

International Monetary Fund (IMF) Assessment Process

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2002 IMF Assessment

- 11-22 Nov 2002 & Feb 2004 Report
- Module 2 Offshore Financial Centre Assessment
- Assessed based on standards and best practice
 - The Basel Core Principles for Effective Banking Supervision (BCP)
 - The Insurance Core Principles of International Association of Insurance Supervisors



2002 IMF Assessment (continued)

- The Objectives and Principles of Securities Regulation of the International Organization of Securities Commissions (IOSCO)
- The Methodology for Assessing Compliance with Anti-Money Laundering and Combating the Financing of Terrorism Standards (i.e. FATF Recommendations)



2002 IMF Assessment (continued)

- Good Practice for company and trust service providers in the context of the Best Practice of the Offshore Group of Banking Supervisors (OGBS)



2002 IMF Assessment: General Findings

- Onsite Supervision Programme
- Government Owned Banking Institution not regulated
- Lack of Disclosure Obligations of Public Funds
- Lack of Securities Legislation
- AML/CFT Implementation
- Lack of Appropriate Guidance Issued to Financial Services Industry



2010 Assessment

- **When?**
 - April 2010: Week of 12 April
 - Two Weeks
- **What type of assessment?**
 - Financial Sector Assessment Program Derivative
 - ★ Reports on Observance of Standards and Codes (ROSCs)



2010 Assessment (continued)

- ★ Financial System Stability Assessment (FSSA) – How well could the system cope with various external shocks?
- **Who will do the assessment?**
 - Team of six (6)



2010 Assessment (continued)

- **What will be assessed?**
 - International Standards – BCP, IAIS, IOSCO, OGBS
 - AML/CFT
 - ★ Reliance on CFATF Report
 - ★ Will review implementation of Recommendation from CFATF Report
 - Progress from 2002 Report



2010 Assessment (continued)

- **Assessment Process**
 - Interviews – both private/public sector
 - Implementation Analysis – involves actual review of the work of Commission in relation to licensing and ongoing supervision (Teams onsite examination)
- **Report Writing**
 - Draft to Completion would require ongoing dialogue and agreement between jurisdiction and IMF



Implications of Assessment

- Should we be afraid?
 - Depends – Glass half empty or half full?
 - Preparations – is the jurisdiction prepared?
 - Others have been assessed – Cayman Islands etc.
- Compliance with standards
- Reputational Risk – Internationally, Regionally, Locally
- Implementation Tool – a guide to making the jurisdiction more compliant



Questions/Comments

