## Wrap up of the PFMI Workshop - 2012-09-21

FMIs are a source of strength for the Financial system but could also bring risk that could be catastrophic.

Regulatory authorities should show commitment to apply international standards and principles in order to build and retain confidence in the FMIs

The authorities should thus adopt the principles either through;

- policy positions
- regulation
- In law

In the implementation of the PFMIs, there are responsibilities for;

- regulatory authorities
- market participants themselves or FMI operators

Cooperation among regulatory authorities should be fostered both domestically and internationally in the following scenarios;

- normal times
- crisis situation
- during recovery and resolution.

Cooperation and collaboration by authorities in the implementation of FMI is required in the areas of ;

- oversight
- supervision
- resolution

In this collaboration and cooperation effort, at least one authority should accept ultimate responsibility.

In the assessment of compliance to the principles;

- Operators of FMIs should conduct periodic formal full or partial self assessments of their observance of the principles

- Oversight authorities should also regularly assess observance

- Further assessments could be undertaken by international finance institutions (IFI) such as the IMF and World bank

- It should however be recognised that a financial sector assessment programme (FSAP) normally undertaken by an IFI is voluntary.

When an FSAP is undertaken, normally the process followed entail;

- Identification of the scope of the assessment

- Gathering of the facts to evaluate key considerations
- Putting together conclusion per key consideration
- Assigning a rating category
- Agreeing time frame for resolution of issues priorities

A rating is determined based on the gravity of the issue of concern as well as the urgency required to address the issues (gravity and timelines)

It is encouraging to note that some FMI operators are already conducting self assessments in the positive spirit of accepting the standards as being good for their risk management rather than something that is being imposed on them by regulatory authorities.