

Banking Supervision

Regional Workshops in Fiscal Year 2017



METAC-CEF Workshop on IIFS-November 2016

METAC and the IMF's Middle East Center for Economics and Finance (CEF) organized jointly a regional workshop on "Necessary Infrastructure for Effective Supervision of Institutions Offering Islamic Financial Services (IIFS)," in Kuwait City, Kuwait. The workshop attracted directors, deputy directors, and senior bank supervisors from Arab League countries, and covered a number of thematic topics that are necessary for establishing an efficient banking supervision regime, including: (i) methodologies and approaches for implementing core principles for regulation and supervision of IIFS, (ii) risk-based supervision and key risks in IIFS, (iii) governance and board of directors' oversight of IIFS, (iv) eligible capital and Shariah-compliant instruments, (v) determination of Alpha in measuring capital adequacy of IIFS, (vi) key elements in the supervisory review process, and (vii) stress testing as an essential tool for assessing capital. Participants acquired practical methods to identify and measure risks in IIFS. They shared experiences on how IIFS in their jurisdictions are supervised, and provided case studies about the identification of key risks in IIFS and measuring capital adequacy ratio under stressed situations.