

Regulatory Framework for Banking

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VAN SURINAME

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Overview

- **Background**
- **The CBvS approach for a comprehensive regulatory framework**
 - Bank and Credit Supervision Act/ Act Money Laundering Terrorism Financing
- **Recent developments and events in the financial sector in Suriname**
 - Strengthening regulatory guidelines, directives, or supervisory practices
- **Next steps**





Background

- CBvS's tasks are laid down in Articles 9 and 10 of the Central Bank Act (2022)
 - Micro-prudential supervision (Prudential/Integrity/Structure)
 - **Macro-prudential supervision (Systemically Important Banks/Interconnectedness)**
- Suriname needs financial institutions such as banks because **our money matters!** As supervisors we check that they are handling your and our money properly and take action when this is not the case.
- Submitting reports (daily, weekly, monthly, quarter and semi-annual reports)
- Data – Off-site monitoring banks based on the reports
- Corporate Governance of Banks - Application forms for qualified shareholders/executive/supervisory board members/ Fit- and proper test executive and supervisory board members

How do we
supervise?



Background

- Prudential and Compliance inspections
 - Risk-based approach (Full inspections/Theme inspections)
 - CAMELS-rating / Compliance rating (in accordance with CFATF/FATF recommendations)
- Intervention at banks
- 2021 → IMF program – for the banks it meant also doing an Asset Quality Review
- Department FIT (Financial Integrity) as of October 2023





The CBvS approach for a comprehensive regulatory framework

Bank and Credit Supervision Act 2011 (currently being revised)

- Reg 1 – Solvency (**revised**)
- Reg 2 - Credit Classification and provisions (**revised**)
- Reg 3 - Large Exposures (**revised**)
- Reg 4 - Insider lending (revised)
- Reg 5 – Immobilia (**revised**)
- Reg 6 – Corporate Governance
- Reg 7 – Suitability (Fit & Proper)
- Reg 8 – Internal Audit (**revised**)
- Reg 9 – Integrity
- Reg 10 – Internal Control
- Reg 11 – Liquidity risk
- Reg 12 – Net Open Position
- Reg 13 – Interest risk management
- Reg 14 - Financial reporting and external auditing (**new**)

Act on Money Laundering and Terrorism Financing (2022)

- AML/TF Regulation (2016) – **currently being revised – the aim is to issue the regulation as of December 2023.**

Draft Bank Resolution Act (2023)

- *Resolution tools*
 - *Resolve/Liquidate*
- *Decision making process*
- *Communication strategies*
- *Legal Safeguards*

Deposit Insurance Scheme (2024/2025)

- *Guidelines on how the deposit guarantee scheme operates*

Draft Supervision of Electronic Payment Service Providers (2024)

- *Regulations for obtaining a license or authorization to operate as a payment service provider or electronic money institution*
- *Ensuring compliance with international standards*



Recent developments and events in the financial sector in Suriname

- Draft Regulation Operational risk → e.g. Continuity & Cyber risks, etc.
- Commercial banks' AML/CFT frameworks need to be strengthened based on CFATF/FATF recommendations – to prevent for being de-risked.
- Crisis management
- Implementation of IFRS
- Promoting financial inclusion through financial technology





Next steps....

- Increased off-site monitoring
- Improving risk-based onsite inspections
- National Risk Assessment (NRA 2.0) and CFATF Mutual Evaluation (ME)
- Developing the supervisory framework for payment systems
- Coping with **the risks of** financial dollarization





Thank You