



# LAC Initiatives: Content

## A. Activities of the WHF (June 2005-October 2006)

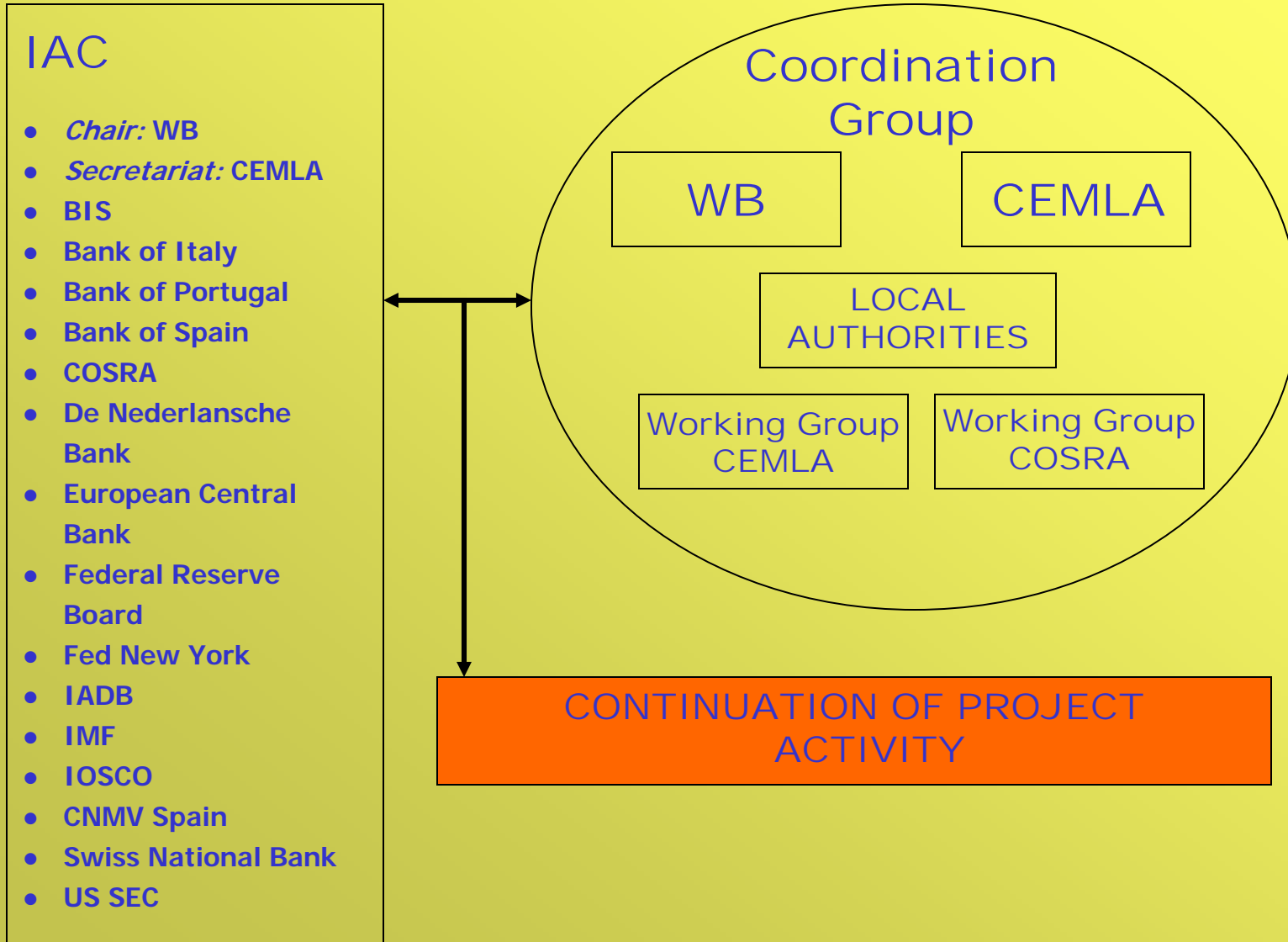
- Recent Research Activity
- Country assessments/Reforms
- Yellow Books
- The WGPS-LAC
- New Project on Remittances

## B. Next Steps of the WHF

## C. Status of other regional Initiatives in LAC:

- The Western Hemisphere Credit&Loan Reporting Initiative (WHCRI)

# A. ORGANIZATION OF THE FORUM





## A. RECENT RESEARCH ACTIVITIES

- REFORMING PAYMENTS AND SECURITIES SETTLEMENT SYSTEMS IN LAC, SEPTEMBER 2006, THE WORLD BANK.

*MASSIMO CIRASINO, JOSÉ ANTONIO GARCÍA*

*MARIO GUADAMILLAS, FERNANDO MONTES-NEGRET*

- RETAIL PAYMENT SYSTEMS TO SUPPORT FINANCIAL ACCESS: INFRASTRUCTURE AND POLICY

RESEARCH SERIES PAPER NO. 5

*MASSIMO CIRASINO, JOSÉ ANTONIO GARCÍA*

*CARLO TRESOLDI, MARIA IRIDE VANGELISTI, MARIA CARMELA ZACCAGNINO*

- PAYMENT POLICIES AND INTRADAY LIQUIDITY IN A REAL TIME GROSS SETTLEMENT SYSTEM: THE COLOMBIAN CASE, SEPTEMBER 2005, CEMLA AND THE WORLD BANK.

RESEARCH SERIES PAPER NO. 3

*JOAQUIN BERNAL AND CAROLINA MERLANO*



# Book: Reforming Payment Systems in LAC

PUBLISHED IN SEPTEMBER 2006

- Chapter I: Introduction
- Chapter II: Mayor trends in Payment Systems and Securities Settlement Systems
- Chapter III: Assessment Tools
- Chapter IV: Payments Systems Assessment Findings in LAC
- Chapter V: Securities Settlement Systems Assessment Findings in LAC
- Chapter VI: Transparency, Oversight and Cooperation in LAC
- Chapter VII: Implementing Payments and Securities Settlement Systems Reforms
- Chapter VIII: Concluding Remarks

# BOOK

# ASSESSMENTS

Country	Date
Argentina	July 1999
Bolivia	October 2004
Brazil	November 2000
Chile	December 1999
Colombia	February 2001
Costa Rica	June 2001
Dominican Republic	January 2002
Ecuador	August 2002
El Salvador	February 2000
Guatemala	February 2004
Honduras	October 2002
Jamaica	June 2002
Mexico	March 2001
Netherlands Antilles	December 2002
Nicaragua	December 2003
OECS	April 2000
Panama	January 2005
Paraguay	April 2004
Peru	June 1999
The Bahamas	May 2001
Trinidad and Tobago	February 2000
Uruguay	May 2005
Venezuela	November 2002





# A. Country Assessments-Reforms

## I. RECENT WORLD BANK REFORM SUPPORT (2005-2006)

- BAHAMAS (ACH, UNDER IMPLEMENTATION)
- DOMINICAN REPUBLIC (SYSTEMS UNDER IMPLEMENTATION)
- EL SALVADOR (TA SUPPORT FOR OVERSIGHT FUNCTION)
- GUATEMALA (RTGS ALREADY LAUNCHED)
- HONDURAS (SYSTEMS UNDER IMPLEMENTATION)
- JAMAICA (SYSTEMS UNDER IMPLEMENTATION)
- NICARAGUA (REFORM PROJECT DEFINED)

## II. RECENT CEMLA-WORLD BANK COUNTRY ASSESSMENTS (2005-2006)

- BELIZE (JUNE 2006)



## A. Yellow Books until June 2005

1. Peru (English and Spanish)	2000
2. Argentina (English and Spanish)	2000
3. Trinidad y Tobago (English and Spanish)	2000
4. El Salvador (English)	2000
5. Chile (English and Spanish)	2001
6. Colombia (English and Spanish)	2001
7. Costa Rica (English and Spanish)	2002
8. Mexico (English and Spanish)	2003
9. Ecuador (English and Spanish)	2003
10. Venezuela (English and Spanish)	2003
11. Dominican Republic (English and Spanish)	2003
12. OECS (English and Spanish)	2004
13. Brazil (English)	2005
14. Guatemala (Spanish)	2005
15. Bolivia (Spanish)	2005
<b>Updates: 1. Peru</b>	<b>2002</b>



## A. Yellow Books\*: Pending

1. Barbados	2006**
2. Belize	2006**
3. Bolivia (English)	2006**
4. Brazil (Portuguese)	2006**
5. Guatemala (English)	2006**
6. Netherlands Antilles	2006**
7. Paraguay	2006**
8. The Bahamas	2006**
9. Uruguay	2006**

Countries under reform in which the yellow book will be produced after the reform: Honduras, Jamaica, Nicaragua

\* WHF Secretariat

\*\* Estimated



# A. Activities of the WGPS-LAC (June 2005-October 2006)



- Settlement of Domestic Foreign Exchange Transactions in the LAC Region
- Retail payment systems Survey (see Research Series N.4)
- Update of statistics on payment and securities settlement systems (country and comparative tables)
- Further details in the Presentations by the Working Group on Payment System Issues of Latin America and the Caribbean (WGPS-LAC)



## A. Implementation of the CPSS-WB “General Principles for International Remittances Services”

- Report published in March 2006 for consultation and finalized by end-2006
- Guidance Note for application of GPs prepared by Coordination Group of Multilaterals chaired by WB and finalized by end-2006
- Implementation of GPs in LAC in partnership with IADB, CEMLA and WB, under the umbrella of the WHF
- Core Team:
  - WB (coordinator)
  - IADB
  - CEMLA
  - WGPS-LAC
- Coordination with CEMLA-IADB project on statistical measurement of remittance flows



## **B. Future Activities of the Forum**

- **Publication of Updates of country reports (e.g., Argentina, Chile, Trinidad and Tobago)**
- **Publication of country reports**
- **Beginning of second round of missions (e.g., Argentina, Chile)**
- **Assessments of remaining countries (e.g. Aruba, Cayman Islands, Guyana, Haiti, Suriname)**
- **Further strengthening of the Forum organizational arrangements**



## **B. Future Activities of the Forum**

- **Supporting the activity of the Working Groups**
- **Expanding research activities (through the Research Series)**
- **Responding to ad hoc demands for technical assistance from other countries in the Region**
- **Implementing agreed models for training courses in coordination with IAC institutions**



## **B. Future Activities of the Forum**

- **Coordination with COSRA activities**
- **Preparing the Payments Week 2007**
- **Remittance Program**
- **Assisting other regions in launching or managing similar efforts in the area of payment systems**
- **Assisting other regional initiatives in LAC on other issues related to the development of financial infrastructure: the Western Hemisphere Credit&Loan Reporting Initiative**

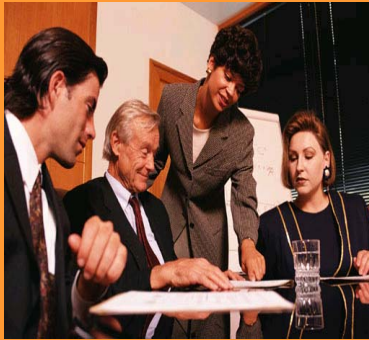
## C. Status of Other Regional Initiatives

The Western Hemisphere Credit & Loan Reporting Initiative (WHCRI)





## C. ORIGIN OF THE INITIATIVE



In Spring 2003, following up on the success of the WH Payments Initiative, discussions started on how to replicate the model for other areas in the financial sector



In September 2003, LAC central bank governors gave the mandate to CEMLA to launch a regional initiative in the area of Credit & Loan Reporting

## C. The Importance of Credit & Loan Reporting Systems

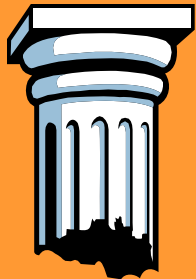


- **Credit & Loan Reporting Systems (CLRSs), which provide rapid access to standardized information on the past performance of borrowers, are an important institutional element for financial markets.**
- **Good CLRSs help to evaluate credit risk for lenders.**
- **Good CLRSs, especially those operated by central banks/supervisory agencies are increasingly useful for banking supervision (e.g. calculating provisioning and capital requirements following Basel II approach).**
- **Good CLRSs provide borrowers with an ability to create "reputation collateral" so especially small borrowers, lower-income borrowers and SMEs have an ability to obtain credit in the financial system.**



## C. PILLARS OF THE STRATEGY

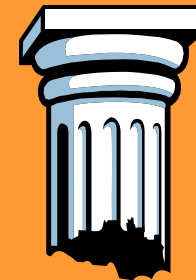
**OBJECTIVE: Assessing and recommending improvements to credit & loan reporting systems in the Hemisphere**



**Integration of  
Credit & Loan  
Reporting Issues**

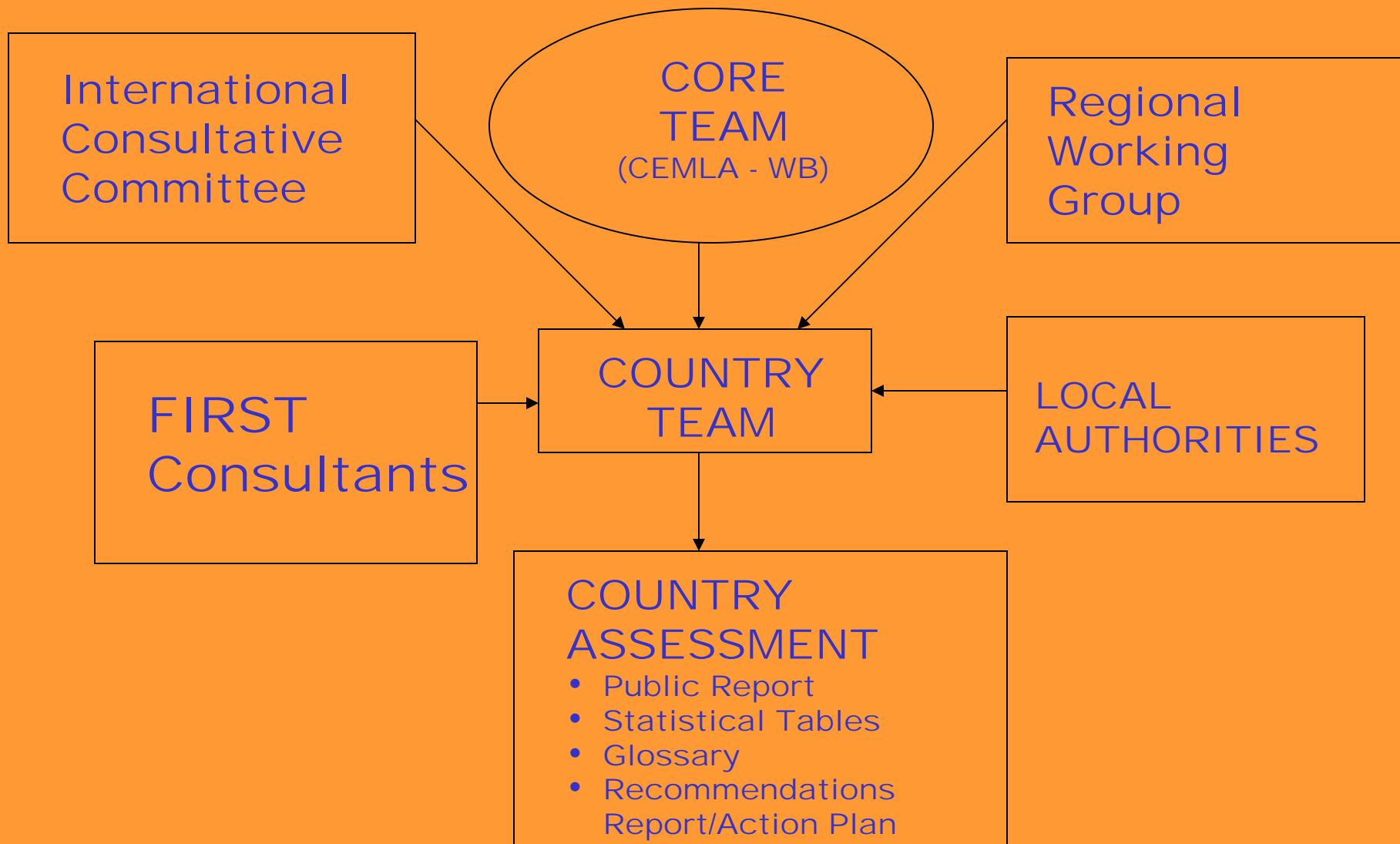


**Cooperation with  
international  
organizations**



**Country  
Ownership**

## C. ORGANIZATION OF THE INITIATIVE



# C. INITIATIVE ACTIVITIES

## Phase 1 (From May 2004 to August 2004)



### Preparatory Work

- Preparation of relevant documents
- Initial contacts with ICC members
- Initial contacts with countries in the Region
- Identification of consultants

### Workshops

*Launch Workshop  
August 2004*

### Meetings

*ICC meeting  
August 2004*

# C. INITIATIVE ACTIVITIES

## Phase 2-3-4 (August 2004-December 2006)



### Meetings

**ICC meeting**  
*May 2004*

**ICC meeting**  
*May 2005*

### Groups

**CEMLA**  
**Working Group**  
*To be created in*  
*First Quarter*  
*2007*

### 7 Country Assessments

*Mexico*  
*August 2004*

*Colombia*  
*November 2004*

*Brazil*  
*January 2005*

*Evaluation of Results*  
*May 2005*

*Peru*  
*November 2005*

*Uruguay*  
*May 2006*

*Trinidad&Tobago*  
*October 2006*

*Costa Rica*  
*December 2006*

*Evaluation of Results*  
*December 2006*

### Workshops

*As requested*  
*by countries visited*  
*during missions*

### Tools

*Web Page*  
*(operational since*  
*3rd quarter 2004)*

**Policy Documents**  
*(prepared during the*  
*life of the project)*

### Assessment Tools

*Working Papers 1, 3*  
*(others prepared during*  
*the life of the project)*



## C. ACTIVITIES – PHASES 2-3-4

- Three countries were covered in the first year of the project and results were positively evaluated in the 2005 Workshop
- Four additional country assessments undertaken or planned (Peru, Uruguay, Trinidad and Tobago, Costa Rica)
- Descriptive reports (“Orange Book”) for Brazil, Colombia, Mexico and Peru finalized. Uruguay being finalized.
- The WHCRI is now ready to be converted into a sustainable effort and other countries in the LAC region will be covered