

Global Workshop on Implementing Emerging Financial Sector Standards
A Public/Private Sector Challenge
Versailles, France, December 18-19, 2000

Sunday ▫ December 17, 2000

Check-in and Welcoming Cocktail

Monday ▫ December 18, 2000

/Welcome

Suggested speakers: Senior Official de la Banque de France and World Bank.

Session 1 Update on work of Financial Stability Forum Task Force on Implementation of Standards

Confirmed Speaker: Andrew Sheng, Head of FSF Task Force, Chairman of the Hong Kong Futures and Securities Commission

The session will review the rationale for global financial sector standards and provide participants with an update on the status of the related international dialog.

The rationale of global standards is that standards help to promote sound financial systems domestically and financial stability internationally. They play an important role in strengthening financial regulation and supervision, enhancing transparency, facilitating institutional development, and reducing vulnerabilities. Standards are not ends in themselves but a means for promoting sound financial fundamentals and sustained economic growth. Their implementation must fit into a country's overall strategy for economic and financial sector development, taking account of its stage of development, level of institutional capacity, and other domestic factors

Session 2 The Financial Sector Assessment Process—Overview of Results to Date

Suggested Speakers: John Hicklin, International Monetary Fund & Amar Bhattacharya, World Bank (confirmed).

The panel will discuss the experience to date of the ongoing work in the IMF and the World bank with the ROSC initiative.

The International Monetary Fund (IMF), and the World Bank have promulgated a variety of standards. The Fund-Bank experimental *Reports on Observance of Standards and Codes (ROSC)* provide an organizing framework for conducting these assessments, including by drawing on assessments conducted through the Fund-Bank *Financial Sector Assessment Programme (FSAP)*. The Fund's *Article IV Consultation* provides a process for discussing individual economies' progress in implementing standards.

Session 3 Implementation issues and current status of initiatives

Moderator: Michel Cardona

On Basle Core Principles for Effective Banking Supervision, Danièle Nouy (Mrs), Secretary General of the Basel Committee on Banking Supervision

Objectives and Principles of Securities Regulation, Andrew Proctor, Commission Member & Executive Director IOSCO (TBC)

Principles of Corporate Governance, William Witherell, OECD

The panel will discuss the experience to date of the ongoing work of institutions involved in the three major areas: Banking Supervision, Securities Regulation and Governance.

Lunch Luncheon Speaker: To be determined

Session 4 Panel Discussion: Official and Market Incentives; Results of FSF Private Sector Outreach Survey

Panelists: Axel Nawrath, Director General, International Finance Division, German MOF (Moderator) - George Vojta, President, Financial Services Forum - Arnaud de Toyot, Directeur Secteur Bancaire, Standard & Poor's; Carl Adams, Global Manager-Country Risk, Merrill Lynch

The panel will discuss the role of official and market incentives in fostering the implementation of international standards.

Market incentives can encourage national authorities, and where relevant, the private sector, to implement international standards, provided certain preconditions are met. Consultations with market participants make clear that efforts are needed on many fronts to establish these preconditions. Few market participants to-date explicitly take account of an economy's observance of standards in their lending and investment decisions, or use ROSCs directly for risk assessments leading to pricing and allocation decisions. However, there is implicit consideration of information on observance of standards but how to encourage market participants to look at features of, and interest in making greater use of standards and ROSCs as more information on them becomes available?

Session 5 Country Experiences in Implementing Global Standards

Working Group Session

Participants will discuss the practical aspects and country specific experiences in implementing the standards.

The expected output of work group deliberations will include:

- a) An outline of actions that countries might wish to consider taking in order to advance the process of standards implementation in the focused areas-this will include, inter alia, suggestions for how to prioritize the implementation of specific standards, timing of implementation, strategies for how to overcome internal objections;
- b) Articulation of suggested incentives (both official and market based) to standards implementation.

Tuesday ▫ December 19, 2000

Working Group Session (con't)

Six working groups will be organized:

Three groups will tackle the implementation challenges from the official perspective, while the remaining three will deal with implementation challenges from the private sector perspective.

For example, with regards to the Core Principles for Effective Banking Supervision, one group will focus on official issues related to implementation and another will focus on implementation issues from a private sector perspective. Notwithstanding, all working groups will be expected to have a mix of participants from both the official and private sectors.

The expected output of work group deliberations will include:

- a) An outline of actions that countries might wish to consider taking in order to advance the process of standards implementation in the focused areas-this will include, inter alia, suggestions for how to prioritize the implementation of specific standards, timing of implementation, strategies for how to overcome internal objections; and
- b) Articulation and assessment of suggested incentives (both official and market based) to standards implementation

Lunch Luncheon Speaker: To be determined

Session 6 Plenary Session Report out of the Working Group and Workshop Wrap up

The workshop will be concluded with a roundtable discussion of policy implications and suggested next steps.