

Egypt

Technical Assistance in Fiscal Year 2015

Banking Supervision

Improving the Regulatory Framework

Several METAC member countries requested assistance in improving the regulatory framework of the supervisory authorities to further align it to the BCBS recommendations in conventional banks and to the IFSB standards and principles in Islamic banks.

In **Egypt**, during FY15, METAC assisted the CBE in upgrading its regulations on internal capital adequacy assessment process (ICAAP) and liquidity risk measurement and management and further align them to Basel III standards. This assistance will continue throughout FY16 to review and upgrade other prudential regulations in banking supervision.

Public Financial Management

In Egypt, METAC assisted the authorities with the implementation of the METAC January 2013 mission on cash management, and in particular the mission's recommendations related to the integration of the Government Financial Management Information System (GFMIS) and E-Payment systems. METAC organized a national workshop in Cairo in the area of GFMIS. The workshop, attended by more than 50 staff from the Ministry of Finance (MoF) was designed to discuss: (i) good practices, pre-conditions and practical examples of GFMIS implementations; (ii) the prevailing situation in Egypt; and (iii) how best to move forward within the given context leading to development of an agreed action plan which could then be considered by the senior administration of the Ministry.

METAC long-term resident and short-term experts participated with the IMF Fiscal Affairs Department (FAD) led missions to Egypt and Jordan that focused on:

Egypt: Addressing PFM issues related to the new constitutional mandate to increase spending on health, education and scientific research.

Revenue Administration

In **Egypt**, the resident advisor assisted the value added tax (VAT) implementation team with the preparation of an integrated project plan to manage the launch of the new tax. METAC short-term experts undertook TA missions to support the Egyptian Tax Authority in developing a comprehensive compliance management plan, and a robust refund management process.

In addition, the resident advisor and METAC short-term experts joined IMF Headquarters' (HQ) missions to assess the preparedness of the administration to introduce VAT in **Egypt**, and identify near-term TA support requirements.

Statistics

Technical Assistance Delivery External Sector Statistics

In **Egypt**, a TA mission visited the General Authority for Investment and Free Zones (GAFI). The mission assessed progress on the inward Direct Investment Survey (DI), its coverage, methodology, and its adherence to the *BPM6*. The mission validated the data edited by the GAFI for the years 2011 and 2012, and assessed the scope and quality of data collected. In addition, the mission discussed Egypt's participation in the Coordinated Direct Investment Survey (CDIS).

National workshops in Fiscal Year 2015

Banking Supervision

As part of providing TA to the CBE in implementing Pillar 2 of Basel II framework, METAC delivered training on the ICAAP and the methods and approaches to be used to assess the adequacy of banks' capital in relation to risks not addressed by Pillar 1 of Basel II, within the framework of the supervisory review and evaluation process (SREP). The training also covered the new Basel liquidity standard, which included the LCR and Net Stable Funding Ratio.