Here are three dimensions in which capacity development and international cooperation play a key role. At the IBFI, we often use the image of a car, or a car trip, to illustrate them and the scope of our activity.

**The first dimension is the destination of the trip and policy objectives.** We must imagine a mountain to climb: it corresponds to the «policy» objectives of financial stability, monetary policy and services to the economy. In many cases, the issue is to implement new tools or new regulations such as those related to banks, in a national context.

**The second dimension is the environment.** We must imagine a road: it corresponds to national governance constraints, geopolitical and even security obstacles, but also to the situation and complexity of the national financial system. The road between the central bank and the objective is often ridden with twists and turns.

**The third dimension is the central bank itself** and the supervisory authorities. You have to picture a car. In the car, you need a good driver with a plan: the Governor and his council. You need an engine – human resources –, bodywork – IT –, GPS – strategic planning –, a good steering wheel – good governance – ... Maintaining and fine-tuning the central bank “car” is essential to the implementation of real change.

These three dimensions underline the IBFI’s objective: to tackle all aspects of central banking activity (the car components) with constant attention to the local situation (the road), in order to create an effective and lasting impact on institutions. As a Capacity Development Institute, we submit surveys to our seminars’ participants on all central bank activities.

These surveys provide a glimpse of the central banking “car”: what are the multiple destinations pursued by the central banks and financial supervision authorities? How far are they on their roads to achievement? How do they improve their own organizations, internal processes and human capacities?

**This booklet is an illustration of this approach. It is a selection of these benchmarks, a “best of”. This is unique information on the recent trends in central banking.**

Jean-Luc Quémard  
Head of the International Banking and Finance Institute (IBFI)
**CONTENT**

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>FOREWORD</td>
</tr>
<tr>
<td>5</td>
<td>CONTENT</td>
</tr>
<tr>
<td>7</td>
<td>IBFI IN BRIEF</td>
</tr>
<tr>
<td>12</td>
<td>TRENDS</td>
</tr>
<tr>
<td>18</td>
<td>KEY FIGURES</td>
</tr>
<tr>
<td>20</td>
<td>IBFI’S WORLD</td>
</tr>
<tr>
<td>24</td>
<td>ECONOMICS AND STATISTICS*</td>
</tr>
<tr>
<td>25</td>
<td>Developing research in central banks</td>
</tr>
<tr>
<td>28</td>
<td>Improving balance of payments statistics</td>
</tr>
<tr>
<td>30</td>
<td>Enhancing Monetary and Financial Account statistics</td>
</tr>
<tr>
<td>34</td>
<td>FINANCIAL STABILITY AND PRUDENTIAL SUPERVISION</td>
</tr>
<tr>
<td>35</td>
<td>Strengthening your macroprudential decisions through indicators and models</td>
</tr>
<tr>
<td>38</td>
<td>Combating money laundering and the financing of terrorism</td>
</tr>
<tr>
<td>43</td>
<td>Consumer protection financial inclusion and education</td>
</tr>
<tr>
<td>47</td>
<td>MARKETS AND OPERATIONS</td>
</tr>
<tr>
<td>48</td>
<td>Complying with the Data protection regulation</td>
</tr>
<tr>
<td>51</td>
<td>Evolving Market infrastructures and new payment instruments</td>
</tr>
<tr>
<td>58</td>
<td>Achieving Cybersecurity</td>
</tr>
<tr>
<td>62</td>
<td>Managing Financial Risk in central banks</td>
</tr>
<tr>
<td>68</td>
<td>GOVERNANCE, ADMINISTRATION AND COMMUNICATION</td>
</tr>
<tr>
<td>69</td>
<td>More dynamic Human resources policies underway in Central Banks</td>
</tr>
<tr>
<td>72</td>
<td>Risk prevention in Central banks: some features</td>
</tr>
<tr>
<td>74</td>
<td>Active Communication policies improving Central Banks’ image</td>
</tr>
<tr>
<td>78</td>
<td>Internal Audit function in Central banks</td>
</tr>
<tr>
<td>82</td>
<td>Digitalization moving forward in Central Banks</td>
</tr>
<tr>
<td>84</td>
<td>How Corporate Strategy structures Central Banks’ adaptation to a changing environment</td>
</tr>
<tr>
<td>88</td>
<td>Evolving Central Banks’ training and change management policies</td>
</tr>
<tr>
<td>92</td>
<td>IBFI PRACTICAL</td>
</tr>
<tr>
<td>96</td>
<td>SEMINARS 2020</td>
</tr>
<tr>
<td>98</td>
<td>THE IBFI TEAM</td>
</tr>
</tbody>
</table>

* The figures/ graphs (pp. 24 to 92) are the results of surveys among participants at the IBFI seminars. The full benchmarks and lists of responding countries are available on www.banque-france.fr/en/ibfi / news
The IBFI proposes a series of training seminars, typically lasting 3 to 5 days and covering all central bank functions. Topics evolve according to the needs expressed by our partners. The seminars include theoretical and practical presentations, situational exercises and case studies. The IBFI also provides technical assistance under two forms: sending Banque de France experts abroad to take part in bilateral or multilateral missions (IMF, World Bank, EU) or welcoming study visits of delegations from foreign central banks and supervisory bodies at Banque de France.

Training seminars

The seminars offered through the IBFI’s annual catalogue are our primary mode of action. They consist in 3 to 5 day training sessions whose contents change according to the needs expressed by our partners. They include theoretical and practical presentations, simulation exercises and case studies. Participants are often gathered in smaller groups to foster interaction around a particular topic. The IBFI seminars are open to all central bank candidates through a call for application taking into account the relevance of their application (motivation, position held, prior training, etc...).
IBFI Studio - Video learning

The IBFI makes available videos of experts participating in its seminars. It is the IBFI studio, a video platform created by a French start-up. It is a unique source of expert resources on all central banking activities. Available at any time, on any type of tool and user centric.

Tailored training

We receive numerous requests asking us to organise specialised or customised training programmes. Thus, aside from our traditional training seminars which are open to all central banks, we conduct tailored projects on a bilateral or regional basis.

Such specialised support may consist in study trips in France of small groups of central bankers, or may take the form of bespoke training sessions, held on our premises or within the partner central bank. In this latter case, we seek to involve, to the greatest extent possible, employees from other central banks of the same region, so that any such initiative may benefit the largest number of persons. These sessions are only launched after an in-depth study of existing requirements and a thorough examination of the most adequate means of satisfying demand. The duration of these events is variable, ranging from two to five days. Attendance may be combined with participation in seminars included in the IBFI’s annual programme.

Partnerships

The IBFI has a broad network of partners world-wide. In addition to our bilateral cooperation with other central banks or international institutions such as the IMF or the BIS, we build partnerships with regional institutions, in order to deliver training services suited to the local context and challenges, and to limit travel expenses for participants.
High-level workshops

Throughout the year, the IBFI organises technical workshops upon an invitation-only basis. The organisation of these workshops is highly dependent on economic and financial news and the evolution of challenges faced by central banks.

These workshops aim at bringing together the main central bank specialists who are called upon to tackle a common issue. Participants come from various geographic zones and from diverse areas of expertise (macroeconomists, economic policy specialists, experts specialised in financial stability issues, as well as specialists of the markets, payment systems, regulatory and supervisory matters, or the internal management of central banks).

Workshops organised by the IBFI allow for a matching of experience, including with other public institutions and private sector players, in order to bring about the emergence of solutions possibly suited to the various local contexts.

For the proper progress of the debates, it is essential that all participants in these workshops have prior extensive knowledge in the area concerned.

Videoconference support and dialogue

The IBFI is equipped with the infrastructure necessary for the organisation of videoconferencing among the experts of our partners and Banque de France. Such a cooperation mode is particularly suited to the review of a highly specific topic, requiring a short time period (one or two hours) of work in common.
Training agreements

Some of our partners ask us to organise our capacity-building effort through a formal agreement to better plan training and skills enhancement programs that are often complex and multi-faceted.

Thus, in order to address this request expressed by central banks and partner training centres, the IBFI signs training agreements.

Participation in projects organised by third parties

Experts within the IBFI, or appointed by the IBFI also participate in training projects organised and financed by third parties, whether national or regional central banks, international financial institutions such as the IMF and the World Bank, regional institutions such as the European Commission, or French and foreign higher education institutions.
EXTERNAL COOPERATION AT BANQUE DE FRANCE: A CHANGING ACTIVITY

Central banks cooperate with each other in multiple international fora (BIS, IMF, ESCB, Eurosystem) to contribute to monetary and financial stability by exchanging information, coordinating their actions or contributing to the convergence of standards at the global or European level.

Banque de France is an active participant in this effort of cooperation through its International Banking and Finance Institute, created in 1997. The Bank organises training seminars in France and abroad, sends technical support missions to foreign central banks and hosts study visits by foreign delegations. Cooperation covers all central bank activities: in addition to the main goals of monetary policy and financial stability, it extends to payment systems, cash management, governance and support functions.

» External cooperation contributes to monetary and financial stability
Through its cooperation activities, Banque de France pursues several objectives which are listed as follows. As a primary objective, contributing indirectly to monetary and financial stability at the global and European level. For example, technical assistance actions carried out for the benefit of neighbouring and/or EU candidate countries contribute to strengthening the stability of the area. Similarly, the Bank’s participation in IMF actions in the area of banking supervision contributes to global financial stability.

» Assisting central banks in developing countries by contributing to capacity development, know-how and skills. Banque de France thus assumes a form of «international social responsibility» towards these institutions.

» Strengthening Banque de France’s influence and visibility by integrating itself into the international cooperation effort and by disseminating and enhancing its know-how, French and European standards and practices.
--- TRENDS ---

Extending its network of relationships with central banks around the world. 120 foreign authorities were beneficiaries of international cooperation activities during the period 2017–2019.

Supporting the Bank’s commercial relations in certain areas (reserve management, cash).

In return, developing the international exposure, expertise and experience of Banque de France staff contributing to cooperation activities.

FROM THE TRANSFER TO THE EXCHANGE OF EXPERTISE
The panorama of international cooperation has been profoundly transformed since the beginning of the decade.

In addition to the most important traditional suppliers such as the International Monetary Fund, the Joint Vienna Institute, the World Bank, The Banque de France, the Bank of England, the Deutsche Bundesbank, the CEMLA and the SEACEN, multiple central banks have developed very significant international cooperation activities over the past ten years (Turkey, Poland and Indonesia for example).

The distinction between suppliers and beneficiaries of international cooperation is blurring. Several central banks are both beneficiaries and providers of cooperation actions. Similarly, taking into account the institutional contexts of the beneficiary central banks is key. To maximize their impact, international cooperation actions must be integrated into local contexts. The notion of reference expertise adapted to all countries («one size fits all») no longer applies.

Needs are changing. In addition to transferring expertise, central banks cooperate through the exchange of experience and the establishment of benchmarks on their businesses. More and more distance learning tools are being made available to central banks, such as distance learning platforms (E-learning) generally limited to a certain number of learners and massive online open courses (MOOC). For example, the BIS Financial Stability Institute has developed a set of online tutorials and courses on its FSI Connect web platform. Similarly, since 2013, the IMF has been putting several MOOCs
online, linked to the EdX platform, for public officials or the general public. In this changing environment, the Banque de France and its International Banking and Finance Institute are developing their own model. It promotes a multi-modal action with a global vocation. It chooses to operate in all central banking businesses with the idea that all businesses contribute to the ultimate functions of monetary and financial stability. It focuses on international training seminars.

More than 20 years after the creation of the International Banking and Finance Institute, the Banque de France has developed significant, diversified and multi-modal international cooperation, with the growing and complementary contribution of digital tools.

The IBFI has acquired a recognized position in international training and technical support within the central banking community. It covers all central banking activities as long as they all contribute directly or indirectly to the successful performance of monetary policy and financial stability tasks. It combines the transfer of expertise and the exchange of practices between peers. It relies on numerous partnerships to make its actions more efficient. International cooperation is only one way to building capacity at beneficiary institutions. These need to get ownership of the knowledge and expertise transmitted and incorporate them into their own development programs. The IBFI strives to shape its actions as closely as possible to the needs of beneficiary institutions and their projects in order to enhance the impact of its actions and their sustainability.

Full article by Louis Bê Duc and Jean-Luc Quémard accessible on the IBFI website / IBFI activities
KEYS FIGURES

35 seminars per year

More than 120 foreign authorities are beneficiaries of international cooperation activities

30 study visits

Around 1,000 participants per year

More than 35 missions

More than 35% seminars in partnership

More than 70% English speaking participants to seminars
IBFI’S WORLD

CIS-Russia : 6%
Middle East : 8%
Latin America : 9%
Asia and Oceania : 15%
North Africa : 15%

• ALBANIA
• ARGENTINA
• ALGERIA
• ARMENIA
• AUSTRIA
• AZERBAIJAN
• BAHAMAS
• BAHRAIN
• BEAC
• BE LAO
• BELGIUM
• BENIN
• BOLIVIA
• BOSNIA AND HERZEGOVINA
• BRAZIL
• BULGARIA
• BURKINA FASO
• CAMBODIA
• CENTRAL AFRICAN REP.
• CHAD
• CHILE
• CHINA
• COLOMBIA
• COMOROS
• COSTA RICA
• CROATIA
• CYPRUS
• CZECH REP.
• DEMOCRATIC REPUBLIC OF CONGO
• DJIBOUTI
• DOMINICAN REP.
• EGYPT
• EQUATORIAL GUINEA
• ESTONIA
• ETHIOPIA
• FIDJI I
• FRANCE
• GABON
• GAMBIA
• GEORGIA
• GERMANY
• GHANA
• GREECE
• GUINEA BISSAU
• GUINEA CONAKRY
• HAÏTI
• HONDURAS
• HONG KONG
• HUNGARY
• INDIA
• INDONESIA
• IRAQ
• ISRAEL
• IVORY COAST
• ITALY
• JAPAN
• JORDAN
• KAZAKHSTAN
• KENYA
• KOSOVO
• KUWAIT
• KYRGYZSTAN
• LATVIA
• LEBANON
• LIBYA
• LITHUANIA
• LUXEMBOURG
• MADAGASCAR
• MALAYSIA
• MALI
• MALTA
• MAURITANIA
• MAURITIUS
• MEXICO
• MOLDOVA
• MONGOLIA
• MONTENEGRO
• MOROCCO
• MOZAMBIQUE
• NEPAL
• NETHERLANDS
• NIGERIA
• NORTHERN MACEDONIA
• PAKISTAN
• PALESTINE
• PAPUA
• NEW GUINEA
• PARAGUAY
• PERU
• PHILIPPINES
• POLAND
• PORTUGAL
• QATAR
• REPUBLIC OF CONGO
• ROMANIA
• RUSSIA
• SAUDI ARABIA
• SERBIA
• SEYCHELLES
• SINGAPORE
• SLOVAKIA
• SLOVENIA
• SOUTH AFRICA
• SOUTH KOREA
• SPAIN
• SRI LANKA
• SUDAN
• SWEDEN
• SWAZILAND
• TAIWAN
• TAJIKISTAN
• TANZANIA
• THAILAND
• TOGO
• TUNISIA
• TURKEY
• UKRAINE
• UNITED ARAB EMIRATES
• UNITED STATES OF AMERICA
• URUGUAY
• UGANDA
• VIETNAM
• YEMEN
• ZAMBIA
Economics and statistics
Developing research in central banks

Number of researchers in central bank

- 35%: 1-10
- 30%: 11-50
- 25%: 51-100
- 20%: > 100

Share of economists recruited at PhD level

- 50%: < 25%
- 45%: 25%-50%
- 40%: > 50%
Estimated Use of Research for Policy (score 1-5)

Main research domains *

Financial stability
Monetary policy
International Macro
Inflation
Growth
* Number of quotes by participants to the seminars.
Improving **balance of payments** statistics

Most important needs for improvement in Balance of Payments statistics

- **54%** Services
- **54%** Digital Trade
BALANCE OF PAYEMENTS

Remittances: 46%
Cross-border compensation: 42%
Trade in value added: 38%
Travel: 33%
Better using BoP data: 21%
Intra-group flows: 21%
Banknote: 4%
Implementing BMP6: 4%

How to improve statistics on Balance of payments

More Resources: 63%
Cooperation with other national institutions: 54%
Enhancing Global datasets (EU, OECD, BIS, IMF): 54%
Upgrading IT system: 50%
Closer cooperation with foreign compilers: 46%
Better contact with large reporting agents; banks: 42%
Better knowledge/experience of methodology: 42%
Better experience in setting up survey: 33%
Enhancing Monetary and Financial Account Statistics

Delay of publication of monetary data
ACCOUNT STATISTICS

Delay of transmission of financial account data

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 90 days</td>
<td>9</td>
</tr>
<tr>
<td>90-180 days</td>
<td>8</td>
</tr>
<tr>
<td>&gt; 180 days</td>
<td>7</td>
</tr>
</tbody>
</table>

Frequency of financial account data

<table>
<thead>
<tr>
<th>Frequency Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quaterly</td>
<td>14</td>
</tr>
<tr>
<td>Annual</td>
<td>12</td>
</tr>
</tbody>
</table>
Most important issues for monetary statistics (score 1-5)

- Currency
- Cross-border deposits/loans
- Deposits
- International coordination & cooperation
- More resources (Staff etc...)
- Quality checks
- Relations with banks
- Interest rates statistics
- Relations with Treasury

Methodology, Loans data and survey, IT systems and data processing
How to improve the use of monetary and financial account data (score 1-5)
Financial stability and prudential supervision
Strengthening your **macroprudential** decisions through indicators and models

How do you monitor macro-financial conditions?

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set of indicators</td>
<td>100%</td>
</tr>
<tr>
<td>Stress tests</td>
<td>90%</td>
</tr>
<tr>
<td>Synthetic indicators*</td>
<td>80%</td>
</tr>
<tr>
<td>Expert group surveys from financial and real sectors</td>
<td>70%</td>
</tr>
<tr>
<td>Models</td>
<td>60%</td>
</tr>
</tbody>
</table>

*(constructed by aggregating granular indicators mapped to the risk factors)*
What are the main risk factors in your jurisdiction?

Impact of low economic growth:
- High: 42%
- Medium: 24%
- Low: 24%
- Don't know: 10%

Excessive credit growth:
- Medium: 43%
- High: 33%
- Low: 24%

Leverage of borrowers:
- High: 38%
- Medium: 5%
- Low: 52%
- Don't know: 5%

Foreign currency risks:
- High: 38%
- Medium: 14%
- Low: 10%
What are the main risk factors in your jurisdiction?

Market illiquidity
- 71%
- 14%
- 10%
- 5%

Large exposures
- 48%
- 33%
- 19%
Combating money laundering and the financing of terrorism

Has your institution (central bank or banking supervisor) implemented a risk-based AML/CFT approach?

For internal operations at the national central banks:
- 14% Yes
- 21% No
- 65% No answer

For supervised commercial banks:
- 21% Yes
- 21% No
- 79% No answer
What are the elements taken into account in your AML/CFT risk-based approach?

### Characteristics of customers

<table>
<thead>
<tr>
<th>For internal operations at the national central bank</th>
<th>For supervised commercial banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>17% Yes</td>
<td>21% Yes</td>
</tr>
<tr>
<td>No answer</td>
<td>No answer</td>
</tr>
<tr>
<td>24% No</td>
<td>21% No answer</td>
</tr>
<tr>
<td></td>
<td>No answer</td>
</tr>
<tr>
<td>59% Yes</td>
<td>79% Yes</td>
</tr>
</tbody>
</table>

### Nature of the products and services offered

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>17% Yes</td>
<td>21% Yes</td>
</tr>
<tr>
<td>No answer</td>
<td>No answer</td>
</tr>
<tr>
<td>24% No</td>
<td>21% No answer</td>
</tr>
<tr>
<td></td>
<td>No answer</td>
</tr>
<tr>
<td>59% Yes</td>
<td>79% Yes</td>
</tr>
</tbody>
</table>
FINANCIAL STABILITY AND PRUDENTIAL SUPERVISION

**Distribution channels**

- For internal operations at the national central bank:
  - 17% Yes
  - 21% No
  - 62% Yes

- For supervised commercial banks:
  - 7% No
  - 72% Yes

**Transaction conditions**

- 17% Yes
- 28% No
- 55% Yes

- 21% Yes
- 14% No
- 65% Yes

**Countries or territories of origin or destination of the funds**

- 17% Yes
- 24% No
- 59% Yes

- 21% Yes
- 3% No
- 76% Yes
MONEY LAUNDERING

Control of the AML-CFT requirements by commercial banks

Has your institution (central bank or banking supervisor) implemented a mapping of money laundering and terrorist financing risks in the banking sector in your country?

- 76% Yes
- 21% No
- 10% No

Does your institution give an individual AML-CFT risk rating for each supervised commercial bank in your country?

- 69% Yes
- 21% No
- 14% No

Do your AML-FT procedures provide for additional controls based on the individual ratings of the supervised commercial banks?

- 69% Yes
- 17% No
- 14% No
Who are the persons subject to AML/CFT obligations in your country?

<table>
<thead>
<tr>
<th></th>
<th>Private commercial banks</th>
<th>Public banks</th>
<th>Investment firms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>90 % Yes</td>
<td>76 % Yes</td>
<td>76 % Yes</td>
</tr>
<tr>
<td></td>
<td>10% No answer</td>
<td>24 % No answer</td>
<td>20 % No answer</td>
</tr>
<tr>
<td>Insurance companies</td>
<td>86 % Yes</td>
<td>73 % Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>14% No answer</td>
<td></td>
<td>10 % No</td>
</tr>
<tr>
<td>Micro-credit organizations</td>
<td>17% No answer</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10 % No</td>
</tr>
<tr>
<td>Virtual currency platforms</td>
<td>60 % Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20% No answer</td>
<td></td>
<td>20 % No</td>
</tr>
<tr>
<td>Payment institutions</td>
<td>83 % Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10% No answer</td>
<td></td>
<td>3 % No</td>
</tr>
</tbody>
</table>
CONSUMER PROTECTION

Consumer protection, financial inclusion and education

INTRODUCTION

Involvement of the central bank in consumer protection, financial education and inclusion

- 80%: The central bank has a legal mission of financial services consumers’ protection
- 90%: The central bank has a role in the financial education of the public
- 95%: The central bank has a role in the financial inclusion
CONSUMER PROTECTION FINANCIAL INCLUSION AND EDUCATION

FINANCIAL INCLUSION AND EDUCATION

What are the main obstacles to access to basic banking services in your country?

- The absence of any obligation for banks to open a bank account to a natural person (25%)
- Difficulties related to the identification of individuals/customers (35%)
- The small number of bank branches (45%)
- Poverty and low income (80%)
- Financial illiteracy (90%)

FINANCIAL INCLUSION AND EDUCATION

Managing financial inclusion

- Does microcredit through mobile phones was developed in your country? (30%)
- Is there any legal definition and a calculation method for the usury limit rate? (53%)
- Does there exist databases making the census of individual credits? (85%)
In your country, what is the scope of the consumer protection rules in the business cycle?

- Sale process (advertising, pre-contractual information, business practices, advice): 74%
- Entering into a contract: 79%
- Contract performance: 67%
- Complaints handling: 68%

Legal protection and information of consumers

- Do consumers know fees and conditions for banking operations well?: 47%
- Does the consumer enjoy a legal reflection time before underwriting definitely a credit contract?: 59%
CENTRAL BANK/PRUDENTIAL CONTROLLER ACTION

Did the central bank open a «Consumers protection» directory on its website? 53%

May your Authority receive complains and claims from the consumers against the credit institutions? 79%

Periodical alerts and warnings against some dubious financial products or institutions are broadcasted among the public 80%

Does a prudential control of business practices exist? 89%

DIGITAL FINANCE

What are the barriers for developing digital finance?

Traditional banks can slow down the development of digital finance until they absorb Fintechs 29%

The regulation is not well adapted to the development of digital finance 67%
Markets and operations
Complying with the Data protection regulation

Did the GDPR initiate a review of legislation?

- 20
- 7
- 1
Is there a specific legislation related to personal data protection in your jurisdiction?

- Yes 86%
- No 14%

Have banks and companies from your country providing services to EU residents designated a representative in the EU as point of contact of the CNIL* and of residents?

- Yes 9
- No 13
- N/A 6

* (Commission Nationale de l’Informatique et des Libertés)
MARKETS AND OPERATIONS

Did you make changes in your organization after the entry into force of the GDPR in May 2018?

Yes 32 %
No 68 %

Does the general public in your country worry about their personal data protection?

No 14 %
Yes 86 %
Evolving **Market infrastructures** and new payment instruments

**Were the PFMIs implemented in a law at National level?**

- yes 23
- no 8
Is there any equivalent of the (SIPS)* ECB regulation in your country?

- Yes: 23
- No: 8

*Systemically Important Payment Systems

What are the criteria for an institution to be recognized as SIPS in your country?

- Value of transactions
- Market share
- Traffic

Graph showing the criteria with values for each category.
In France credit claims are used as eligible collateral. Do you accept credit claims as collateral?

Do you have any CCP in your country?

- Yes: 18
- No: 13
Do you have cooperative arrangements with foreign authorities pertaining to the oversight of domestic CCPs?

- Yes: 8
- No: 23

Does your authority undertake CCP on-site inspections or reviews?

- Yes
- No
Is there an equivalent to CSDR* in your jurisdiction?

68% Yes

32% No

*(Regulation on settlement and Central Securities Depositories)

Is there an equivalent of the European Payment Service Directive (PSD) in your jurisdiction?

Yes 25

No 6
Is there a National banking committee dealing with payments?

- Yes: 19
- No: 12

Is there a domestic card scheme in your jurisdiction?

- Yes: 65%
- No: 35%
MARKET INFRASTRUCTURES

How long have you been using instant payments?

What are the main innovations in terms of payment solutions in your jurisdiction?
Achieving Cybersecurity
Composition of teams dedicated to cybersecurity

1 to 5
17/18 answers

0

+20

6 to 20

Do you work in the IT department or in another department

<table>
<thead>
<tr>
<th>Department</th>
<th>Count</th>
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</thead>
<tbody>
<tr>
<td>IT dept.</td>
<td>13</td>
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<tr>
<td>Risk management</td>
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<tr>
<td>Audit</td>
<td>5</td>
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<tr>
<td>Compliance</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
</tbody>
</table>
Responsibilities include cybersecurity since (years)
What are currently the major projects in terms of cybersecurity in your institution?

- SOC/SIEM implementation and enhancement / Design and improve cyber incident response capability
- Improve identity and access management infrastructure / Strong authentication
- Cybersecurity policy and procedure / ISMS implementation
- N/A
Managing **Financial Risk** in central banks

1 / Overall risk management
2 / Credit risk
3 / Market risk
4 / Governance
1/Risk Management
Do you aggregate all financial risks (market, credit and operational risks) identified in your organization?

Yes 32%
No 68%

1/Risk Management
Which software do you use to quantify and follow risk measures?

- Inhouse
- Bloomberg
- Matlab
- BarraOne
- Wallstreet for market risks
- Blackrock solutions
- Point and open for findur
- Other

FINANCIAL RISKS
2/Credit Risk
Credit risk assessment tool

15 External rating agency

16 In house tool

2/Credit Risk
Key indicators in terms of credit risk

RATING (Credit rating Agencies / Political indicators)
MARKET INFORMATION (CDS/Equity/Options/FX)
BALANCE SHEET DERIVED (ROE, Tier 1)
OTHER
2/Credit Risk
What are the consequences of a non-compliance with these key indicators for credit risk?

3/Market risk
Do you have an internal market risk assessment tool?

Yes 68 %
No 32 %
3/Market risk
What are your key indicators in terms of market risks?

15
MODEL BASED APPROACH
VaR, ES99%

19
RATE SENSITIVITY
(Duration)

10
BENCHMARK BASED APPROACH
(Tracking error)

3/Market risk
What are the consequences of a non-compliance with these key indicators?

1,8
NONE

18
INTERNAL REPORTING

9
RISK MITIGATION
4/ Governance
Is your risk management function independent from the investment division?

Yes 75 %
No 25 %

4/ Governance
If your risk management function is independent from the investment division, who does the Risk management Division report to?

- Risk Committee: 18
- Governor: 16
- Board: 14
- Other: 12
- Total: 50
Governance, administration and communication
More dynamic Human resources policies underway in Central Banks

Does the HR strategy provide major inputs into the global corporate strategy?

- Yes: 79%
- No: 21%

Have you developed the reform in house for all solutions or outsourcing IT design?

- In house: 42%
- IT design outsourced: 42%
- Outsourced: 29%
- Other: 29%
Is there a multi-year HR strategy?

- Yes: 83%
- No: 17%

Have you experienced an HR reform in the last 3 or 5 years?

- Yes: 75%
- No: 25%

Which recruitment channels? competitive exams versus Private contracts

- Yes: 67%
- No: 33%
If yes, a reform covering which aspects?

- Sizing: 17%
- Appraisal: 60%
- Career: 27%
- Reward: 53%
- Talent management: 40%

Which recruitment channels?
competitive exams versus Private contracts

- Yes: 67%
- No: 33%
- Both: 67%
- Competitive exams only: 33%
Risk prevention in Central banks: some features

Is the critical review of internal control systems....

- Finalized: 52%
- Underway: 33%
- In project: 15%
Do you have an integrated tool managing risks, incidents, controls, audits and BIA?

- Yes: 32%
- No: 68%

Have you set up certification training for the risk management and permanent control sector?

- Yes: 29%
- No: 71%
Active Communication policies improving Central Banks’

Internal communication: does a section on your intranet feature major news concerning major events of all departments?

- Often: 78%
- Rarely: 13%
- No: 9%
Are the ‘news items’ drafted by the Units themselves? at their initiative? Does the Communication team propose rewriting, if needed?

- 65% Rewriting by Communication team
- 42% Written by Units
- 23% Self initiative

Have you introduced the staff’s feed-back functionality on intranet or another internal platform?

- 38% No
- 62% Yes
External communication: are there press releases on monetary policy decisions? On market operations decisions? On bank supervision decisions?

- Yes for all: 30%
- Yes for some: 65%
- No: 5%

Does your external communication target specific and differentiated audiences?

- No: 30%
- Yes: 70%
Do you organise press conferences on your Bank’s Annual report?

- Annual report: 48%
- Balance of payments’ report: 17%
- Banking supervision: 35%
- Financial stability review: 52%
- Others: 61%

Is internal communication on strategy monthly, quarterly, ad hoc, or none?

- Monthly: 9%
- Quarterly: 22%
- Ad hoc: 69%
Internal Audit function in Central banks: some key features

Auditor as a first position?

42% Yes, beginners

58% No
INTERNAL AUDIT

Internal recruitment at an advanced stage of the career?

- No: 35%
- Yes: 65%

External professional certification?

- No: 13%
- Systematic: 13%
- Encouraged: 74%
Does the audit have an IT solution for managing its activity?

- **39%** No
- **61%** Yes

Does the audit have an external quality assurance program?

- **32%** No
- **68%** Yes
Does IT Audit use a technical risk repository (security)?

- 31% No
- 69% Yes

Are IT audits done by internal IT auditors only? Outsourced? Both?

- 10% Outsourcing
- 26% Both
- 64% IT auditors only
Digitalization moving forward in Central Banks

Does your Bank use the blockchain learning technology? If yes at which stage?

- Experimental: 69%
- Development: 26%
- No: 5%
Does your Bank use Machine learning technology? If yes at which stage?

- 10% Production
- 14% Development
- 24% Experimental
- 52% No

Does your Bank use Cloud computing? If yes at which stage?

- 33% Production
- 5% Development
- 24% Experimental
- 38% No
How **Corporate Strategy** structures Central Banks’ adaptation to a changing environment

Do you have a multi-year strategic plan, if yes is transformation the main purpose? Is digitalisation a strategic orientation?

- 72% Transformation oriented
- 14% With digitalisation as strategic axis
- 14% No
Do you think your institution will be smaller, unchanged or larger in terms of staff numbers, in 5 years from now?

- 25% Higher
- 43% Unchanged
- 32% Smaller

How many years does the plan cover?

- 25% 5 years
- 7% 6 years or more
- 68% 4 years or less
**GOVERNANCE ADMINISTRATION AND COMMUNICATION**

How many projects/objectives/main strategic orientations does the plan encompass?

- 46% 1 to 5
- 43% + 10
- 11% 6 to 10

Do you have relays of the transformation within the different units? If yes, which ones?

- 36% No
- 32% A few top executives
- 32% A few managers
ACTIVE COMMUNICATION

Are there / monthly / quarterly / yearly / or no committee meetings?

- None: 4%
- Monthly: 28%
- Yearly: 14%
- Quarterly: 54%
- None: 14%

What approach is used for the preparation and formulation of the strategy?

- Top-down: 29%
- Bottom-up: 11%
- Collaborative: 46%
- Focused towards stakeholders: 14%
Evolving Central Banks’ training and change management policies

Do you have a specific organization framework for change management?

- **38%** No
- **62%** Yes
Do you have dedicated mechanisms to support managers?

- 87% Trainings
- 67% Coaching
- 71% Workshops
- 17% co-development

Are there training programmes on change management for middle-management?

- 8% No
- 63% On a voluntary basis
- 29% Compulsory
The IBFI’s annual programme offers free training seminars for the managerial staff of central banks and banking supervisory bodies.

Enrolment
- Central banks and other institutions intending to enrol a participant must apply before the deadline, typically 3 months before the date of the seminar, via the seminar calendar page on our website.
- Please specify the HR correspondent or superior validating the application. You are advised not to use special character, accents and copy-paste from word.
- A notice of receipt is sent to candidates upon registration. The answer is sent after the closing of the application period. For seminars to be confirmed, a sufficient number of applicants is necessary.
- Given the large number of applications received, applications are accepted depending on availability (in particular regarding late applications or multiple applications from the same bank).
- Participants in the seminars must have a good command of one of the working languages mentioned in the training programme: French or English. Poor understanding of presentations and discussions goes against the smooth running of the seminar and compromises its efficiency.
- Around 2.5 months prior to the seminar, the confirmed participants shall receive an official invitation letter by email, in particular for visa purposes. They are then requested to fill some practical information (social event, diet restrictions, traveling schedules and hotel for eligible countries) through the link provided.

Organisation
- The duration of the seminars is usually from 3 to 5 days. In the case of 5-day seminars, a half-day off is generally scheduled for participants.
- They are held at our Paris headquarters.
- The on-line Moodle platform enables participants to access the slides, various documents, practical information and is a forum for discussion or exchange of documents. Each participant will receive a password and ID to access the platform.

We insist on the fact that trainees have to attend every session of the seminar and sign the attendance sheet circulated every day.
Cost coverage
Banque de France covers the following costs:

- Training courses, lunches and coffee breaks, Social events.
- All or part of the hotel costs for eligible countries
- Trainees cover in particular the following costs:
  - Dinners, hotel (except for eligible countries).
  - See the section “Accommodation”). Transport (plane, taxi, metro).

Accommodation
Participants care for their own hotel reservation and payment. The IBFI provides a list of hotels nearby at negotiated rates. However, a partner hotel is proposed for participants eligible to the coverage of accommodation costs under the following conditions.

1. Participants from central banks of middle-income and industrialised countries. Banque de France does not cover accommodation costs.
2. Participants from central banks of countries of the HIPC (highly indebted poor countries) IMF/WB initiative. The Banque de France covers the accommodation costs from the night before to the night after the seminar (for example 6 nights for a 5-day seminar).
3. Participants belonging to the other Least Developed Countries (LDC). Banque de France covers half of the hotel nights[1].

The eligibility of the participant is automatically determined by the application platform depending on the country.

The accommodation cost average for eligible trainee implies (s)he stays at the partner hotel. The cost coverage applies for a single room with breakfast. It does not include: additional cost for twin room, longer stay (additional nights before or after the seminar), mini-bar, telephone and other services.

[1] As the case might be, a figure rounded up to the nearest decimal number. For instance for a 4-day seminar implying 5 nights, the BDF shall cover 3 nights.

Cancellations
- In case of withdrawal, it is absolutely necessary to inform us at least 10 days prior to the seminar.
- Given the large number of applications, a late cancellation deprives another central bank applicant from joining the seminar and incurs cancellation fees.
- For those participants eligible to partial or total coverage, hotel cancellation fees in case of no-show shall be chargeable to the institution of the participant involved. A restrictive position may be adopted vis-à-vis any future applications from the latter.
<table>
<thead>
<tr>
<th>Seminar</th>
<th>Categories</th>
<th>Language</th>
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<tbody>
<tr>
<td>Introduction to DSGE Models (Level 1)</td>
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<tr>
<td>Real estate risks</td>
<td></td>
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<tr>
<td>Consumer protection, financial inclusion and education</td>
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<td>F/E</td>
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<tr>
<td>Financial risk management in a central bank</td>
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<tr>
<td>Legal experts and financial crises</td>
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<tr>
<td>Assessment of corporate credit risk in a central bank</td>
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<tr>
<td>Anti-money laundering (Regional Indian Ocean)</td>
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<td>Reserves management (joint with AMF)</td>
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<td>Big data</td>
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<td>Green Finance</td>
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<td>International Relations</td>
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<td>Central Bank accounting and budget management</td>
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<td>Monetary and financial account statistics</td>
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<tr>
<td>Financial stability policy of central banks joint with JVI</td>
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<td>Economic studies and research</td>
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<td>Data protection</td>
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<td>Internal audit and internal control</td>
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<td>Reserves management</td>
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<td>Capacity-building and training for francophone directors</td>
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<td>EU regional project for Western Balkans – Statistics</td>
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<td>Operational risk management in a central bank</td>
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<td>Transforming a central bank</td>
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<td>DSGE joint with AMF/BCT</td>
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<tr>
<td>Unconventional monetary policies</td>
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<tr>
<td>Financial market infrastructures, payment systems and instruments</td>
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<td>Using DSGE models for policy analysis (level 2)</td>
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<td>Back-office operations</td>
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<td>Human resources and training management joint with BAM</td>
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<td>Financial stability and macroprudential policies of central banks</td>
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<td>Balance of payments and other external statistics</td>
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<td>3</td>
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<td>3</td>
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</table>
Louis Bê Duc is senior economist in charge of external cooperation (sector “macroeconomics and statistics”) at the International Banking and Finance Institute of the Banque de France. He has also been senior economist at the European Central Bank, the European Commission and the Ministry of Finance, as well as Bank Supervisor at the Prudential Control and Resolution Authority and administrator of the Banque de France’s Foundation for Research.

Thierry Cusson has held several positions in Financial Statistics, International Economics, European Relations and was seconded abroad to the Federal Reserve Bank (New York), to the European Parliament (Brussels) and to the Reserve Bank of India (Mumbai) before joining the IBFI. Since 2014 he has been in charge of seminars and technical assistance in the field of the support functions such as Internal Audit and Control, Accounting and Budget, Human resources, Governance, Change Management.

Hedi Jeddi organizes all the work of the IBFI in the fields of banking supervision, financial stability and consumer’s protection and education. Hedi has worked for 10 years in banking supervision for the Autorité de Contrôle Prudentiel et de Résolution. He also worked in banking supervision and was a legal expert for the Reserve Bank of India in Mumbai.

Jean Luc Quémard Since 2015, Jean-Luc Quémard is the Head of the International Banking and Financial Institute (IBFI). Jean-Luc was a member of Basle Committee and European Banking Authorities working groups. He joined the Banque de France in 1994. He published three books on credit risk and securitization frameworks. He is a lecturer at the Paris University and the South University (Toulon- France).

Yasmina Safy is in charge of the Markets and Operations Unit. After graduating in electrical engineering, she worked during 22 years in the private sector mainly in the means of payments domain first in a large French bank, then as a project manager and a country representative at EBA CLEARING. She joined the Interbank Settlement Division of the Banque de France to conduct the French market migration to T2S (TARGET2 Securities).
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