

FSF Task Force on Implementation of Standards

Terms of Reference

1. The task force should explore issues related to promoting the implementation of international standards relevant to strengthening financial systems.
2. The task force should consider a strategy for implementation of standards that may include:
 - countries announcing their commitment to implement standards and participate in credible assessments of compliance;
 - technical assistance in support of implementation efforts being prioritised;
 - relevant information on progress toward compliance of standards being made available; and,
 - compliance with sound practices being rewarded by market participants and others, thereby reinforcing further efforts at implementation.
3. In support of such a strategy, and taking account of country circumstances, the task force should:
 - identify the set of international standards most relevant to strengthening financial systems and ways of disseminating these standards (e.g. through the Compendium of Standards);
 - explore strategies for assisting countries in the practical implementation of standards;
 - explore official and market *incentives* that could encourage the process of implementation;¹
 - outline options for generating credible *self-assessments and independent assessments* and for ensuring complementarity between the two;
 - consider how, what kind of, and to whom, information on progress toward compliance with standards could be made available;
 - consider how the *resources* required to support implementation and assessment of standards could best be mobilised.
4. The task force should consider how the various elements of the implementation strategy could best reinforce each other, and what the roles and responsibilities of various bodies in implementing it should be.
5. In all of the above, the task force should draw upon the work already done by the IMF, World Bank, standard-setting bodies, and others with respect to encouraging implementation of sound practices.

¹ Such incentives might include, *inter alia*, making access to certain types of official sources of financing conditional on compliance (as in the case of the CCL), preferential risk weights in the capital adequacy framework, consideration in market access decisions by key financial centres, more generous offers of technical assistance to enhance the capacity of countries to implement sound practices.