

FY19 Proposed PFTAC Work Plan - May 2018 to April 2019: Financial Sector Supervision (FSS)

TA Area	Objective	Country	Outcome Targeted	Activity	May 2018 - April 2019 (in person-days)			Number of Missions/Activities	Milestones	Comments	Planned Date	Experts
					PFTAC resident advisors	ST experts	Total					
Financial Sector Supervision	1. Develop and strengthen banking regulations in line with international standards	Fiji	To be established in CDPort	First Follow-up mission from the Regional Workshop on Insurance Legislation and Prudential Standards	-	10	10	1	To be established in CDPort	Workshop to review and establish revision plan for insurance legislation and prudential standards, to be held in May 2018. Follow up with bilateral missions to each country to follow-up on and progress reform. First follow-up.	Sept 2018	TBC
		FSM	Legal and regulatory framework equips supervisors with an adequate range of tools to bring about timely corrective actions for banks' problems and weaknesses Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile	First Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards	-	16	16	1	-Amendments and redrafting of laws, regulations in line with BCP 11 April 2019	Workshop to review and establish revision plan for banking legislation and prudential standards, held in July 2017. Follow up with bilateral missions to each country to follow-up on and progress reform. First follow-up.	June 2018	Joel Hefty / LEG
									-Applicable guidelines and regulations are drafted. April 2018			
									-Applicable guidelines and regulations are drafted. April 2018			
		FSM	Legal and regulatory framework equips supervisors with an adequate range of tools to bring about timely corrective actions for banks' problems and weaknesses Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile	Second Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards	-	10	10	1	-Amendments and redrafting of laws, regulations in line with BCP 11 April 2019	Workshop to review and establish revision plan for banking legislation and prudential standards, held in July 2017. Follow up with bilateral missions to each country to follow-up on and progress reform. Second follow-up.	March 2019	Joel Hefty / LEG
									-Applicable guidelines and regulations are finalized and formally issued April 2019			
									-Applicable guidelines and regulations are finalized and formally issued April 2019			
		Kiribati	Legal and regulatory framework equips supervisors with an adequate range of tools to bring about timely corrective actions for banks' problems and weaknesses Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile	First Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards	5	-	5	1	-Amendments and redrafting of laws, regulations in line with BCP 11 April 2020	Workshop to review and establish revision plan for banking legislation and prudential standards, held in July 2017. Follow up with bilateral missions to each country to follow-up on and progress reform. First follow-up. Will need numerous missions, including assistance from LEG, to assist the Kiribati authorities establish a banking regulatory regime, which is currently non-existent.	June 2018	
									-Applicable guidelines and regulations are drafted. April 2020			
									-Applicable guidelines and regulations are drafted. April 2020			
Palau	Legal and regulatory framework equips supervisors with an adequate range of tools to bring about timely corrective actions for banks' problems and weaknesses Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile	Second Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards	-	10	10	1	-Amendments and redrafting of laws, regulations in line with BCP 11 April 2020	Workshop to review and establish revision plan for banking legislation and prudential standards, held in July 2017. Follow up with bilateral missions to each country to follow-up on and progress reform. Second follow-up.	Nov 2018	Joel Hefty / LEG		
							-Applicable guidelines and regulations are sent to industry for consultation. April 2019					
							-Applicable guidelines and regulations are sent to industry for consultation. April 2019					
RMI	Legal and regulatory framework equips supervisors with an adequate range of tools to bring about timely corrective actions for banks' problems and weaknesses Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile	Second Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards	-	10	10	1	-Amendments and redrafting of laws, regulations in line with BCP 11 April 2020	Workshop to review and establish revision plan for banking legislation and prudential standards, held in July 2017. Follow up with bilateral missions to each country to follow-up on and progress reform. Second follow-up.	Nov 2018	Joel Hefty / LEG		
							-Applicable guidelines and regulations are sent to industry for consultation. April 2019					
							-Applicable guidelines and regulations are sent to industry for consultation. April 2019					
Samoa	To be established in CDPort	First Follow-up mission from the Regional Workshop on Insurance Legislation and Prudential Standards	-	10	10	1	To be established in CDPort	Workshop to review and establish revision plan for insurance legislation and prudential standards, to be held in May 2018. Follow up with bilateral missions to each country to follow-up on and progress reform. First follow-up.	Oct 2018	TBC		
Tonga	To be established in CDPort	First Follow-up mission from the Regional Workshop on Insurance Legislation and Prudential Standards	-	10	10	1	To be established in CDPort	Workshop to review and establish revision plan for insurance legislation and prudential standards, to be held in May 2018. Follow up with bilateral missions to each country to follow-up on and progress reform. First follow-up.	Oct 2018	TBC		
Regional	To be established in CDPort	Workshop to review and establish revision plan for insurance legislation and prudential standards	5	10	15	1	To be established in CDPort		May 2018	TBC		

FY19 Proposed PFTAC Work Plan - May 2018 to April 2019: Financial Sector Supervision (FSS)													
TA Area	Objective	Country	Outcome Targeted	Activity	May 2018 - April 2019 (in person-days)			Number of Missions/ Activities	Milestones	Comments	Planned Date	Experts	
					PFTAC resident advisors	ST experts	Total						
Financial Sector Supervision	2. To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Cook Islands	Strengthened institutional structure and operational and procedures for RBS implementation	Supervision Framework Enhancement Program - risk rating model; supervisory attention framework; supervisory action planning	12	-	12	1	- Risk rating model, including impact index, is developed and implemented October 2018 - Risk-based supervisory action planning process developed and implemented October 2018 - Supervisory attention framework developed and implemented April 2020	Continuation of the Supervision Framework Enhancement Program	Aug 2018		
			Supervisors timely address unsafe and unsound practices or activities that could pose risks to banks or to the banking system										
		PNG	Strengthened institutional structure and operational and procedures for RBS implementation	Supervision Framework Enhancement Program - on-site examination - Liquidity, Market and Investment risk	-	20	20	1	- Liquidity, Market and Investment Risk on-site examination framework established October 2018	Continuation of the Supervision Framework Enhancement Program	July 2018	TBC	
			Strengthened institutional structure and operational and procedures for RBS implementation	Supervision Framework Enhancement Program - off-site analysis	12	-	12	1	- Revised Reporting templates are developed April 2019 - All banks start reporting to new requirements regularly and with high degree of accuracy April 2019	Continuation of the Supervision Framework Enhancement Program	Sept 2018		
		Solomon Islands	Strengthened institutional structure and operational and procedures for RBS implementation	Supervision Framework Enhancement Program - risk rating model; supervisory attention framework; supervisory action planning	12	-	12	1	- Risk rating model, including impact index, is developed and implemented October 2018 - Risk-based supervisory action planning process developed and implemented October 2018 - Supervisory attention framework developed and implemented April 2019	Continuation of the Supervision Framework Enhancement Program	May 2018		
			Supervisors timely address unsafe and unsound practices or activities that could pose risks to banks or to the banking system										
		Timor-Leste	Strengthened institutional structure and operational and procedures for RBS implementation	Supervision Framework Enhancement Program - off-site analysis	12	-	12	1	- Revised Reporting templates are developed April 2019 - All banks start reporting to new requirements regularly and with high degree of accuracy April 2020	Continuation of the Supervision Framework Enhancement Program	Nov 2018		
			To be established in CDPort	IFRS Reform assistance		20	20	1	To be established in CDPort		May 2018	TBC	
		Tuvalu	Strengthened institutional structure & operational & procedures for RBS implemented	Supervision Development Program - on-site examination - Credit and Operational Risk	12	20	32	1	- Credit and Operational Risk on-site examination framework established July 2018	In November 2017, PFTAC and the Tuvalu MFED agreed a Supervision Framework Development Strategy and Technical Assistance Plan. First follow-up mission.	July 2018	TBC	
			Bank risk assessment frameworks strengthened: a) Quality and timeliness of regulatory data enhanced; and b) Flexibility of reporting system improved.	Supervision Development Program - on-site examination - off-site analysis	12	-	12	1	- Revised Reporting templates are developed April 2019 - All banks start reporting to new requirements regularly and with high degree of accuracy April 2020	In November 2017, PFTAC and the Tuvalu MFED agreed a Supervision Framework Development Strategy and Technical Assistance Plan. Second follow-up mission.	Nov 2018	TBC	
		Vanuatu	Strengthened institutional structure and operational and procedures for RBS implementation	Supervision Framework Enhancement Program - off-site analysis	12	-	12	1	- Revised Reporting templates are developed April 2019 - All banks start reporting to new requirements regularly and with high degree of accuracy April 2020	Continuation of the Supervision Framework Enhancement Program	Sept 2018		
		Regional	Strengthened institutional structure and operational and procedures for RBS implementation	Workshop on IT Risk Assessment and Supervision	5	1	6	1		Joint workshop with APRA (providing experts)	July 2018		
AFSPC	Annual Meeting of AFSPC		5		5	1		Vanuatu hosting. Workshop TBC	Aug 2018				
Total Days:					116	167	283	21					