# 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



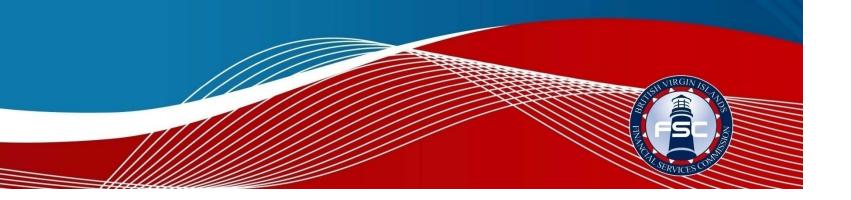
#### 2002 IMF Assessment (continued)

- 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 actually 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

