

**INTERNATIONAL FINANCIAL ARCHITECTURE:**

***An Update on World Bank Group Activities***

Information Note by World Bank Staff

April 27, 2001

**International Financial Architecture:**  
**An Update on World Bank Group Activities**

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## I. Introduction

1. The World Bank Group is contributing to a range of activities in strengthening the international financial architecture. A progress report on the Bank Group's role was presented to the Development Committee on September 25, 2000. Based on the framework set out in that report, this note provides an update on selected Bank Group activities in the areas of implementation of standards, financial sector assessments, corporate governance, accounting & auditing, insolvency and creditor rights, debt management, integrity of financial markets, and social protection.<sup>1</sup> Additional background information can be found at the World Bank's website on international financial architecture ([www.worldbank.org/ifa](http://www.worldbank.org/ifa)).
2. In the wake of the international financial crises of the 1990s, the international community embarked on a range of initiatives to strengthen the international financial architecture. Several aspects of this agenda for crisis prevention, mitigation and crisis resolution deal with weaknesses in the international financial system that potentially contribute to the propensity and magnitude of global instability, hence requiring collective action at the international level. But there is widespread recognition that global financial stability also rests on robust national systems and hence requires enhanced measures at the country level as well.
3. The World Bank's role in this agenda is determined by its *mandate* of poverty reduction, its familiarity with and involvement in developing countries given its *role as a global development institution*, and its *comparative strengths on social and structural issues*.
  - ?? First, the World Bank is helping countries assess the social and structural sources of vulnerability and address underlying policy and institutional weaknesses. To date much of the focus has been on improved diagnostics, but the ultimate goal is to provide a better basis for World Bank assistance to strengthen capacity in the context of demand-driven country assistance strategies.
  - ?? Second, the World Bank is contributing to efforts to strengthen economic and financial governance at the global level in its areas of comparative advantage, and to help bring developing country experience and perspectives to the discussions that are underway on reform. Specifically, the World Bank is contributing to the efforts underway to develop and disseminate international standards and codes and to assist in their assessment and implementation.
  - ?? Third, the World Bank is helping countries respond to and manage the consequences of financial crises. Although it is not the role of the World Bank to provide large scale liquidity support, it has a critical role to play in helping countries to minimize the social consequences of crises, in supporting the medium-term structural agenda to underpin economic recovery, and in helping to catalyze and resuscitate private capital flows.

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<sup>1</sup> While the thrust of these activities is led by the World Bank, IFC is playing a critical role in the area of corporate governance, and has also been contributing to the work on accounting and auditing and insolvency regimes.

4. The breadth and complexity of the agenda has also placed renewed emphasis on partnerships, with the World Bank focusing on areas of comparative strengths and providing a support role in other areas. In this regard, enhanced collaboration with the IMF has become even more important, and four important initiatives are underway with the IMF pertaining to international financial architecture: (a) the *Reports on the Observance of Standards and Codes*; (b) the *Financial Sector Assessment Program*; (c) the preparation of *Public Debt Management Guidelines* and a complementary *Handbook* on the development of domestic markets for government debt; and (d) the recent preparation of a joint *Policy Paper on Enhancing Contributions to Combating Money Laundering*.
5. Recent Board meetings have underscored that this work will now form an integral part of the Bank Group's overall work program.<sup>2</sup> In this connection, the challenge is to mainstream this work, in some instance requiring scaling up the Bank Group's efforts, and ensuring that there is more systematic follow-up on capacity building.

## II. Implementation of Standards

6. **Progress to Date.** There are three main considerations underlying the Bank's decision to join the collaborative efforts on standards assessments in the framework of the FSAP and ROSC exercises. First, that structural and institutional underpinnings of a market economy are an important complement to sound macroeconomic policies for both successful integration with the world economy and for sound development. Second, that implementation of standards can help countries establish these necessary foundations, in turn contributing to national and global financial stability. And third, that the partnership with the Fund provides the basis for a comprehensive approach and broad-based effort on the implementation of standards.
7. On February 1, 2001, the World Bank's Executive Board reviewed the experience in assessing the implementation of standards and codes in the context of the joint IMF-World Bank Initiative on *Reports of the Observance of Standards and Codes* (ROSCs). Under this initiative the IMF has been taking the lead in preparing modules in the area of data dissemination and fiscal transparency; modules for the financial sector have been derived as by-products from the joint IMF-World Bank *Financial Sector Assessment Program* (FSAP); and the World Bank has been asked to take the lead in assessments of accounting and auditing, corporate governance, and insolvency and creditor rights regimes.
8. The review confirmed that the current modalities for undertaking assessments and producing ROSCs are working well and should be continued. ROSCs can be useful to national authorities by helping to identify vulnerabilities, providing benchmarks for policy reform and guiding efforts to strengthen domestic and

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<sup>2</sup> These include the reviews of the Financial Sector Assessment Program and Reports on the Observance of Standards and Codes, and the Board Papers on public debt management, insolvency regimes and on combating money laundering (see the respective sections below).

financial sector policy frameworks. They also can provide a helpful input into World Bank diagnostic work and capacity building efforts, including prioritizing technical assistance needs. Participation in ROSCs and the publication of ROSC modules would remain voluntary.

9. A recent high-level *IMF-World Bank Conference on International Standards and Codes*, held in Washington, D.C. during March 7-8, 2001, also reflected the growing consensus on the importance of the ROSC initiative. The conference was attended by high-level representatives from over 20 countries and from key standard setting bodies. Participants agreed on the usefulness of international standards which should serve as “aspirational” benchmarks for all countries, even if priorities and speed of implementation will need to differ according to country circumstances and capacities. This positive feedback was further confirmed by private market participants in the context of joint IMF-World Bank ROSC Outreach Missions to key capital markets in Africa, Asia, Europe, Latin America and the Middle-East.
10. As of end-March 2001, 112 modules have been completed, covering over 40 industrial and developing countries (see Annex 2 for an update on ROSC modules prepared in the third quarter of FY01). About half of these modules have been prepared as a result of the joint FSAP. Four World Bank-led accounting ROSC modules are currently under preparation; six corporate governance ROSC modules have been completed, with another four under preparation; and discussions are underway in several countries about insolvency ROSC modules.
11. **Next Steps.** To further strengthen the diagnostic base pertaining to the implementation of standards, the IMF and the World Bank are planning to scale up the ROSC initiative in FY2002. The IMF is planning to prepare around 45 modules in the areas of data and fiscal transparency. A further 24-30 FSAP exercises will be conducted, giving rise to at least 48-60 additional ROSC modules.<sup>3</sup> The World Bank is also expecting to launch another 25-30 additional assessments in the areas of corporate governance, accounting & auditing, and insolvency and creditor rights.
12. The World Bank has also begun to integrate the standards assessments into its country and sector programs. The work on standards will underpin the Bank's policy dialogue, inform CASs, and sharpen the focus of capacity-building efforts. In the case of the FSAP, the assessment of standards has contributed to the identification of reform and institution-building priorities, which in turn has already led in several instances to follow-up requests and activities such as in Estonia and Lebanon. Supervision activities have taken on insights resulting from the FSAP as is the case in Colombia. Work on standards in the context of the FSAP exercise has also influenced the CASs in Kazakhstan and Colombia.
13. There is a need, however, to ensure systematic follow-up to assist countries in addressing the policy and institutional shortcomings identified by the assessments.

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<sup>3</sup> Every FSAP assesses at least two modules: Basle Core Principles and transparency of monetary and financial policies; it can also include modules related, *inter alia* to securities market regulation, insurance regulation, or payment and settlement systems.

The identification and support for TA is a major challenge for the international community requiring resources and expertise that are globally scarce. Given its development mandate, the Bank can play both a catalytic and direct role in supporting such concerted international effort. Although much of the focus to date has been to get the program of assessments underway, the ultimate goal is to provide a better basis for the Bank and others to provide assistance for capacity building in the context of demand-driven country assistance strategies. The Bank and the IMF are considering how to mobilize additional resources for technical assistance and the role that the World Bank and the IMF could play in catalyzing such efforts. One example of such a multi-donor financing arrangement is the recently established *Global Corporate Governance Forum* (see Section V below).

### III. Financial Sector

14. **Progress to Date.** Under the aegis of the *Financial Sector Liaison Committee* (FSLC), the FSAP was launched jointly with the IMF on a one-year pilot basis in May 1999. Assessments for 12 countries were conducted during the pilot period. Another 18 FSAPs have been completed or are currently ongoing, and six more are to be launched by end-FY2001.
15. FSAP reports highlight important policy recommendations and priority areas for follow-up work. The underlying assessments that are embodied in the FSAP reports serve as an input into *Financial Sector Assessments* (FSAs) that are presented to Executive Board of the World Bank. Nine such FSAs, which inform CASs and translate into lending and non-lending services, have already been prepared by the World Bank from the initial set of 12 FSAP reports, and preparation of FSAs are envisioned for all ongoing or future FSAPs conducted in World Bank client countries.
16. **Next Steps.** Following the third FSAP Review by the Executive Board of the World Bank on January 9, 2001, including feedback received from participating countries and cooperating institutions, it was agreed that it would be timely to establish guidelines for a continuation of the program for the period ahead.
17. The review broadly endorsed a modest scaling up of the FSAP, and some 24-30 assessments are planned in FY2002. Participation in the program and publication of FSAs will remain voluntary, and a continued effort will be made to cover a set of countries that is varied in terms of region, size and complexity of their financial systems, especially systemically important countries. Giving priority to a country implies a difference in timing, not treatment. Member countries should have the opportunity to participate in the FSAP to help them strengthen and develop their financial sectors, to prevent costly financial sector crises, and, where relevant, to prepare the ground for financial market liberalization and greater access to the international capital markets.
18. FSAPs will be fully considered in the development of the World Bank's country programs, and more focus will be placed on FSAP follow-up activities, including targeted technical assistance provided in collaboration with other financial institutions and agencies.

#### **IV. Accounting and Auditing**

19. **Progress to Date.** The World Bank is playing a catalytic role in promoting concerted actions to improve the accounting and auditing profession and practice throughout the world. In addition to supporting the activities of various international standard setting bodies, the World Bank plays a key role in helping *the International Forum on Accountancy Development (IFAD)* move forward with an agenda of international actions for improving accounting and auditing practices. Also, the World Bank is working with national Supreme Audit Institutions and the *International Organization of Supreme Audit Institutions (INTOSAI)* to implement sound accounting and auditing practices in the public sector worldwide.
20. As part of its contribution to the ROSC initiative, the World Bank has developed a diagnostic template to assess national accounting and auditing practices using international standards as a reference point, which can be accessed at the aforementioned external website. Based on this template, six pilot assessments have been scheduled for FY 2001, four of which are already underway. This exercise is further supported by a panel of two internationally recognized external experts.
21. **Next Steps.** The main focus of activities in FY2002 will be on strengthening the assessment effort and on supporting implementation of accounting and auditing standards. To this end, an additional 8-10 accounting & auditing ROSC modules are scheduled for launch in FY2002. Based on these assessments, the World Bank in collaboration with IFAD and other partners aims to work on the design and implementation of country action plans for improving accounting and auditing practices. While ownership and management of these efforts lie with the country authorities, external due diligence is believed to be essential in order to ensure consistent benchmarking and enhance credibility with private market participants who may lack in-depth country knowledge.

## V. Corporate Governance

22. **Progress to Date.** In consultation with the *Commonwealth Secretariat*, IMF, OECD and others, the Bank Group has developed a diagnostic template for the assessment of corporate governance regimes in developing countries. This template is designed to identify progress and shortcomings in the framework for corporate governance, and to provide a basis for policy dialogue on the scope and sequencing of reforms.
23. Based on an initial draft template, the Bank Group completed six corporate governance ROSC modules by end-2000, five of which have been published at the World Bank's external website (in India, Malaysia, Poland, Turkey and Zimbabwe). Another seven assessments will have been launched by end-FY2001, four of which are currently ongoing. This set of assessments is benefiting from the refined "second generation" template and will include policy recommendations and a score card assessing the degree of compliance with each of the OECD principles of corporate governance.
24. The Bank Group is also promoting dialogue on corporate governance reform in cooperation with OECD through *Regional Corporate Governance Roundtables*, which provide a structured policy debate between the public and private sector, standard setting agencies and other stakeholders such as labor unions. An intended outcome to this process is the development of regional "white papers" which highlight strategies for reform based upon the roundtable debate and analysis, using the OECD *Principles of Corporate Governance* as the conceptual framework. The "white papers" are non-binding, consultative documents intended principally for policy makers, regulators and standard setting bodies, including stock exchanges. Roundtables are in progress in Asia, Europe and Central Asia (including one for Russia), and Latin America.
25. To complement this promotion of dialogue on reform, the Bank Group and OECD, with contributions from bilateral agencies from Luxembourg, Netherlands, Norway, Sweden, Switzerland and the UK, launched a *Global Corporate Governance Forum* in March 2001. The forum aims to support corporate governance reform by funding technical assistance and capacity building, leveraging private sector input, promoting research relevant to the needs of emerging markets, and by disseminating best practices.
26. **Next Steps.** A total of 10-12 corporate governance ROSC modules are scheduled for FY2002, with an effort being made to include countries from all regions and across transition and non-transition economies. Some of these assessments will be prepared in collaboration with regional development banks and based on a proposed "third generation" template, which is expected to be ready for internal and external circulation by December 31, 2001.
27. A number of additional Roundtables are planned for this fiscal year (Europe and Central Asia). The first South East Europe Corporate Governance Roundtable is scheduled to be held during the last quarter of 2001 and China is a candidate for a Roundtable in 2002. In addition, a *Pan-African Forum on Corporate Governance*



is scheduled for July 2001 which will ultimately lead to the establishment of another permanent Roundtable.

28. The *Global Corporate Governance Forum* is in the process of recruiting a manager for the Secretariat. In the meantime, the interim Secretariat will be funding activities in accordance with an interim work program approved until September 2001.

## VI. Insolvency And Creditor Rights

29. **Progress to Date.** The World Bank has convened a coalition of international organizations and insolvency experts to develop, over the last 18 months, *Principles and Guidelines for Effective Insolvency and Creditor Rights Systems*. Phase one of this work concentrated on development of principles for corporate insolvency and creditor rights systems. The resulting draft *Principles and Guidelines* were presented to the Executive Board of the World Bank on April 10, 2001. The Executive Board noted the substantive work that has been done, while recognizing that the *Principles and Guidelines* will continue to evolve in the future.
30. The *Principles and Guidelines* are being complemented by a *Technical Paper* currently under preparation, focusing on implementation issues. Other institutions and organizations have also embarked on efforts building on the *Principles and Guidelines* – for example, UNCITRAL, which has undertaken to develop legislative guidelines to assist policy makers in reforming their legislation on corporate insolvency drawing on the *Principles and Guidelines*. The World Bank also continues to maintain the *Global Insolvency Law Database* as an important tool for implementing reforms at the disposal of developing countries.
31. Guided by the *Principles and Guidelines*, the World Bank has developed a diagnostic template for conducting insolvency assessments and preparing ROSC modules. A first generation template was published on the World Bank's external website in December 2000; this template will be revised as the *Principles and Guidelines* evolve further.
32. **Next Steps.** Based on the initial template, the World Bank will be launching 6-8 ROSC modules this coming year, subject to reaching agreement with the country authorities. A preliminary dialogue has already commenced in several countries.
33. The World Bank will seek additional feedback on the current version of the *Principles and Guidelines*, especially from developing countries. Phase two of the work on the *Principles and Guidelines* including principles related to bank restructuring and systemic insolvency is expected to be completed by early 2002. The World Bank will be closely collaborating on this aspect of the work with the IMF and other organizations.
34. To further scale up the diagnostic work, the World Bank is currently exploring options to collaborate with others on assessments performed in specific regions, building on its ongoing partnerships in the area of insolvency reform with regional development banks and organizations such as the *Asia Pacific Economic*

*Cooperation* (APEC) process. Such collaboration is also being sought for follow-up technical assistance and capacity building work. Where appropriate, assessments and follow-up will be linked with work carried out under the FSAP exercise.

## VII. Public Debt Management and Market Development

35. **Progress to Date.** As part of the broader effort to strengthen risk management and governance in the public sector and help governments reduce their external vulnerability, World Bank and the IMF have prepared *Guidelines for Public Debt Management*, which were first presented to the Executive Boards in July 2000.
36. Based on feedback by the Executive Boards and a series of follow-up meetings involving some 300 representatives from 122 countries and territories and 19 institutions, the *Guidelines* were revised and again presented to the Executive Boards of the World Bank and the IMF in March, 2001. The revised *Guidelines*, have been placed on the World Bank's external website and will also be circulated to the IMFC and the Development Committee at the Spring 2001 meetings.
37. The work on the *Guidelines* is being complemented by two other companion documents: *Sound Practices in Government Debt Management*, prepared by the World Bank, and a *Handbook* on domestic debt market development. The *Handbook* provides practical advice for policymakers, especially in emerging markets, addressing key issues such as: enhancing market liquidity; developing financial infrastructure; promoting investor demand; defining the government's role as an issuer; and enhancing securities market regulation and supervision.
38. These undertakings complement the wide range of technical assistance in public debt management and market development which the World Bank and the IMF traditionally have provided to their client countries. This assistance includes conferences and workshops on all components of sovereign debt management, training in risk analysis, advice on sound governance, managing contingent liabilities and sub-national debt, and support in developing domestic bond markets. It also includes work on debt sustainability and vulnerability, sovereign funding strategies, debt management systems, and the collection of debt statistics. There is already strong demand among IBRD borrowers for World Bank support and this demand is expected to increase further as a result of the outreach on the *Guidelines* and the *Handbook*.
39. **Next Steps.** The *Guidelines* and the *Handbook* will be used as a central reference for World Bank and IMF technical assistance in the area of sovereign debt management and debt market development. A proposal is under discussion to expand the World Bank's technical assistance efforts based on the approaches set out in those documents. Also, at the request of the World Bank's Executive Board, a set of sample case studies of countries that have developed sound debt management practices will be prepared in the course of FY2002 to demonstrate how the *Guidelines* and the *Handbook* can be applied in a wide range of countries

at different stages of development in their debt management capacity and their institutional practices.

### VIII. Combating Money Laundering

40. **Progress to Date.** At the request of the IMFC, the IMF and the World Bank have prepared a joint *Policy Paper on Enhancing Contributions to Combating Money Laundering*, which was discussed by the Executive Boards of the World Bank and the IMF on April 13, 2001.
41. The Executive Board agreed that money laundering is a problem of global concern, which affects major financial markets and smaller ones, and which has development costs even though they may be difficult to measure. Given its cross-border dimensions and the cross-cutting nature of the agenda, global efforts in combating money laundering will require a cooperative approach involving many different institutions.
42. The primary lead should rest with countries themselves and with the specialized institutions that have the mandate and expertise in this area. The Bank can play a supportive role in partnership with others, especially the Fund, but this role must be anchored in its development mandate. The principal contribution that the Bank can make? and is indeed already making? is to assist countries address the root causes of financial abuse by helping them strengthen their economic, financial, governance and legal foundations.
43. **Next Steps.** The main focus of the Bank would be on helping countries strengthen their defenses against financial abuse and money laundering through enhanced support for capacity building. In close collaboration with the IMF, the Bank is taking the following steps to support efforts to combat money laundering:
  - ?? Ensure full collaboration with relevant anti-money laundering groups including FATF, the regional groups and the UN;
  - ?? Give attention to anti-money laundering issues in the Bank's diagnostic work, especially the voluntary FSAP and the ROSC exercises;
  - ?? Based on diagnostic work and policy dialogue, be prepared to provide technical assistance and support for capacity building in the areas of the Bank's domain and within the framework of its country assistance strategies; and
  - ?? Improve the understanding of the development costs and impact of money laundering and financial abuse, and publicize the importance of collective actions in this area.
44. As an immediate next step, work will go forward on preparing a joint methodology document with the IMF that will determine how, and in what aspects, the FATF40 Recommendations could be adapted and made operational to the Bank's work.

## IX. Social Protection

45. **Progress to Date.** Following the Asian Financial Crisis, the World Bank prepared a paper entitled *Managing Social Dimension of Economic Crises: Good Practices in Social Policy*, which was presented to the Development Committee in September 1999. The paper focused on key dimensions of economic and social crises, and on good practices in responding to them. The Development Committee welcomed the report and asked that the World Bank continue to accumulate and disseminate knowledge of good practices to help forestall and mitigate the social cost of economic crises.
46. A key milestone in this work has been the first *Sector Strategy Paper on Social Protection – From Safety Nets to Springboards*, which was approved by the World Bank's Executive Board on September 7, 2000. The *Sector Strategy Paper* develops a coherent strategy for World Bank interventions in the area, embedding program analysis, design, and implementation into an integrated approach based on the concept of social risk management. It is complemented by *Regional Strategy Papers* which develop context-specific analyses and recommendations. This set of *Strategy Papers* and the underlying social risk management framework also constitute a guide for the operationalization of the *World Development Report 2000/01* with its three-pronged approach of attacking poverty through opportunity, empowerment and security.
47. This new framework on social protection is also embedded in a *Sourcebook* which has been prepared to facilitate the *Poverty Reduction Strategy Paper* (PRSP) process and aims to help policymakers design social protection programs and policies meeting poverty objectives set forth by country PRSPs. The *Sourcebook* provides a guide on how to assess major sources of risk and vulnerability, and how to assess efficacy of different programs. The *Sourcebook* also provides a summary of program characteristics and good practices for a range of social protection interventions. It has been updated in March 2001 to reflect additions to the World Bank's knowledge base.
48. Other activities to advance knowledge on good social protection policies launched since the last *Update* include: (i) the piloting of risk and vulnerability assessments in several countries of Latin America and Africa in 2000-2001; (ii) the offering with WBI of a core course on *Safety Nets* in December 2000; (iii) support to the *United Nations Commission of Social Development* for the preparation of its *Report on Social Protection* in February 2001; (iv) a conference in Manila on *Employment Policies in East and Southeast Asia* in March 2001; (v) publication of two books stemming from previous conferences on *East Asian Labor Markets and the Economic Crisis* and *Labor Market Reforms in Korea* also in March 2001; and (vi) piloting of a core course on *Labor Markets* in April 2001.
49. In addition, the World Bank provided support to the *APEC Finance Ministers' Social Safety Net Initiative*. As part of this initiative, the Bank led a working group comprising the Asian Development Bank, the IMF, the Inter-American Development Bank and the World Bank. This team reviewed experience in a

number of Asian and Latin American APEC countries in order to develop a set of guidelines regarding the appropriate use of social safety net policies and programs. These were endorsed by APEC Finance Ministers in November, 2000. A final report, *Social Safety Nets in Response to Crisis: Lessons and Guidelines from Asia and Latin America* is to be reviewed by APEC Finance and Central Bank Deputies shortly.

50. **Next Steps.** The World Bank will continue to establish and disseminate good practices and advance the social protection agenda working in close collaboration with the relevant UN agencies. Its medium-term strategy concentrates on the incorporation of social protection and social risk management into country policy dialogue, through the PRSP and CAS processes and in close collaboration with other partners. Specific activities include launching an ASEM-funded technical assistance project on developing effective national social protection policies for risk management in East Asian countries; developing with the IMF and the International Labor Organization a framework for social expenditure reviews, piloting it in several countries, and refining and extending the use of vulnerability assessments.

## Annex 1: Standards and Codes: An Overview

Area	Standards/Principles	Methodology/Templates
<b>Data Dissemination</b>  <b>Agency</b>  <b>Status</b>	<b><i>1. Special Data Dissemination Standard (SDDS)</i></b> <b><i>2. General Data Dissemination System (GDDS)</i></b>  IMF  SDDS approved by the IMF Executive Board in March 1996. GDDS approved in December 1997.	
<b>Fiscal Policy</b>  <b>Agency</b>  <b>Status</b>	<b><i>Code of Good Practices on Fiscal Transparency</i></b>  IMF  Adopted by the IMF Interim Committee in April 1998.	<b><i>Manual on Fiscal Transparency</i></b>  IMF  Approved by the IMF Executive Board.
<b>Monetary &amp; Financial Policy</b>  <b>Agency</b>  <b>Status</b>	<b><i>Code of Good Practices on Transparency in Monetary and Financial Policies</i></b>  IMF  Endorsed by the IMF Interim Committee in September 1999.	<b><i>Supporting Document to the Code</i></b>  IMF  A supporting document to guide members seeking to implement the Code is being developed.
<b>Banking Supervision</b>  <b>Agency</b>  <b>Status</b>	<b><i>Core Principles for Effective Banking Supervision</i></b>  Basel Committee on Banking Supervision (BCBS)  Issued by the BCBS in September 1997.	<b><i>Core Principles Methodology</i></b>  BCBS  A <i>Core Principles Methodology</i> was released in October 1999.

<b>Area</b>	<b>Standards/Principles</b>	<b>Methodology/Templates</b>
<b>Securities Market Regulation</b>	<i>Objectives and Principles of Securities Regulation</i>	<i>Implementation of the Objectives and Principles for Securities Regulation</i>
<b>Agency</b>	International Organization of Securities Commissions (IOSCO)	IOSCO
<b>Status</b>	Issued by IOSCO in September 1998.	Self-assessment methodology has been developed in May 2000.
<b>Insurance Supervision</b>	<i>Insurance Supervisory Principles</i>	<i>Core Principles Methodology</i>
<b>Agency</b>	International Association of Insurance Supervisors (IAIS)	IAIS
<b>Status</b>	Issued by IAIS in September 1997.	Developed by IAIS in April 2000.
<b>Payments and Settlements</b>	<i>Core Principles for Systemically Important Payment Systems (CPSIPS)</i>	
<b>Agency</b>	Committee on Payment and Settlement Systems (CPSS)	CPSS
<b>Status</b>	A consultative document was issued by the CPSS in December 1999.	Work in progress.
<b><u>Accounting</u></b>	<i>International Accounting Standards (IAS)</i>	<i>Accounting &amp; Auditing Assessment Template</i>
<b>Agency</b>	International Accounting Standards Committee (IASC)	World Bank
<b>Status</b>	IASC has promulgated 34 standards (excluding 7 standards which are no longer effective).	Draft <i>Template</i> published in December 2000.
<b>Auditing</b>	<i>International Standards on Auditing (ISA)</i>	<i>Accounting &amp; Auditing Assessment Template</i>
<b>Agency</b>	International Federation of Accountants (IFAC)	World Bank
<b>Status</b>	ISA and Audit Practice Statements issued through IFAC's International Auditing Practices Committee (IAPC).	Draft <i>Template</i> published in December 2000.

<b>Area</b>	<b>Standards/Principles</b>	<b>Methodology/Templates</b>
<b>Corporate Governance</b>  <b>Agency</b>  <b>Status</b>	<i>Principles of Corporate Governance</i>  OECD  Endorsed by the OECD Ministerial Meeting in May 1999.	<i>Corporate Governance Assessment Template</i>  World Bank  Draft <i>Template</i> published in December 2000.
<b>Insolvency and Creditor Rights</b>  <b>Agency</b>  <b>Status</b>	<i>Principles and Guidelines for Effective Insolvency and Creditor Rights Systems</i>  World Bank  <i>Principles and Guidelines</i> have been presented to the Bank Executive Board on April 10, 2001.	<i>Insolvency Regimes Assessment Template</i>  World Bank  Draft <i>Template</i> published in December 2000.
<b>Debt Management</b>  <b>Agency</b>  <b>Status</b>	<i>Guidelines for Public Debt Management</i>  IMF and World Bank  <i>Guidelines</i> have been presented to the Bank Executive Board on March 6, 2001.	<b>Sound Practices in Government Debt Management</b>  IMF and World Bank  <i>Practices</i> to be published late 2001.
<b>Financial System Integrity</b>  <b>Agency</b>  <b>Status</b>	<i>FATF 40 Recommendations</i>  Financial Action Task Force on Money Laundering (FATF)  Issued in 1990, revised in 1996; presently under review. (A Paper on the IMF and World Bank role in this area has been presented to the Bank Executive Board on April 12, 2001.)	<u><i>Questionnaires for Self-Assessments</i></u>  FATF  No methodology for external assessments yet.



Update on ROSC Modules  
Completed by March 30, 2001

**Table A.2: Number of Modules by Area**

<b>Area</b>	<b>Number Completed Modules</b>	<b>Number Published Modules</b>
<b>Data Dissemination</b>	11	9
<b>Fiscal Transparency</b>	24	23
<b>Monetary and Financial Policy</b>	23	13
<b>Banking Supervision</b>	23	13
<b>Insurance Regulation</b>	7	4
<b>Securities Market Regulation</b>	8	4
<b>Payment Systems</b>	10	4
<b>Corporate Governance</b>	6	5
<b>TOTAL</b>	<b>112</b>	<b>75</b>