

**THE BANKING CONTROL COMMISSION OF LEBANON (BCCL) ADOPTS A NEW RISK-  
FOCUSED MANUAL FOR SUPERVISION OF NON-BANK FINANCIAL INSTITUTIONS (NBFIs)**

During December 2012, METAC started a new project with the BCCL to review its regulations and supervisory practices for NBFIs and develop a new risk-focused approach and manual for supervising them. This project was performed with the assistance of a METAC short-term expert, with direct backstopping by METAC banking supervision advisor. BCCL also assigned an internal team to work under the expert's mentorship throughout the project implementation.

Since the start of the project, METAC expert performed ten peripatetic work-from-home and field missions. This involved getting a thorough understanding of the local regulations governing NBFIs in Lebanon and the supervisory practices applied by BCCL for NBFIs. Based on this, the expert developed a risk-focused manual for supervising NBFIs.

The success of the project was due to the expert's practical experience as well as the continued commitment and efforts of the BCCL board and team throughout the various implementation phases. Another factor that added to the success of this project is the practical nature of the TA that was delivered. This was mostly reflected in two final activities that involved a pilot inspection of a Lebanese NBFI according to the new approach and manual and a training event to explain the manual.

The project was finalized in August 2013 with a workshop that was delivered to 23 BCCL supervisors explaining the new manual and risk-focused supervision procedures, presenting the process of the pilot inspection and the findings and conclusions from this exercise, and working on an illustrative case study that was solved based on group analysis and discussions.