



## Technical Assistance (TA) Missions

### Banking Supervision

#### Iraq

In response to a request from the Central Bank of Iraq, METAC assisted the authorities in improving and upgrading their regulations on capital adequacy ratio and liquidity measurement in line with the requirements of Basel II/III framework. The regulation on capital adequacy ratio covered the common equity Tier 1 capital, capital conservation buffer, and leverage ratio. The regulation on liquidity aligned the liquidity coverage ratio and the net stable funding ratio with Basel III, and set a minimum floor in local currency, in each major currency, and in all currencies, taking into account Iraq's banking system specifics. The regulation on liquidity also defined additional metrics to measure and manage liquidity risk.

### Public Financial Management

#### Lebanon



In response to a request from the Ministry of Finance (MoF) in Lebanon, a METAC mission assisted the Macro Fiscal Department in improving their understanding of the risks facing the Lebanese budget. The mission delivered a series of training sessions, comprising presentations and hands-on exercises focused on the main concepts and commonly used methods for identifying, categorizing and measuring fiscal risks. The training also highlighted the strengths of Lebanon's current fiscal system, and considered areas of future work.

#### Egypt

In response to a request from the Egyptian authorities, a METAC mission assisted the MoF in fiscal risk management, based on international good practices and experiences; and advised on the institutional framework for monitoring and managing the main fiscal risks in Egypt.

### Statistics

#### Djibouti

METAC undertook its first mission to the Department of Statistics and Demographic Studies to develop a capacity development agenda for the period ahead. The mission reviewed and assessed the sources and procedures for compiling GDP by production and final expenditure components, at current and constant prices. Areas for further development were identified in cooperation with AFRISTAT, and include: developing a system for preliminary GDP estimates; producing import price index; and organizing administrative and statistical sources for establishing statistical business register.

### UN ESCWA Technical Advisory Group on Economic Statistics

METAC's Real Sector Statistics Advisor participated in the first meeting of the technical advisory group on economic statistics (TAGES) for the Arab Region, organized by UN ESCWA in Cairo, Egypt. Representatives from various organizations briefed the meeting on the priorities of their organizations and the synergies with ESCWA on economic statistics, and particularly on national accounts. They identified areas for capacity development and discussed perspectives for combining resources at the regional and international levels.



COUNTRIES-DONORS: ALGERIA | EGYPT | JORDAN | LEBANON | LIBYA  
COUNTRIES: AFGHANISTAN | DJIBOUTI | IRAQ | MOROCCO | SUDAN | SYRIA | TUNISIA | WEST BANK & GAZA | YEMEN

## CEF – METAC Regional Workshop on Islamic Banking

The IMF's Middle East Regional Center for Economics and Finance (CEF) and METAC organized jointly a regional workshop on "Necessary Infrastructure for Effective Supervision of Institutions Offering Islamic Financial services (IIFS)," in Kuwait during November 7-10, 2016. The workshop attracted directors, deputy directors, and senior bank supervisors from Arab League countries, and covered a number of thematic topics for establishing an efficient supervision regime on Islamic financial institutions. Participants acquired practical methods on identifying and measuring risks in IIFS, and shared experiences on how IIFS in their jurisdictions are supervised.



### Assessment Visit to Jordan

METAC Coordinator, Ms. Taline Koranchelian, visited Amman to hear the authorities' views on METAC's work and to assess Jordan's needs for TA going forward. Ms. Koranchelian met with the minister of finance, the deputy governor of the central bank of Jordan, as well other officials and representatives from the USAID and the European Delegation. TA needs were communicated to IMF Headquarters and METAC advisors to determine how best to meet those needs.

## Addressing Debt Bias — New IMF Paper

The fiscal affairs department presented the paper "Tax Policy, Leverage, and Macroeconomic Stability" to the IMF Executive Board on October 24, 2016. The paper highlights the significant distortions induced by tax provisions favoring debt rather than equity, both for households and firms—especially the impact on financial and macro-stability. It confirms that "debt bias" is still highly relevant in most countries, including for financial institutions where stability risks are a particular concern. A promising structural tax reform is to transform the corporate income tax into a system with an allowance for corporate equity. This has proved highly effective in neutralizing the tax bias in favor of debt.

### METAC New Revenue Administration Advisor

We are pleased to announce the appointment of Mr. Patrick De Mets as the new revenue administration advisor replacing Mr. Charles Jenkins. Before joining METAC, Mr. De Mets worked as a revenue tax administration advisor at the IMF office in Cyprus. Prior to that, he worked for 15 years as an auditor general for Finance at the Ministry of Finance in Belgium. We welcome Mr. De Mets and look forward to working with him.



### METAC PLANNED MISSIONS

METAC planned missions for December 2016 can be found @ [www.imfmetac.org](http://www.imfmetac.org)

