) use and measurement of leverage; (iii) sources of market discipline; (iv) disclosure practices and transparency; (v) hedge funds' impact on smaller and developing markets, including emerging markets; and (vi) developing a set of models that capture the common risk factors in hedge funds. An initial report was published in the September 2004 Global Financial Stability Report (http://www.imf.org/external/pubs/ft/gfsr/2004/02/index.htm). Update was published in the April 2005 and April 2007 issues of the GFSR (http://www.imf.org/external/pubs/ft/gfsr/2005/01/index.htm and http://www.imf.org/external/pubs/ft/gfsr/2007/01/index.htm).

2. Task Force on Unregulated Financial Entities

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator: http://www.iosco.org/news/pdf/IOSCONEWS134.pdf

Brief Description: In November 2008, the IOSCO Technical Committee launched the Task Force on Unregulated Financial Entities (TFUFE), focusing primarily on hedge funds. Specifically, TFUFE is examining the issues posed by hedge funds to capital markets and lessons to be drawn from the crisis, the current level of regulation of hedge funds, and is comparing the lessons drawn from the crisis and the existing principles and standards. The aim is to work towards the development of recommended regulatory approaches to mitigate risks associated with hedge funds trading activities and traditional opacity. The Technical Committee published an interim report in March 2009. This interim report set forth possible recommendations for regulators when dealing with hedge funds and hedge fund managers focused on market integrity and investor protection and invited public comments. The Task Force will continue to monitor regulatory issues arising with unregulated entities.

3. Funds of Hedge Funds

Agency:	IOSCO
Contact information:	Greg Tanzer (g.tanzer@iosco.org)
Target Date:	September 2009
Website Locator:	http://www.iosco.org/library/pubdocs/pdf/IOSCOPD276.pdf
Brief Description:	The Technical Committee Standing Committee on Investment Management (TCSC5) is working on a mandate on funds of hedge funds: to review the content of the February 2003 report *Regulatory and Investor Protection Issues Arising from the Participation by Retail Investors in (Funds-of) Hedge Funds* (February 2003 Report) in light of the tremendous increase in the volume of traded funds of hedge funds and significant regulatory developments that had taken place in several jurisdictions; in particular, to assess whether the regulatory principles presented in the February 2003 Report need to be amended and/or completed. In June 2008, the Technical Committee published a final report, *Report on Funds of Hedge Funds* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD276.pdf) (Final Report). The Final Report proposes to consider the potential development in specific areas of elements of international regulatory standards for funds of hedge funds based on best market practices in areas where additional investor protection regulatory issues are identified, namely the methods by which funds of hedge funds' managers deal with liquidity risk, and the nature and conditions of the due diligence process conducted by funds of hedge funds prior to and during investment. In October 2008, the Technical Committee published *Proposed Elements of International Regulatory Standards on Funds of Hedge Funds Related Issues Based on Best Market Practices, Report of the Technical Committee of IOSCO* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD281.pdf) (Consultation Report). The comment period on the Consultation Report ended on 30 January 2009. TCSC5 has submitted a finalized version of the Funds of Hedge Funds general principles to the Technical Committee for approval. The report is to be published in September 2009.

4. Task Force on Short Selling

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: October 2009

Website Locator: http://www.iosco.org/news/pdf/IOSCONEWS134.pdf

Brief Description: In recent months, many jurisdictions have taken steps to restrict short sales in their markets in light of the ongoing financial market turmoil. These efforts have focused particularly on the securities of financial institutions whose health may have an impact on financial stability. Some jurisdictions also have temporarily taken supplementary steps to address particular concerns in their markets, including restrictions on covered short selling. Since the initial restrictions were imposed, these positions have changed, with several jurisdictions relaxing their ban on short-selling but maintaining the temporary disclosure regimes while retaining the option of re-imposing restrictions. The different approaches adopted have created different compliance requirements on the industry and more importantly, may provide the potential opportunity for regulatory arbitrage especially for securities that are traded on different markets. Securities regulators therefore have an interest in attempting to develop and implement a common set of measures related to short selling, including specific ones related to their enforcement. The Technical Committee launched the Task Force on Short Selling (TFSS) in November 2008. The Technical Committee published a report for public consultation in March 2009 from the Task Force. The report discussed issues related to naked short selling, the importance of tight settlement discipline to limit the potential adverse effects of short selling, and the merits of greater reporting of short positions. The report set forth general principles on the regulation of short selling.

The final report entitled *Regulation of Short Selling* has been publicly released on 19th June 2009. The report takes into account the comments received from the international financial community on the consultation report released in March 2009. The final report recommends that effective regulation of short-selling comprise a number of key regulatory principles. Industry has expressed hope that further regulatory convergence takes place, in particular for the short-selling domestic reporting regimes. TFSS has noted that a number of jurisdictions are currently in the process of reviewing their related regulatory frameworks.

TFSS will continue to monitor related regulatory developments in member jurisdictions and will discuss these developments with a view of assessing opportunities for greater convergence in the implementation of the guiding principles contained in the above mentioned report. TFSS is to present a related progress report at the next Technical Committee meeting in October 2009.

5. Margin Requirements and Haircuts

Agency: CGFS

Contact Information: Srichander Ramaswamy (srichander.ramaswamy@bis.org)

Target Date: End 2009

Brief Description: The CGFS has established a Study Group to review current market practices for setting margin requirements and haircuts, building on the work of the joint FSF-CGFS Working Group on the role of valuation and leverage in procyclicality. The group will undertake a fact-finding study on margining practices, to analyse their impact on the financial system through the cycle, and to explore and analyse the desirability of various alternatives for reducing the procyclical effect of margining practices on asset prices.

6. Foreign Direct Investment Flows and Stocks: Revised World Standards to Measure Foreign Direct Investment (FDI)

Agency: OECD

Contact Information: Ayse Bertrand (ayse.bertrand@oecd.org, +33 145 24 91 24)

Target Date: End 2010- beginning or 2011 for reference year 2009

Brief Description: OECD revised its *Benchmark Definition of Foreign Direct Investment* (BMD4) which sets the world standards to measure FDI and includes, for the first time, globalisation indicators. The technical work was conducted by the Working Group on International Investment Statistics (WGIIS) of the Investment Committee which also has the responsibility of overseeing OECD’s regular FDI statistics by partner country and by industry for FDI financial and income flows and stocks. These data provide detailed information on equity financing and intercompany loans separately. The implementation of revised BMD4 standards will improve the quality, the comparability and analytical coverage of FDI statistics of OECD countries. The BRICS and other non-member countries cooperate with WGIIS to improve their FDI statistics in light of BMD4. In addition, WGIIS started work on its research agenda with the main focus on globalisation.

7. Coordinated Direct Investment Survey

Agency: IMF

Contact Information: Ralph Kozlow (rkozlow@imf.org, +1 202 623 9398); John Joisce (jjoisce@imf.org, +1 202 623 6136)

Target Date: End 2010 to early 2011 (disseminate initial results)

Brief Description: With its interagency partners, the IMF is undertaking a Coordinated Direct Investment Survey (CDIS) in respect of end-2009. As of the beginning of 2009, about 130 economies responded positively to the IMF’s invitation to participate in the CDIS. The IMF formed a Task Force, comprising 6 international organizations and 11 economies, to provide advice and content for a survey guide, and a draft survey guide has been released on the IMF CDIS Home Page (http://www.imf.org/cdis). The CDIS will collect data on inward and outward direct investment positions for participating economies.

8. Local Capital Market Development in Emerging Market Countries

Agency: IMF

Contact Information: Monetary and Capital Markets Department, Capital Market Development and Financial Infrastructure Division (contact: cpazarbasioglu@imf.org, +1 202 623 5967)

Target Date Ongoing

Brief Description: A work is ongoing on local capital market development in emerging market countries (EM) and development of the investor base for EM debt instruments. It examines trends in local market development and broadening of the investor base for EM debt, which have allowed many EM to reduce debt-related vulnerabilities, especially foreign exchange, rollover, and interest rate risks. This work is designed at bolstering financial stability in EM through initiatives to develop deeper and more efficient local markets and broaden the EM investor universe, which provides a more stable funding base for EM and leaves them less vulnerable to adverse developments. This ongoing work also examines how appropriate regulation supports a balanced development of local markets and a broader investor base to reinforce financial stability.

9. Broadening the Local Bond Market Database in Emerging Market Economies

Agency: IMF

Contact Information: Armida San Jose (contact: asanjose@imf.org, +1 202 623 6327)

Target Date: Ongoing

Brief Description: To facilitate the development of a common methodological framework for securities statistics that could be used by IMF member countries, the IMF, BIS and the ECB produced Part One of the *Handbook on Securities Statistics* (focusing on debt securities issues). The pre-publication version of this *Handbook* was posted on the IMF website (http://www.imf.org/external/np/sta/wgsd/index.htm) in May 2009. Preparatory work on Part Two of the *Handbook* (focusing on holdings of debt securities) has been initiated. Detailed plan and timetable for its completion will be discussed in the context of the next meeting of the reconvened Working Group on Securities Database (chaired by the IMF and includes the BIS, ECB, and the World Bank) and also in consultation with securities statistics experts who were involved in the production of first part of the *Handbook.*

10. Derivatives in Emerging Markets: Recent Trends and Policy Implications for Capital Markets

Agency: IMF and World Bank

Contact Information: Monetary and Capital Markets Department, Global Financial Stability Division (lkodres@imf.org, +1 202 623 6161)

Completion Date: September 2009

Brief Description: The project identifies key policy considerations for developing and regulating safe, sound and efficient derivatives markets in emerging market countries.

11. Global Emerging Markets Local Currency Bond (Gemloc) program

Agency: World Bank

Contact Information: Shidan Derakhshani (sderakhshani@ifc.org); Alison Harwood (aharwood@ifc.org)

Completion date: Ongoing

Website locator: http://www.gemloc.org

Brief Description: The Gemloc Program represents a new initiative by the World Bank Group to promote development of local currency bond markets in emerging market countries and enhance financial stability through market-based incentives. The focus is on middle and low income countries. This initiative is closely aligned to priorities on local bond market development as expressed by the G8. The Gemloc Program consists of three separate but complementary pillars: (i) investment strategies developed and managed by a private investment manager to promote investment in emerging market local currency bonds; (ii) an index ("GEMX") developed in cooperation with IFC that will serve as a benchmark for this asset class (inclusion in the index is based on a country's bond market size and "investability" as determined by key market features such as regulation, taxation, infrastructure, and liquidity); and (iii) advisory services provided by the World Bank Group, paid for from fees generated by the investment strategies, to support country efforts to strengthen their local markets and improve their investability. The three pillars operate separately but are expected to complement one another and generate positive externalities. The investment manager (PIMCO) and index provider (Markit) were announced in February 2008. 20 countries were included in the first phase of the GEMX index. Additional countries will be added to the index in late 2009 as a second Phase. The Advisory Services program was officially launched at the end of May 2008.

12. Task Force on Commodities Futures Markets

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator: http://www.iosco.org/news/pdf/IOSCONEWS128.pdf

Brief Description: In October 2008, the Technical Committee launched the Task Force on Commodities Futures Markets (TFCFM). TFCFM examined the changing nature of commodities futures markets taking into account issues such as technological developments, globalization, product innovation and composition, and increasing participation of new types of investors. TFCFM also examined whether supervisory approaches were keeping pace with developments in this market and whether regulators were cooperating sufficiently to deal with the increasing globalization of the markets. The decision to establish a task force was taken following discussions amongst members focusing on concerns around increases and volatility in commodity futures markets. IOSCO members from both developed and emerging market economies have been involved in the work of the Task Force. The Technical Committee has agreed to publish for public consultation a report developed by TFCFM that examines governmental and IMF reviews of the issue of speculation in commodity markets. The report has been published in March 2009. In this report, TFCFM further recommended holding periodic meetings of futures market regulators to share concerns on trends and developments in commodity markets, as well as for sharing market surveillance and enforcement techniques.

At their June 2009 meeting in Lecce, Italy, G8 Finance Ministers noted their concern that "*excess volatility of commodity prices poses risks to economic growth*" and agreed to "*consider ways to improve the functioning and transparency of global commodity markets.*" Subsequently, G8 Leaders at their July Summit in L'Aquila stated that, "*We ask the IOSCO Task Force on Commodities Markets to consider further possible specific improvements to the transparency and market supervision of oil futures markets and make specific recommendations,*" and called for enhanced transparency and an improved regulatory framework for derivative markets.

Given the TFCFM recommendations and the G8's interest and explicit references to IOSCO, IOSCO is to develop a new mandate of the Task Force.

13. Capital Markets Assessment Tool (EM)

Agency:	World Bank
Contact Information:	Capital Markets Advisory Group - CCGCM (contact: cdelvalle@worldbank.org, + 1 202 458 8276)
Target Date	Ongoing
Brief Description:	Ongoing work to produce a Capital Markets Assessment Tool that provides a methodology for conducting a thorough diagnostic of an emerging market country's level of capital market development (e.g. as part of an FSAP). The methodology is intended to serve several purposes: (i) to provide a disciplined and objective framework for assessing major obstacles to a market's development and a more consistent basis for recommending and implementing strategies to help develop individual markets; (ii) to provide a methodology for evaluating, in the early stages, a country's potential for developing capital markets to support private-sector financing; and (iii) to help formulate a sequenced capital markets development strategy in countries with differing economic and legal infrastructure conditions. The methodology is intended for use in countries that have, or have the potential to develop, traditional markets for equities and corporate debt securities, and in countries where the development of such markets, in whole or in part, could be challenging and other alternatives to access long term capital should be considered.

14. Financial Education

Agency: OECD

Contact Information: Andre.laboul@oecd.org; +33 145 24 91 27

Target Date: Ongoing

Website locator: http://www.financial-education.org

Brief Description: In 2003 the OECD launched a comprehensive project on financial education, conducted by the Committee on Financial Markets, the Insurance and Private Pensions Committee and the Working Party on Private Pensions.

A key milestone was the 2005 publication, *Improving Financial Literacy: Analysis of Issues and Policies*. Current analytical work focuses on financial education in selected sectors (credit and pensions), locations (schools, workplace), institutions (financial intermediaries), as well as more fundamental issues related to risk transfer to households and a new methodology to assess financial education and literacy.

In 2005, the OECD Council agreed the *Recommendation on Principles and Good Practices for Financial Education and Awareness*. In 2006, G8 Finance Ministers called on the OECD for "*further development of financial literacy guidelines based on best practices*". Recommendations on good practices for financial awareness and education in the areas of pensions and insurance and the related publication were issued in 2008. In 2009 the OECD Council agreed on a new set of good practices related to financial education in credit. The OECD conducted also a survey on the impact of the financial crisis on financial education. The OECD committees are currently developing financial education guidelines and good practices in the fields of school, annuities, financial intermediaries and pension information. A policy handbook to enhance risk awareness and education on natural catastrophes is currently circulated for public consultation.

High-level international events on financial education have been held in India, Russia, Turkey, and jointly with the US Treasury in Washington in May 2008. Recent international conferences were held in Indonesia in October 2008 and in Paris in May 2009. The OECD has recently established the International Network on Financial Education, bringing together officials from over 50 OECD and non-OECD countries for discussion, and to provide input to OECD guidelines and principles. Another important new component is the *International Gateway for Financial Education*, http://www.financial-education.org, which was launched in 2008. The gateway serves as an international clearinghouse for exchange of information on financial education programs, issues and good practices.

This work will be complemented by wider OECD work related to financial consumer protection.

15. Longevity Risks, Annuities and Financial Markets

Agency OECD

Contact Information: Pablo.antolin@oecd.org, +33 145 24 90 86

Target Date: Ongoing

Brief Description: Several OECD bodies, including the Committee on Financial Markets, its Working Party on Debt Management, the Insurance and Private Pensions Committee and its Working Party on Private Pensions are developing work related to the impact of increased longevity on financial and annuities markets and the possible role of governments (including for instance on the bond markets). This project will also include work on annuities and more generally the payout phase, to begin soon in several countries. A high level conference was organised in November 2008.

16. Private Equity

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: October 2009

Website Locator: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD274.pdf

Brief Description: In February 2007, the Technical Committee created a Task Force on Private Equity (TFPE). The Technical Committee released in June 2008 a final report, *Private Equity*, based on the work of TFPE (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD274.pdf) (Private Equity Report). The Private Equity Report identified two workstreams for the future. One workstream is a survey of the complexity and leverage of capital structures employed in leveraged buyout transactions across relevant IOSCO jurisdictions. No work is being undertaken in this area in the immediate future. The other workstream is an analysis of conflicts of interest that arise during the course of private equity business and the controls utilized across relevant IOSCO member jurisdictions that aim to provide appropriate levels of investor protection. Key areas of focus will be public-to-private transactions and the listing (or subsequent re-listing) of private equity portfolio companies. These situations potentially have a heightened impact on public securities markets and investors. This work incorporates both private equity firms and market intermediaries and focuses on identifying conflicts which are present, or are unique, within the context of private equity transactions as they relate to public markets. In completing this work, consideration has been given to participation by industry and investors and to work already done within IOSCO and in other international fora. The Technical Committee Standing Committee on Investment Management is working on a report on private equity firms' good practices in the identification and mitigation of conflicts of interest to be submitted to the Technical Committee in October 2009.

17. Code of Conduct for Credit Rating Agencies

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator	http://www.iosco.org/news/pdf/IOSCONEWS126.pdf http://www.iosco.org/library/pubdocs/pdf/IOSCOPD271.pdf http://www.iosco.org/library/pubdocs/pdf/IOSCOPD270.pdf
Brief Description	In May 2008, the Technical Committee published the final report, *The Role of Credit Rating Agencies in Structured Finance Markets* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD270.pdf), which results from the work of the Task Force on Credit Rating Agencies (TFCRA) and contains amendments to the Code of Conduct Fundamentals for Credit Rating Agencies (CRA Code of Conduct) (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD271.pdf). The changes to the CRA Code of Conduct were adopted following a public consultation process. IOSCO's members expect credit rating agencies (CRAs) to give full effect to the CRA Code of Conduct and to demonstrate to regulators and market participants how they implement the CRA Code of Conduct through their own codes of conduct. The Technical Committee published a report in March 2009 on implementation of the CRA Code of Conduct. This implementation report assesses the degree to which CRAs have adopted codes of conduct that reflect the CRA Code of Conduct. TFCRA has developed a common inspection module for regulators undertaking inspections of CRAs in their jurisdictions. This module provides a baseline for developing inspections based on the CRA Code of Conduct. In view of recent events, there is a need for greater interaction between CRAs and regulators, and greater coordination among securities regulators overseeing globally active CRAs. TFCRA has drafted a report outlining an approach securities regulators can use to oversee globally active CRAs. This approach includes the creation of a permanent IOSCO committee (Standing Committee 6, TCSC6), decided by the Technical Committee in February 2009 for dialogue with the CRA industry and for information sharing among IOSCO members regarding regulation of CRAs. The report also discusses a college of regulators approach enhanced by bilateral arrangements regarding ongoing supervision of globally active CRAs. TCSC6 is currently in the process of meeting with CRAs. In addition, the Technical Committee has created a Supervisory task Force to study improved mechanisms for supervisory cooperation among securities regulators on CRAs, hedge funds, and other entities.

18. Due Diligence/Risk Management Practices of Sponsors of Structured Finance Products

Agency:	IOSCO
Contact Information:	Greg Tanzer (g.tanzer@iosco.org)
Target Date:	September 2009
Brief Description:	In connection with the request of the FSB for IOSCO to assess the adequacy of recent recommendations made by the industry to restore confidence in securitization, the Technical Committee Standing Committee on Investment Management will assess the adequacy of

recent recommendations made by a coalition of securitization groups in the report, *Restoring Confidence in the Securitization Markets* (December 2008) that relate to due diligence by originators and sponsors of securitization programs. The recommendations in this report related to disclosure practices and valuation has been assessed by the Technical Committee Standing Committee on Multinational Disclosure and Accounting (TCSC1). The work of TCSC1 on this matter has been provided to the IOSCO Task Force on Unregulated Financial Markets and Products, for inclusion in that Task Force's work. The final report of the Task Force was published in September 2009.

19. Financial Firm Internal Controls Relating to Structured Finance Products

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: June 2010

Brief Description: As discussed in the *Report on the Subprime Crisis* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD273.pdf), published in May 2008, IOSCO's Task Force on the Subprime Crisis found that many institutional investors and investment banking firms had inadequate risk modeling and internal controls in place to understand and address the risks they were assuming when buying many types of structured finance products. The Technical Committee Standing Committee on the Regulation of Market Intermediaries (TCSC3) has been in contact with the Senior Supervisors Group (SSG) regarding its work on internal controls to coordinate the work of these two groups. TCSC3 will undertake a study of the internal control systems of independent investment banks. As part of its work on the due diligence of asset managers, Technical Committee Standing Committee on Investment Management is reviewing aspects of asset managers' internal controls.

20. Structured Finance Product Market Transparency

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: October 2009

Brief Description: Given that among other things, the Technical Committee's Task Force on the Subprime Crisis found, in its *Report on the Subprime Crisis* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD273.pdf), that secondary trading of structured finance products, for a variety of reasons, is opaque, the Technical Committee asked its Standing Committee on the Regulation of Secondary Markets (TCSC2) to work with the financial service industry to examine the viability of a secondary market reporting system for different types of structured finance products. In particular, the work focuses on whether the nature of structured finance products lends itself to such reporting and the cost and benefits such a system might entail. TCSC2 sent questionnaires to the financial services industry and regulators, with responses due 30 January 2009. TCSC2 has analysed the responses to the questionnaires and discussed their preliminary findings in March 2009. TCSC2 also has sought industry input through meetings with industry and has held an industry roundtable jointly with the IOSCO Task Force on Unregulated Financial Markets and Products in April 2009. TCSC2 is now in the process of preparing a draft consultation report that will be presented for consideration at the Technical Committee meeting in October 2009.

21. Point of Sale Disclosure to Retail Investors

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: September 2009

Brief Description: Many retail investors who buy investment products, particularly interests in a collective investment scheme (CIS) and possibly similar products, do not clearly understand the products or the layers of costs associated with those products. Also, many retail investors may not clearly understand their intermediary's financial stake in selling those products, including so-called "revenue sharing" arrangements. Therefore, they might end up purchasing a product that they would not have otherwise, had they understood the true costs of the product and/or their intermediary's conflicts.

IOSCO is considering the key information that investors should receive prior to or at the point of sale in order to support sound investment decision-making. The Technical Committee Standing Committees on the Regulation of Market Intermediaries and Investment Management (Standing Committees) prepared an issues paper that builds upon a review of industry and academic reports on the types of information that investors expect and find meaningful at the time they make an investment decision, primarily for investments in CIS, and a questionnaire regarding the related regulatory requirements and initiatives in the jurisdictions of members of the Standing Committees. The issues paper was distributed in July 2008 to representative industry and investors associations for the purpose of informing the industry and investors of the work in progress, as well as the issues identified at this stage and receiving any comments in relation thereto. The Standing Committees considered the comments received on the issues paper; assessed whether and how relevant general principles in this area should be developed; and submitted their report to the Technical Committee in June 2009 for publication for public consultation. The report includes six related regulatory principles and an in-depth analysis of the key underlying issues. It is due to publication in September 2009 after Technical Committee approval.

22. Direct Access to Exchanges and Other Markets

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: October 2009

Website Locator: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD284.pdf

Brief Description: With electronic trading, intermediaries are able to transmit orders electronically and markets are able to offer "direct" electronic access to clients of the intermediaries. In this way, intermediaries' clients could be given access to markets through either a registered intermediary's system (or system provided by a third party, but effectively branded as the system of the intermediary) or via an arrangement set up by the intermediary whereby the intermediary provides or requires few controls, but allows its client to access the market utilizing the intermediary's exchange identification. Some derivatives exchanges also permit intermediated access through registered intermediaries and, in addition, direct access by non-intermediaries may be granted. Such non-intermediary entities are permitted to become members or participants on an exchange, if they meet certain eligibility requirements. The various permutations of direct market access (DMA) raise important related regulatory issues. Pursuant to mandates approved by the Technical Committee, the Technical Committee Standing Committees on the Regulation of Secondary Markets and Regulation of Market Intermediaries (Standing Committees) have conducted surveys and held meetings with market participants to identify DMA models used in markets and practices of intermediaries in jurisdictions of the Standing Committees' members. A report for public consultation containing possible principles relating to DMA was published in February 2009 (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD284.pdf). Comments were due by May 2009. The final report is expected to be published in October 2009.

23. Dark Liquidity Pools

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Late 2010

Brief Description: The Technical Committee approved a project mandate for its Standing Committee on the Regulation of Secondary Markets (TCSC2) to assess the regulatory issues that may be raised by the growing use of dark pools of liquidity, including those related to market fragmentation, fair access, transparency, determining trading volumes resulting from dark liquidity, and price discovery. TCSC2 will conduct surveys of regulators and industry. TCSC2 expects to develop a report to be submitted for public consultation in mid-2010 and to finalise a report in late 2010.

24. Exchange Traded Funds

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Brief Description: Given the growing interest in exchange traded funds (ETFs) worldwide as evidenced by the amount of money invested in ETFs, the Technical

Committee Standing Committee on Investment Management (TCSC5) initiated preliminary work on regulatory approaches in the area in order to identify the issues associated with such products. In March 2008, TCSC5 organized a hearing with ETFs experts in order to have a global picture of the ETFs market. TCSC5 intends to pursue the work it initially conducted in this area, and from mid/end 2009, prepare an issues paper for the purpose of discussion with the industry.

25. Mutual Recognition

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Brief Description: In the course of the ongoing dialogue with financial market stakeholders, stakeholders suggested that IOSCO should start working on the issue of mutual recognition. The IOSCO General Secretariat has surveyed work done within IOSCO that could provide an infrastructure for potential multilateral regulatory recognition. For example, for jurisdictions undertaking a recognition assessment process, the IOSCO Principles[2] would be relevant, and may provide a framework for such assessment process. Further, whether the jurisdictions involved in such a process are signatories to the IOSCO Multilateral Memorandum of Understanding would likely be considered in such a recognition assessment. Additionally, the IOSCO General Secretariat will survey the work of IOSCO members regarding principles for recognition. IOSCO is continuing to assess developments in a bilateral context.

(vi) Prudential Regulation and Supervision

1. Identification of Regulatory Gaps

Agency: BCBS, IOSCO, IAIS (through the Joint Forum)

Contact Information: baselcommittee@bis.org; iais@bis.org

Target Date: Ongoing

Brief Description: The BCBS, IOSCO and the IAIS, through the Joint Forum, are reviewing the differentiated nature and scope of financial regulation, with an emphasis on unregulated institutions, instruments and markets and systemically important institutions. A final report is expected by late 2009.

2. Implementation of the New Capital Adequacy Framework (Basel II)

Agency: BCBS

Contact Information: baselcommittee@bis.org

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[2] *IOSCO Objectives and Principles of Securities Regulation,* March 2008, available at http://www.iosco.org/library/pubdocs/pdf/IOSCOPD265.pdf.

Target Date: Ongoing

Brief Description: The BCBS has expanded the mandate of its Accord Implementation Group (AIG) to review the implementation of a full range of prudential standards and guidance issued by the Committee. The renamed Standards Implementation Group (SIG) will continue to provide a forum for information sharing in order to promote consistency in the implementation of the new capital framework. The SIG regularly discusses practical issues related to cross-border implementation of Basel II for internationally active banks.

The challenges of coordination between home and host supervisors go beyond Basel II's Pillar 1 (minimum capital requirements) and have clear implications for Pillar 2 (supervisory review process), particularly around topics like global risk management, diversification effects and treatment of risks beyond those captured in Pillar 1. The BCBS and the SIG are devoting significant resources to the Pillar 2 implementation process, including better understanding supervisory approaches to implementation of Pillar 2 for non-complex banks. In May 2008, as predecessor of the SIG, the AIG conducted a workshop on this topic together with the International Liaison Group's Working Group on Capital (ILGC). The SIG continues to assess banks' Pillar 3 disclosures.

The SIG has two subgroups to address specific issues that are of particular concern to the banking industry and supervisors in the implementation of Basel II. The first subgroup is addressing issues related to validation of the most advanced credit risk approaches in Basel II. The second subgroup is addressing issues related to the cross-border implementation of the advanced measurement approaches (AMA) for operational risk in Basel II.

Lastly, the BCBS has established a Basel II Capital Monitoring Group that analyses the level and cyclicality of capital requirements based on data collected through the reporting systems of national supervisory agencies.

3. Supervision of Bank Liquidity Risk Management

Agency: BCBS

Contact Information: baselcommittee@bis.org

Target Date: December 2009 and ongoing

Brief Description: The BCBS's Working Group on Liquidity (WGL) is examining ways to promote greater consistency of liquidity regulation and supervision for cross-border banks. This includes a development of standards, metrics and benchmarks that supervisors can use to assess in a more consistent manner the resiliency of banks' liquidity cushions and constrain any weakening in liquidity maturity profiles, diversity of funding sources, and stress testing practices, among other things. WGL will present concrete proposals for such metrics and benchmarks for review at the Committee's December 2009 meeting.

WGL members are also monitoring banks' implementation of the recently issued *Principles for Sound Liquidity Risk Management and Supervision*. A thorough review of the progress of implementation will be made in the first half of 2010.

4. Systemic Funding Liquidity Risk

Agency:	BCBS/CGFS
Contact Information:	baselcommittee@bis.org; Srichander Ramaswamy (srichander.ramaswamy@bis.org)
Target Date:	May 2010
Brief Description:	The joint BCBS-CGFS Working Group will explore the development of a framework for assessing system-wide liquidity risk that could serve as a basis for internalising the externalities of system-wide liquidity risks by individual banks, develop policy options to contain system-wide funding liquidity risk, and explore potential "early warning indicators" to assess the build-up of pressures surrounding systemic liquidity. The group's work will build on the literature survey on liquidity risk prepared by a research task force under the auspices of the BCBS's Working Group on Liquidity.

5. Update of Corporate Governance Principles

Agency:	BCBS
Contact information:	baselcommittee@bis.org
Target Date:	March 2010
Brief Description:	The financial crisis that began in 2007 highlighted a number of shortcomings in the corporate governance of financial sector institutions. Upon reviewing the BCBS 2006 principles on corporate governance, the BCBS realised that while the 2006 principles were very relevant and targeted key issues of corporate governance, they were not fully implemented at many banks. As a result, the Committee decided to revise the principles to emphasise lessons learned during the crisis and to put additional emphasis on the implementation of these principles. These revisions are targeted at board practices, the corporate governance of risk management, transparency, and the importance of banks understanding the complexities involved in both their organisational structure and the structures of certain products. The OECD and the World Bank are involved in this work to revise the principles for banks, and the BCBS is also coordinating with the IAIS on their work on corporate governance principles for insurance companies, to ensure that the focus of the two groups are aligned.

6. Liquidity Risk Management

Agency:	IOSCO
Contact Information:	Greg Tanzer (g.tanzer@iosco.org)
Target Date:	Ongoing

Brief Description: As discussed in the *Report on the Subprime Crisis* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD273.pdf), published in May 2008, IOSCO's Task Force on the Subprime Crisis found that many institutional investors and investment banking firms had inadequate balance sheet liquidity even when adequately capitalized. Given this finding, the Technical Committee has asked its Standing Committee on the Regulation of Market Intermediaries (TCSC3) to survey members' experience on liquidity risk management and liquidity standards to assist and supplement the work undertaken jointly with BCBS. In this regard, TCSC3 submitted comments on the BCBS consultation paper, *Principles for Sound Liquidity Risk Management and Supervision*. In addition, TCSC3 intends to undertake work on the liquidity risk management at securities firms.

7. Review of Trends in Regulatory Capital Instruments

Agency: BCBS

Contact Information: baselcommittee@bis.org

Target Date: December 2009

Brief Description: The BCBS has launched an initiative to review the definition of regulatory capital across jurisdictions. The aim is to strengthen the quality, consistency, and transparency of the highest forms of tier 1 capital.

8. Fundamental Review of the Market Risk Framework

Agency: BCBS

Contact Information: baselcommittee@bis.org

Target Date: Interim report in March 2010

Brief Description: The BCBS's Trading Book Group (TBG) conducts a fundamental review of the market risk framework, in particular of how trading activities are defined and how risks in trading books are captured by regulatory capital. The group will develop appropriate capital standards for trading activities (and possibly market risk more generally) and review the internal market risk models method as well as the standardised measurement method.

9. Risk Management Practices at Securities Firms

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Brief Description: As a result of the findings regarding firm risk management and prudential supervision of firm operations during the subprime market turmoil presented in the *Report on the Subprime Crisis* (http://www.iosco.org/library/pubdocs/pdf/IOSCOPD273.pdf), published in May 2008, the Technical Committee Standing Committee on the Regulation of Market Intermediaries (TCSC3) will monitor the work of the Senior Supervisors Group (SSG) and review any report of the SSG and determine whether further work is warranted by IOSCO. TCSC3 has been in contact with the SSG regarding its work on internal controls to coordinate the work of the SSC and TCSC3.

10. Initiatives on Risk-based Supervision and Microfinance

Agency: BCBS

Contact Information: baselcommittee@bis.org

Target Date: December 2009

Brief Description: The BCBS established a microfinance workstream. It has developed a questionnaire with the assistance of CGAP, the World Bank, the IMF and the Association of the Banking Supervisors of the Americas (ASBA). The focus is on the taking of deposits from the public in a microfinance environment. The workstream is currently identifying issues and emerging supervisory responses to microfinance. The objective is not to create new standards but to draw on the collective experience of some of its members with microfinance in order to identify supervisory issues and illustrate accepted practices.

11. Bank Resolution

Agency: BCBS

Contact Information: baselcommittee@bis.org

Target Date: September 2009

Brief Description: The BCBS's Cross-border Bank Resolution Group (CBRG) is reviewing and analysing issues relating to the resolution of large banks with cross-border operations. The CBRG will be releasing a public report around end-September 2009.

12. Supervision and Assessment of Insurers' Solvency

Agency: IAIS

Contact Information: iais@bis.org

Target Date: Ongoing

Brief Description: The IAIS has a strong commitment to the development of a cohesive set of standards and guidance on solvency assessment – with an overall objective of facilitating greater comparability and improved convergence over the long term of supervisory practice towards a risk-based solvency regime.

Work continues in expanding and improving the suite of solvency assessment papers. A standard and guidance paper on capital resources is currently under development and expected to be adopted in October 2009. This paper discusses the purpose and role of capital resources, determination of capital resources for regulatory capital requirements and insurer's own risk and solvency assessment. The IAIS is undertaking a review of existing IAIS papers on solvency assessment as part of the review of the Insurance Core Principles. As part of this review, lessons learnt from the financial crisis will be considered. Although issues such as procyclicality, liquidity risk, concentration risk, contagion risk and stress testing highlighted in the G20 Action Plan were not mainly directed at insurance supervisors, the review of the existing suite of solvency supervisory papers will consider the extent to which these papers address the identified risks.

13. IAIS Global Reinsurance Market Report 2009

Agency: IAIS

Contact Information: iais@bis.org

Target Date: Ongoing

Brief Description: In 2009, the IAIS will publish its sixth annual global reinsurance market report based on 2008 data provided by supervisors of the largest global reinsurers in Bermuda, France, Germany, Japan, Spain, Switzerland, the UK and the US. The report aims to improve the transparency of the global reinsurance industry by providing analysis of financial position, monitoring trends and considering risks and challenges for the reinsurance industry. Each year the report is enhanced to provide up-to-date coverage of emerging macro risks and trends of systemic importance to the insurance and reinsurance sector. In 2009, the report will be provided in two editions, a mid-year report covering qualitative market developments and an end-year report covering more quantitative aspects.

14. International Colleges of Supervisors for Insurers and Reinsurers

Agency: IAIS

Contact Information: iais@bis.org

Target Date: Ongoing

Brief Description: The IAIS plans to complete a guidance paper on the use of supervisory colleges in group-wide supervision by October 2009, which will provide guidance to insurance supervisors on the use of a supervisory college as a mechanism to facilitate cooperation and exchange of information among involved supervisors and coordination of supervisory activities on a group-wide basis.

A survey was recently completed to obtain feedback on IAIS Members' experiences with supervisory colleges for insurance groups. The results of the survey will serve as a basis for identifying good practices from experience on supervisory colleges.

15. Implementation of IAIS Principles and Standards and Emerging Markets

i) Insurance Regional Seminars and Training

Agency: IAIS and FSI

Contact Information: iais@bis.org

Target Date: Ongoing

Brief Description: The IAIS organises, in collaboration with the FSI and national insurance supervisory authorities and other bodies, about 10-15 regional seminars and workshops annually to assist insurance supervisors to implement IAIS principles and standards on insurance supervision.

ii) Issues in Regulation and Supervision of Microinsurance

Agency: IAIS and CGAP Working Group on Microinsurance

Contact Information: iais@bis.org

Target Date: Ongoing

Brief Description: Following the completion of an issues paper on microinsurance, the IAIS undertook a survey on the role of mutuals and cooperatives in microinsurance. The survey findings along with issues identified in developing the issues paper will form the basis for the development of principles and guidance on the regulation and supervision of microinsurance. In addition, an issues paper will be completed on the regulation and supervision of mutual organisations, in relation to microinsurance in emerging markets.

16. Supervision of Insurance Groups

Agency: IAIS

Contact Information: iais@bis.org

Target Date: Ongoing

Brief Description: Groups are the most common organisational structure of international active insurers. As a result, the IAIS aims to establish a comprehensive framework for streamlining group supervision. The main goal is to achieve efficient group supervision which preserves the level of policyholders' protection while avoiding unnecessary supervisory burden.

Through an active contribution to the work of the FSB, and through close coordination with BCBS and IOSCO, the IAIS will contribute to establishing effective supervision of financial conglomerates and non-regulated entities, which will enable all financial supervisors to minimise regulatory arbitrage among financial sectors. Non-regulated entities (such as financial derivative units in some groups) or lightly regulated activities (such as securities lending at the holding company level) have been highlighted as particular regulatory gaps in group supervision which require a common cross-sectoral response.

The IAIS has established a working group to proceed with research into the design and practicality of a common assessment framework for insurance group supervision.

17. Review of Insurance Core Principles

Agency: IAIS

Contact Information: iais@bis.org

Target Date: Ongoing

Brief Description: The Insurance Core Principles (ICPs) are the foundation on which all standard setting activities of the IAIS build. It was decided that there should be a restructuring of IAIS supervisory papers to ensure there is a clear link between the ICPs, standards and guidance papers. Standards will now be drafted so that their key elements form the observance criteria for the relevant ICP. A comprehensive review of the ICPs is being untaken and the corresponding standards are being reviewed and re-crafted to align with the new structure. An ICP Coordination Group has been formed to take forward the work and manage the process to meet the 2011 deadline for having a revised set of ICPs and corresponding standards.

18. Market Conduct of Insurers

Agency:	IAIS
Contact information:	iais@bis.org
Target Date:	Ongoing
Brief Description:	In 2008, the IAIS formed a new Market Conduct Subcommittee, charged with developing international supervisory standards on insurers' behaviour in the marketplace. The subcommittee will build on existing work on market conduct and consider the market conduct of insurers and intermediaries in the selling and handling of insurance products and services and in disclosure of information to customers.

19. Harmonized International Glossary

Agency:	IAIS
Contact Information:	iais@bis.org
Target Date:	Ongoing
Brief Description:	The IAIS Glossary provides definitions of the main terms used by IAIS working parties in their work. A project to develop a harmonized international glossary of insurance terminology is being undertaken jointly between the IAIS, IAA, CEA and Groupe Consultatif, based on their respective existing glossaries. The priority area of focus is solvency related issues.

20. Strategic Direction of IOSCO Activities

Agency:	IOSCO
Contact Information:	Greg Tanzer (g.tanzer@iosco.org)
Target Date:	2010
Brief Description:	IOSCO formally endorsed in April 2005 a range of operational priorities that will further strengthen its effectiveness in this regard. a) Maintaining the role of IOSCO as the international standard setter for securities regulation IOSCO has proven successful at setting international securities regulatory standards and IOSCO is recognized as the international standards setter for securities markets. Its current position must be maintained by constant work to upgrade the *Objectives and Principles of Securities Regulation* (Principles) and *Methodology for Assessing*

Implementation of the IOSCO Objectives and Principles of Securities Regulation (Methodology) to take into account emerging regulatory issues and to protect this key international standard setting responsibility. In this regard, the Executive Committee authorized the Task Force on the Implementation of the Principles to initiate a substantive review of the Principles.

IOSCO recently approved an updated version of both its Principles and Methodology to take into account Technical Committee, Emerging Markets Committee and Executive Committee documents, and other relevant documents, issued since the Principles were last updated in 2003. The updated versions uses footnotes to reference those more current IOSCO and related organization (e.g., Joint Forum) publications, which are consistent with the existing Principles and Methodology. The updated versions of the Principles and Methodology are available on the IOSCO website at http://www.iosco.org/library/pubdocs/pdf/IOSCOPD265.pdf and http://www.iosco.org/library/pubdocs/pdf/IOSCOPD266.pdf, respectively.

b) Improving enforcement related cross-border cooperation

IOSCO is pushing forward in identifying obstacles that prevent enforcement cooperation and exchange of information within its membership and with non-member securities regulators.

The IOSCO Presidents Committee endorsed in April 2005 the IOSCO Multilateral Memorandum of Understanding as the international benchmark for enforcement related cooperation and exchange of information and to move forward with its implementation by 1 January 2010 as being a signatory or through a commitment to seek the legal authority to do so (see paragraph 20 in section (iii)).

c) Implementing the Principles

Now that IOSCO has endorsed a full set of Principles and has an operational Methodology to practically assess the level of implementation of the Principles, IOSCO is focusing on the systematic assessment of the level of implementation of the Principles within the jurisdiction of each one of IOSCO's members and will provide technical and policy level assistance, whenever needed, to achieve this objective (see below regarding the IOSCO Principles Assessment and Implementation Program).

In this respect, in February 2008, the Executive Committee adopted an action plan for the period 2008-2010, that includes among other things a work program to improve awareness of the Principles and to encourage members to work towards their full implementation. This has involved and will continue to involve making related focused presentations at Regional Committee meetings.

d) Continuing to raise the international profile of IOSCO and the level of internal communications

IOSCO has decided to continue to improve communications so that its initiatives, objectives and priorities become better known to the international financial community. One of the great advantages of IOSCO is its wide membership and the fact that its members regulate most of the world's securities markets. For that purpose IOSCO is using ways to leverage as much as possible the communications' aspects of this broad membership in order to facilitate the diffusion of IOSCO's messages and actions to its members' jurisdictions.

In June 2009, IOSCO committed to reviewing its strategic direction over the 12 coming months. This review will consider progress made against the operational priorities described above, as well as lessons learnt from the global financial crisis, and aims to propose a new strategic direction for adoption in June 2010.

21. The IOSCO Principles Assessment and Implementation Program

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Brief Description: IOSCO is increasingly focusing its efforts on promoting the implementation of its *Objectives and Principles of Securities Regulation* (Principles) by its members. To assist its members in this task, the Executive Committee approved in February 2003 a pilot program to assist its members in the completion of an assessment of their level of implementation of the Principles. 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 Principles using an innovative *Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation* (Methodology) and in the development of an action plan to correct identified deficiencies. This program was extended in October 2004.

To date a number of IOSCO members have greatly benefited from assistance in this initiative including those from El Salvador, Turkey, Thailand, Morocco, Sri Lanka, Ecuador, Peru, Romania, WAMU, Uruguay, Honduras, Venezuela, Tunisia and Costa Rica. As part of the new IOSCO strategy the program will cover all IOSCO members.

In connection with the detailed action plan for the implementation of the Principles for 2008-2010, the IOSCO General Secretariat has begun a process by which IOSCO members' requests for technical assistance will be prioritized. In addition to providing direct assistance to members, the General Secretariat is developing a network of experts who have gathered experience from direct participation in the IOSCO Principles Assessment and Implementation Program and is using this network to train other experts, develop related written guidance, and provide training seminars on the Principles and Methodology. In order to increase the number of trained assessors available for such assessments and assistance missions, a second Principles assessors workshop was held in Mumbai on 25-27

February 2009, hosted by Securities and Exchange Board of India. Funding related to individual assistance missions are currently being sought through various channels.

IOSCO has also undertaken a review of its *Objectives and Principles of Securities Regulation* (Principles) and Methodology in order to identify and address possible gaps. A progress report is expected to be presented to the October 2009 Technical Committee, while the actual full review should be presented to the June 2010 meeting of the Technical Committee.

22. Securities Regional Seminars and Training & Assistance Programs

Agency: IOSCO

Contact Information: Greg Tanzer (g.tanzer@iosco.org)

Target Date: Ongoing

Website Locator http://www.iosco.org/events/

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 staffs.

The programs for 2009 include: http://www.iosco.org/events/

- Investor Education: Creating and Delivering Successful Programs, co-sponsored with the International Forum for Investor Education, 2-3 March 2009; Seminar Training Program, October 2009; IOSCO Annual Seminar Training Program, 27-30 October 2009.
- Seminar on Trading Book Issues and Market Infrastructure, jointly organised with the Financial Stability Institute (FSI), 23-25 November 2009.
- AMERC Regional Seminar Training Program Examination, Investigation and Litigation of Securities Sales Practice Violations, 1-3 December 2009.

23. Principles for Regulation and Supervision of Private Pensions

Agency: OECD, and International Organisation of Pension Supervisors (IOPS)

Contact Information: andre.laboul@oecd.org, +33 145 24 91 27

Target Date: Ongoing

Brief Description: A Recommendation on Core Principles of pension regulation was approved by the OECD Council in March 2004. Building on this work, the OECD Working Party on Private Pensions developed *Guidelines on Pension Fund Governance, Guidelines on the Protection of the Rights of Members and Beneficiaries, Guidelines on Pension Fund Asset Management*, *Guidelines on Funding and Benefit Security in Occupational Pension Plans*, and *Guidelines on the Licensing of Pension Entities*, the latter of which was developed and finalised jointly with the International Organisation of Pension

Supervisors (IOPS). These guidelines were released for public consultation and subsequently approved by the OECD Council. The Core Principles have been revised in 2009 to include the updated *Guidelines for Pension Fund Governance* while replacing the related Core Principle on Supervision by IOPS. A compendium of all OECD guidelines and the revised Core Principles was published in Spring 2009, accompanied by a methodology for their implementation and an assessment of their use in OECD countries. The Core Principles are also being used as part of process for evaluating candidates for OECD membership (Chile, Estonia, Israel, Russian Federation, and Slovenia).

The OECD also continues its work to monitor the pension fund industry by publishing an annual review (Pension Markets in Focus). The data published is based on OECD's Classification system and glossary on private pensions published in 2005. The new publication OECD *Private Pensions Outlook* was launched at the beginning of 2009.

The OECD and IOPS work in close cooperation, with the OECD leading the development of international standards on pension regulation, and IOPS focusing on supervisory issues and the development of supervisory standards. The IOPS agreed on principles on pension supervision at the occasion of its 2006 Annual General Meeting (AGM) and approved a set of guidelines for supervisory oversight in 2008. Guidelines for supervisory intervention, sanctions and enforcement are scheduled for approval at the Organisation's 2009 AGM. The IOPS ongoing work focuses on risk-based supervision, including the development of a toolkit. Providing practical guidance to supervisors is expected to be completed in 2010.

(vii) Combating Money Laundering, Terrorist Financing and Other Market Abuses

1. Actions to Combat Money Laundering & Terrorist Financing

Agency: FATF

Contact Information: John Carlson (john.carlson@fatf-gafi.org & secretariat@fatf-gafi.org, +33 145 24 79 46)

Target Date: Ongoing

Brief Description: The FATF Forty Recommendations and Nine Special Recommendations on Terrorist Financing provide the international anti-money laundering and counter-terrorist financing (AML/CFT) standard. The FATF has developed interpretation and best practices to support the 40+9 Recommendations. This is also supplemented by the 2004 AML/CFT Methodology, as updated from time to time, to assess compliance with the 40+9 Recommendations, which the FATF developed in collaboration with the IMF, the World Bank and the FATF-style regional bodies (FSRBs). This methodology underlies all FATF/FSRB/World Bank/IMF AML/CFT assessments.

In January 2005 the FATF commenced a third round of mutual evaluations of its members' compliance with the 40+9 Recommendations. Currently, reports on Australia, Austria, Belgium, Canada, China, Denmark, Finland, two GCC members (UAE and Qatar), Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Korea, Mexico, Norway, Portugal, Russian Federation, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, UK, and the United States have been completed and made publicly available. Ultimately, all FATF members will be assessed over a 5-6 year cycle. The reports of mutual evaluations of FATF members are available at http://www.fatf-gafi.org/document/32/0,2340,en_32250379_32236982_35128416_1_1_1_1,00.html. The FSRBs also assess their members' compliance with the 40+9 Recommendations and publish those reports on their websites. In total, more than 120 FATF and FSRB reports have now been published.

A FATF Working Group continues to ensure that there is consistency of interpretation of the FATF standards and the AML/CFT Methodology 2004 in all AML/CFT evaluations and assessments. This Working Group has agreed to a number of measures, such as enhanced training, that will help to ensure the quality and consistency of assessment/evaluation reports prepared by all assessment bodies (FATF/FSRBs/IFIs). Quality and consistency is also meant to ensure that private sector entities will be able to use and better compare all AML/CFT evaluations.

The FATF has also significantly enhanced its dialogue and interaction with the private sector. In June 2007, based on joint public-private sector work, the FATF published guidance for the financial sector on the risk-based approach for addressing AML/CFT issues. This was followed up by further work with other sectors, resulting in further risk-based guidance issued in 2008 and 2009 covering the following business sectors: accountants, dealers in precious metals and precious stones, real estate agents, trust and company service providers, lawyers and notaries, casinos and money services businesses. Similar work is now being conducted with the insurance sector. Importantly, the FATF also established a Consultative Forum as a venue to engage with the private sector and to discuss issues and ideas raised by private sector organisations and associations.

The FATF continues its longstanding work on "typologies" to gather information on and knowledge of methods and trends so as to ensure that the 40+9 Recommendations remain up to date and effective. The most recent such report dealt with money laundering through the football sector. Consultation with the private sector is also an essential factor for the quality and future use of the typologies reports. These reports are published on the FATF website (http://www.fatf-gafi.org). The FATF Working Group on typologies has also initiated a project that aims at identifying types of criminal and terrorist activities that pose an emerging threat to the financial system and developing a long-term response to these threats. The first Global Threat Assessment report is intended to be produced in June 2010.

In June 2009 the FATF also adopted a new guidance paper – *International Best Practice – Freezing of terrorist assets*, which is aimed at assisting jurisdictions in implementing the targeted financial sanctions contained in the United Nations Security Council resolutions (UNSCRs) relating to the prevention and suppression of the financing of terrorist acts – UNSCR 1267 and its successor resolutions and UNSCR 1373 and any successor resolutions related to the freezing, or if appropriate, seizure of terrorist assets.

The FATF continues to review and consider cooperation issues and to examine vulnerable jurisdictions that are failing to implement an effective AML/CFT system, including by issuing public statements. In June 2009, a FATF statement was released dealing with the situation in Iran, Uzbekistan, Turkmenistan, Pakistan, and Sao-Tome and Principe. This statement, and previous ones are available on FATF's public website.

In February 2009 the FATF agreed to a proposal to examine the impact of the global financial and economic crisis on efforts to combat money laundering and terrorist financing. Following the London Summit Leaders' Statement and their Declaration on Strengthening the Financial System, issued on 2 April 2009, the FATF has sent a report to the G20 Finance Ministers and Central Bank Governors for their meeting in London on 4-5 September 2009 on its new initiative on international cooperation and on its broader assessment of the appropriate AML/CFT responses to the global financial crisis.

2. Ongoing Activities in Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

Agency: IMF and World Bank

Contact Information: Nadim Kyriakos-Saad (nkyriakossaad@imf.org, +1 202 623 4286); Jean Pesme (jpesme@worldbank.org, +1 202 473 8448)

Target Date: Ongoing

Brief Description: The IMF and the World Bank continue to deliver an intensive AML/CFT work program. To date, the Fund and the Bank have conducted 53 AML/CFT assessments using the 2004 Methodology[3]. The Fund plans to conduct about 3 new assessments by April 2010; and the Bank will conduct 1 new assessment by December 2009. Additionally, the Bank is currently planning 3 new assessments with dates to be finalised.

- **Technical Assistance:** The two institutions have also continued a high level of AML/CFT technical assistance (TA) activity. The Fund delivered bilateral TA to 13 jurisdictions, hosted 4 regional workshops at IMF facilities and participated in 9 workshops organised by other bodies. The Bank delivered 23 events and missions, including 15 bilateral TA missions and 8 regional training events. These missions and events covered a wide range of topics and activities including legislative drafting and desk reviews of laws and regulations, financial

[3] Armenia, Austria, Bahrain, Belarus, Bermuda, Botswana, Burkina Faso, Cambodia, Cameroon, Cape Verde, CEMAC, Comoros, Denmark, Djibouti, Egypt, Fiji, Germany, Gibraltar, Greece, Haiti, Honduras, Hungary, Isle of Man, Italy, Jersey, Latvia, Liechtenstein, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mexico, Namibia, Niger, Pakistan, Palau, Panama, Paraguay, Philippines, Qatar, Rwanda, Senegal, Sierra Leone, St. Vincent & the Grenadines, Sudan, Tajikistan, Thailand, Tunisia, Uganda, United Arab Emirates, Uruguay, and WAEMU .

supervision, issues specific to institutional and regulatory frameworks, customer due diligence, FIUs, and training of the judiciary. Requests for support in developing national AML/CFT strategies and risk assessments have increased in response to recommendations made during assessments or mutual evaluations. Both the World Bank and the IMF also continue to conduct both training for assessors, and for countries that will undergo an assessment, independently or in conjunction with FATF and FATF Style Regional Bodies (FSRBs). Fund and Bank have supported and participated as trainers in assessor training events organised by the APG, CFATF, EAG, ESAAMLG, and GIABA. The Fund, in a joint working group with the United Nations Office on Drugs and Crime (UNODC) and the Commonwealth Secretariat, published an AML/CFT model law for common law countries in April 2009.

- **Outreach:** Fund and Bank staff have participated in 8 and 18 events, respectively. This includes conferences, donor coordination meetings, global dialogues, outreach to the private sector, and FATF and FSRB plenary and working group meetings.
- **IMF Multi-Donor Topical Trust Fund for AML/CFT TA**: The Fund began implementing a new model of externally financed TA delivery in May 2009. The new model involves multiple donors contributing to and being involved in governance and oversight of trust funds. The first such trust fund to become operational is a trust fund to support TA and research and analysis on AML/CFT. 11 countries – Norway, Switzerland, Japan, the United Kingdom, Saudi Arabia, Qatar, Korea, Luxembourg, France, the Netherlands and Canada – have pledged two thirds of the funding necessary for five years of operations of the AML/CFT topical trust fund and several others have expressed interest. Program planning will be subject to approval by a steering committee comprised of donors and coordinated with interested parties, including FSRBs and other providers.
- **Coordination:** The IMF and the World Bank continue to work closely with each other, FATF, the FSRBs, and bilateral donors to coordinate assessment calendars, optimize the provision of TA, and to strengthen global understanding of AML/CFT issues. In addition, collaboration with the UNODC is ongoing, with emphasis (for the Bank) on the joint work in Central Asia and East Asia and the Pacific through the UNODC/WB mentors. The terrorist financing working group of the Counter Terrorism Implementation Task Force (CTITF) comprising staff from the Fund, Bank, UNODC, the 1267 Monitoring Team, the UN Counter-Terrorism Executive Directorate, and Interpol completed its report. The report represents a distillation of two years of review and analysis and was published on the UN website[4] in January 2009 in advance of a briefing to the United Nations General Assembly that took place on March 3, 2009. It contains a total of 36 findings and 45

[4] http://www.un.org/terrorism/pdfs/wg5-financing.pdf

recommendations that are intended to help Member States increase the effectiveness of efforts to combat the financing of terrorism. The Bank is preparing technical policy notes that will complement this work, and are expected to be published over the coming months.

- **Policy Development and Research**: The two institutions both work to identify and disseminate international best practices in the implementation of the AML/CFT standard and to improve global understanding of AML/CFT issues, also with the view to improve the effectiveness of TA. While the Fund and Bank collaborate and coordinate, their research and policy programs reflect their respective mandates as macroeconomic/financial sector and development institutions. As indicated above, the Bank published several bilateral remittance corridor studies, aimed at improving the integrity of respective remittance markets. The Bank also published a best practice guide, "*Preventing Money Laundering and Terrorist Financing: A Practical Guide for Bank Supervisors.*" The guide is designed for bank supervisors looking to devise a program of AML/CFT supervision. It also published, under the StAR initiative, a practical guide on non-conviction based forfeiture (see below). Both publications are available on the Bank's webpage (http://www.worldbank.org/amlcft). Bank staff is also working on tools to help countries assess their AML/CFT risks; and has already used the lessons learned for their development in its partnership with the Asia/Pacific Group in developing the Strategic Implementation Program, which supports countries in prioritizing and sequencing their AML/CFT reform programs. Fund staff is completing the third in a series of handbooks that address AML/CFT issues. The publication of a practical guide on confiscating proceeds and benefits of crimes and freezing and confiscating terrorist-related assets is expected in November 2009. Work on money-laundering risk and on the relationship of criminal and underground financial markets to the financial sector and the real economy continues and papers associated with these issues are being drafted. Fund staff is currently preparing a paper on the Fund's AML/CFT program for the IMF's Executive Board this Fall.

- **Stolen Asset Recovery (StAR) Initiative**: Since September 2007, the Bank, jointly with the UNODC, began undertaking policy and technical assistance work on the StAR Initiative. The objective of the StAR Initiative is to build capacity in developing countries to recover assets stolen by corrupt officials, as well as work with developed countries to reduce barriers to asset recovery. The Bank has launched work on a study on barriers to asset recovery. This study intends to provide an objective analysis of barriers to asset recovery, and recommendations to reduce them. In addition, the Bank is producing a good practice guide on beneficial ownership and the misuse of corporate vehicles. The overall aim is to identify the impediments in establishing the ownership/control of funds involved in corruption, and offer recommendations to address them both at the policy and practitioners' level. The Bank is also working on a Handbook for practitioners on asset recovery, which aims at providing practical support on how to approach, manage and achieve asset recovery cases. It is also preparing a study on the implementation of the international requirements on Politically Exposed Persons, with a view to foster the implementation and effectiveness of preventive and detection measures likely to foster the impact of anti-corruption efforts. Lastly, the Bank published an asset recovery tool entitled, "*Stolen Asset Recovery: A Good Practices Guide for Non-Conviction Based (NCB) Asset Forfeiture*." The guide is a practical tool for use by jurisdictions contemplating enacting and implementing an NCB regime. The guide is available on the Bank's website (worldbank.org/amlcft). To see more details on StAR, visit http://www.worldbank.org/starinitiative.

(viii) Offshore Financial Centres (OFCs)

1. Offshore Financial Centre Assessments

Agency: IMF

Contact Information: Monetary and Capital Markets Department (mailto:bjohnston@imf.org)

Target Date: Ongoing

Brief Description: The IMF began assessing financial regulation and supervision in OFCs in 2000. Typically, the assessments review 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+9 recommendations. In addition, where warranted, the reviews include insurance and securities supervision as well. Member countries can also request to be assessed under the FSAP, which includes in addition a review of domestic financial vulnerabilities.

The first phase of the program was completed in 2005 with 42 of the 44 jurisdictions contacted having been assessed (two jurisdictions received technical assistance in lieu of assessment). Since 2005, the IMF has assessed 18 jurisdictions; and 29 jurisdictions submitted data under the Information Framework Initiative. The fifth annual roundtable was held in January 2008 in Basel to discuss the program with onshore and offshore supervisors and standard setters.

In July 2008, the Executive Board of the IMF reviewed the OFC assessment program and decided to integrate the OFC and FSAP programs.

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, March 2004, March 2005 and March 2006. The reports are available at http://www.imf.org/external/np/ofca/ofca.asp.

2. Statistics on OFCs

Agency: IMF

Contact Information: cpis@imf.org and mcmif@imf.org

Target Date: Ongoing

Brief Description: The IMF is helping OFCs to improve their statistics, largely by encouraging them to participate in international statistical collections such as the Coordinated Portfolio Investment Survey (CPIS) and the Coordinated Direct Investment Survey (CDIS), and by helping them to improve their national macroeconomic statistics. Some OFCs have indicated they would participate in the 2009 CDIS. The information dissemination and monitoring framework is also expected to contribute to the financial statistics available on OFCs. CPIS information and data are available on http://www.imf.org/external/np/sta/pi/cpis.htm.

3. Assessment of Implementation by OFCs and Other Countries of OECD Standards of Effective Exchange of Information for Tax Purposes

   Agency: OECD

   Contact Information: Jeffrey.owens@oecd.org

   Target Date: Ongoing

   Brief Description: The OECD's efforts to improve transparency and exchange of tax information are reaping benefits as a result of renewed high level political interest in addressing tax evasion through OFCs. Declarations by G7 Heads of Government and G20 and ministerial meetings jointly organised by French Budget Minister and German Finance Minister emphasized (i) need to have clearer picture of which jurisdictions are implementing OECD standards and which are not, and (ii) need for countries to work together to protect their tax bases from tax abuses through OFCs.

   On the occasion of the London Summit of 2 April 2009, the OECD issued a Progress Report on the implementation of the internationally agreed tax standard for the 84 jurisdictions that participate in the Global Forum showing who was compliant and who was not. The Report showed that progress had been made and this has increased since the publication of the report with all countries having now committed to the standards and a further strong increase in the number of tax information exchange agreements.

   Progress made in implementing the international standards of transparency and exchange of information for tax purposes was further discussed at a Global Forum of OECD and non-OECD jurisdictions on 1-2 September. The OECD will strengthen the Global Forum by establishing a robust peer review mechanism, monitor the implementation of agreed tax standards and speed up the process of negotiating tax information exchange agreements. The OECD will develop further its toolbox of countermeasures against non-cooperative jurisdictions. The OECD is also providing technical assistance to jurisdictions to assist them in the implementation of the standards.

(ix) E-Finance

1. E-Finance and Debt Management

   Agency: OECD

   Contact Information: hans.blommestein@oecd.org, +33 145 24 79 90

   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. A recent report focused on the impact of electronic trading platforms on secondary market liquidity. Future work will analyse differences in architectures as well as the interface with primary dealers and the scope and usefulness of market-making obligations in electronic markets.

III. Glossary of Agencies and Web Addresses

BCBS	Basel Committee on Banking Supervision (www.bis.org/bcbs)
BIS	Bank for International Settlements (www.bis.org)
CGFS	Committee on the Global Financial System (www.bis.org/cgfs)
CPSS	Committee on Payment and Settlement Systems (www.bis.org/cpss)
FATF	Financial Action Task Force on Money Laundering (www.fatf-gafi.org)
FSB	Financial Stability Board (www.financialstabilityboard.org)
G-10	Group of 10
G-20	Group of 20
IAIS	International Association of Insurance Supervisors (www.iaisweb.org)
IASB	International Accounting Standards Board (www.iasb.org)
IAASB	International Auditing and Assurance Board (www.ifac.org/iaasb)
IFAC	International Federation of Accountants (www.ifac.org)
IMF	International Monetary Fund (www.imf.org)
IMFC	International Monetary and Financial Committee
IOPS	International Organisation of Pension Supervisors (www.iopsweb.org)
IOSCO	International Organization of Securities Commissions (www.iosco.org)
OECD	Organisation for Economic Co-operation and Development (www.oecd.org)
PIOB	Public Interest Oversight Board
UNCITRAL	United Nations Commission on International Trade Law (www.uncitral.org)
World Bank	International Bank for Reconstruction and Development (www.worldbank.org)