

Tunisia

Technical Assistance in Fiscal Year 2019

Banking Supervision (October 1-5, 2018, November 26-30, 2018, February 4-8, 2018, April 1-5, 2019):

METAC continued its assistance to the Central Bank of Tunisia (CBT) in developing a framework on ICAAP. Within this framework, METAC helped the CBT supervisors enhance their bank risk-profile assessment by implementing a forward-looking risk assessment methodology and finalized a draft regulation on IRRBB that was developed in April 2018 with METAC assistance.

METAC assisted the CBT in the implementation of consolidated supervision. It contributed to drafting regulatory guidelines defining the scope and boundaries of prudential consolidation, the methods for determining the entities to be consolidated, and the type of control (exclusive or significant influence). The training also covered methods to distinguish financial entities from non-financial entities.

METAC continued supporting the CBT in developing a framework on internal capital adequacy assessment, by helping CBT supervisors enhance their bank risk-profile assessment and supervisory rating system. During this third activity, two draft regulations on ICAAP and IRRBB and corresponding supervisory reporting requirements were finalized—and were expected to be issued soon. In addition, METAC made proposals to the CBT to enhance the reporting framework by collecting, on a yearly basis, reports aimed at reflecting liquidity transformation and interest rate transformation, which will further support the risk-profile assessment processes and allow for assessing potential adverse developments (notably on liquidity risks) due to unsound transformation of sight deposits. Further training was delivered with the aim of building supervisory capacity on liquidity management, critical review of ICAAP reports, asset and liability management (in line with the IRRBB draft regulation). Workshops were also organized with the different teams in charge of improving and documenting the new bank risk-profile assessment and supervisory rating system methodology, introducing interactions and risk-leverages with regard to their combined actual/potential impacts on the overall liquidity and solvency conditions.

METAC continued its support to the CBT in developing a consolidated supervision framework: finalizing the scope of the framework, the consolidation methods to be used, and the regulation to implement it, which included updating the capital adequacy rules, defining the process to perform consolidated supervision quantitative impact study, provisions for related-party transactions within consolidated groups, large exposures limits, liquidity requirements, internal control, risk management, and corporate governance and external audit.

Public Financial Management (November 06-09, 2018):

In the context of METAC's medium-term support to strengthen institutional and organizational arrangements related to cash management, an expert reviewed progress made with (i) the consolidation of the TSA, (ii) the establishment of the Treasury Committee, (iii) the agreement formalizing the relationship between the MoF and the Central Bank for the management of the TSA, and (iv) cash forecast's processes and tools. As a result, the September 2017 roadmap for reinforcing cash management institutions and practices has been updated.

Statistics (September 17–21, 2018, February 18-22, 2019):

METAC assisted the National Statistics Institute of Tunisia in developing a full set of financial accounts. This was the first follow-up mission to the two scoping missions that were held earlier in 2018. Based on the existing data sources, the mission helped the authorities finetune the data input system and reviewed and amended the stocks data for the main sub-sectors of the financial sector.

METAC worked with the Tunisian Institute of National Statistics to review the rental survey and made recommendations for its improvement, in line with good practice.

During the same period, another METAC activity assisted the Institute in using the results of the survey to produce a rental index to be incorporated into the CPI, and publish the results.