

## Lebanon

### Capacity Development Activities in Fiscal Year 2023

#### **Banking Supervision** (February 15-17)

METAC conducted a hybrid capacity building mission to the supervisors of the Banking Control Commission of Lebanon BCCL on best practices in corporate governance, Expected Credit Loss Assessment ECL under International Financial Reporting Standards 9 (IFRS9), and Cyber Risk. Around 40 participants from onsite, offsite, large exposure, and IT audit departments attended the workshop. The event addressed the recent international standards and practices of corporate governance, and presented the European ECL assessment methodology, the solutions adapted to the Covid-19 crisis, and the lessons drawn from the banks' inspection missions. The workshop also addressed operational risk with a focus on cyber risk definitions, threats, aspects, transmission channels, implication on financial stability, and the regulatory and supervisory approaches to manage this risk. In addition to the three core experts, the workshop invited two guest speakers (former Secretary General of the Basel Committee and a Director at German Bundesbank) who shared with the participants their views on corporate governance, liquidity risk, and the current key risk drivers on the supervisory dashboard.

#### **Revenue Administration** (November 21-28; January 16-27)

METAC assisted the Ministry of Finance of Lebanon in developing a reform governance framework supported by a detailed action plan for implementation. The new governance framework was developed based on a review of the existing tax reform governance framework and a series of presentations and discussions with officials based on good international practice (as documented in the VITARA Reform Management module).

METAC provided a follow-up technical assistance to the Lebanese customs Authority (LCA), based on the May 2022 report on "Short-and-Medium-Term Actions for Stabilizing Revenue Administration." The mission assessed the current situation and the progress made to date. The mission's focus was on helping the LCA drafting their new organizational structure and reactivating their legal committee in charge of drafting the new customs code. Finally, the mission supported the LCA in developing a detailed roadmap for the remaining immediate and short-term priorities to be implemented.

#### **Statistics** (April 3-7)

The Central Administration for Statistics (CAS) faces serious struggles collecting consumer price index (CPI) price data, with prices changing frequently during the day for many items, but resource constraints preventing CAS from collecting prices for these items more frequently throughout the month. METAC is therefore continuing to aid CAS to ensure CPI continuity and to develop a producer price index (PPI). The April 2023 mission helped identify alternative data sources for the collection of prices and addressed compilation issues, such as frequent price changes and missing prices for medications, fuel, clothing, and other items to ensure continued publication of detailed CPI data.