

IFRS Advisory Council Virtual Meeting

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Panel Discussion: Monitor the Adoption of Standards and Policies

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The IMF helps members with quality and consistent implementation of international standards

- Multi dimensions
 - Financial Sector Assessment Program (FSAP)
 - Technical assistance (TA) and policy papers
 - Cooperation & collaboration with international standards setters
- Each of the above informs and reinforces each other

About FSAP

- An in-depth and comprehensive examination of countries' financial sectors
 - ✓ Started in 1999
 - ✓ **Financial stability assessment**
 - A key instrument of IMF's bilateral financial surveillance
 - Mandatory for jurisdictions with systemically important financial sectors (29 jurisdictions at present, every 5 years), voluntary for others
- Main FSAP outputs
 - ✓ Financial System Stability Assessment (FSSA) – IMF
 - ✓ Financial Sector Assessment (FSA) – World Bank, in joint FSAPs
 - ✓ Detailed Assessment Reports (DARs), if any formal assessments
 - ✓ Technical Notes (TNs) with detailed analysis of various subjects

Standards and Codes Assessments

- FSAP or stand-alone financial sector standards and codes assessments – voluntary
 - ✓ An independent external assessment of compliance with relevant international standards
 - ✓ Useful cross country perspectives, e.g. in regulatory and supervisory practices
 - ✓ Positive “peer pressure” for quality and consistent implementation
 - The assessment results include recommendations and ratings
 - Voluntary publication of DARs and TNs
 - Presumed (but voluntary) publication of FSSA (with ROSCs that provide a summary of DARs without the ratings)
- Most frequently assessed:
 - ✓ Basel Core Principles for Effective Supervision (BCP)
 - ✓ IOSCO Objectives and Principles of Securities Regulation
 - ✓ IAIS Insurance Core Principles

Technical Assistance and Policy Papers

- Technical Assistance
 - ✓ Requested by authorities or as an outcome of FSAP assessments
 - ✓ Help regulatory and supervisory agencies with standards implementation
 - ✓ Examples of TA topics:
 - Basel II/III implementation for capital and liquidity requirements (most popular)
 - IFRS 9 ECL adoption (Starting IFRS 17)
- Informed policy advice leveraging experience in FSAPs and TA
 - ✓ E.g. IMF working paper – *“From Basel I to Basel III: Sequencing Implementation in Developing Economies”*
 - Applying proportionality helps to improve implementation quality and consistency

Interactions with International Standards Setters

- IMF participates in making and revising the standards (e.g. BCP)
- IMF's standards and codes assessments help to
 - ✓ Inform standards setters on the level of compliance with their principles across countries
 - ✓ Provide feedback to continue to improve standards setting and policy advice
- Collaboration with standards setters (e.g. FSB, BCBS, IOSCO, IAIS) help to inform and improve IMF's surveillance work

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Thank you

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