



Enhancing Risk Management and Governance in the Region's Banking System to Implement Basel II and to Meet Contemporary Risks and Challenges Arising from the Global Banking System

Training Program ~ 8 - 12 December 2008
SHANGHAI, CHINA

Session 10.1

Team 3

Norhidaya Johari - Malaysia
Yulia Trubanova - Russia
Pornwasa Sirinupongs - Thailand
Sofia Yelitsa Calderon Quispe - Peru
Xu Mingdong - China
K.M. Abdul Wadood - Bangladesh
Oum Sivanno - Camdodia

You are a regulator supervising domestic banks, some with operations in other jurisdictions, and internationally operating banks in your jurisdiction, and you are concerned at the spread of risk arising from market turbulence.

“What do you consider are the critical aspects of your agency's relationship with foreign supervisors and with other groups”.

Critical Aspects of Relationship Between

1. Domestic – Foreign Bank Regulators
2. Bank Regulator – Other Agencies

1. Domestic – Foreign Bank Regulators

MOU between Banking Supervisors

(in line with Basel Committee Working Group on Cross-Border Banking)

Division of Responsibilities

Clearly identify the authority and responsibility of both Parties eg. inspection, liquidity management, capital requirement, deposit insurance, etc.

Sharing of Information

application result,
bank's compliance with domestic regulations,
nature of regulatory system,
ring-fencing arrangement
other relevant information for example; outcome of the stress-test,
OTC transactions

1. Domestic – Foreign Bank Regulators

MOU between Banking Supervisors

(in line with Basel Committee Working Group on Cross-Border Banking)

Coordinating Committee: combination of home-host supervisory authorities

On-site Inspection

identify plans and purposes to examine
the host supervisor should allow the home supervisor or its delegated agent to conduct on-site inspections
examinations may be carried out by the home supervisor alone or accompanied by the host supervisor
An exchange of views between the examination team and the host supervisor

On-site Visits

Consolidated Supervision

Protection of Information

mutual trust between supervisory authorities – confidentiality during exchanges of information

On-going Coordination

Exchange of staff

Assigned contact persons for host and home countries

1. Domestic – Foreign Bank Regulators

Financial Crisis

- Cross-border crisis management committee
- Extra information sharing
 - + liquidity contingency plans
 - + emerging risks exposure
- Enhance the speed and setting priorities of coordinations

2. Bank Regulators – Other Agencies

Joint Forum on Financial Conglomerates

to enhance cooperation with securities and insurance supervisors so as to strengthen the supervision of financial conglomerates

Task Force of the Joint Forum

to enhance the understanding of the ways in which such groups are managed and organized.

Cooperation with AML/CFT units

MAFC
Melbourne APEC Finance Centre



**Asia-Pacific
Economic Cooperation**



亚太财经与发展中心
Asia-Pacific Finance and Development Center

THANK YOU

**NORHIDAYAH JOHARI
YULIA TRUBINOVA
WASA SIRINUPONGS
SOFIA CALDERON
XU MINGDONG
K.M. ABDUL WADOOD
OUM SIVANNO**



11 December, 2008