

CENTRAL BANK OF LIBERIA



Financial Sector Development Implementation Plan (FSDIP)

Financial Sector Development Unit (FSDU)

Implementation Review Report

(July 2020)

Produced by FSDU



The Central Bank of Liberia, with technical assistance from the World Bank and financial support from the Financial Institutions Reform and Strengthening (FIRST) Trust Fund Initiative, launched the Financial Sector Development Implementation Plan (FSDIP) for Liberia in November 2016. The FSDIP provides a prioritized, sequenced, and time-bound roadmap for financial sector reforms that could help advance the Government of Liberia (GoL) national development goals to stimulate the economy. The FSDIP highlights key financial sector reforms priorities covering the Banking Sector, Insurance sector, Supervision and Regulation, Credit Information Systems, Payment Systems and Digital Financial Services, Social Security, Financial Inclusion and microfinance, Enterprise Access to Finance, Anti-Money Laundering/Countering Financing of Terrorism among others. Some activities of the FSDIP were being initiated by various institutions before its Launch in 2016 (e.g. Payments system and AML/CFT reforms).

The Launch was mainly to formally declare the stakeholders' support and commitment towards its implementation. The objectives of the FSDIP are to promote: 1) a modern legal and regulatory framework that is implemented efficiently, 2) a sound and competitive financial market, 3) supportive financial institutions, and 4) deepen financial inclusion. From this framework, the Central Bank of Liberia (CBL) and the Ministry of Finance and Development Planning (MFDP) identified financial inclusion and access to finance as the areas that could benefit from World Bank technical assistance in the form of capacity building and revising, designing, and/or drafting the requisite frameworks, guidelines, regulations, strategies, and systems. To help operationalize the FSDIP, working groups on **financial inclusion**, **Financial stability and financial infrastructure** were established to work on implementing the requisite financial sector reforms.

This report outlines the status of implementation of the FSDIP. , A review of the sixty three (63) recommended policy actions under the FSDIP was done with the view of determining those that have been placed under the current National Financial Inclusion Strategy/ National Financial Education Strategy (NFIS/NFES), others that are being handled under other arrangements and reforms/activities that haven't been factored for implementation. The key objective is to take stock of the implementation thus far and ensure support is secured for critical reforms that are not currently being implemented.



Following the Launch of the FSDIP in November 2016, the GoL through the CBL initiated the process of soliciting funding for its implementation. A grant of US\$1.1 million was approved by the World Bank for a Technical Assistance (TA) Project: “Liberia P19 Increasing Financial Inclusion.”

Under the Increasing Financial Inclusion project, the CBL and MFDP identified financial inclusion and access to finance as the key areas that could benefit from World Bank technical assistance in the form of capacity building and revising, designing, and/or drafting the requisite frameworks, guidelines, regulations, strategies, and systems.

A. Initial Support towards Implementation of the FSDIP:

- The World Bank TA targeted the implementation of twenty-four (24) of the FSDIP’s policy actions geared toward supporting the government's effort to expand financial inclusion.

Specifically, the TA focused on the following areas:

- 1a) Agent Banking, 1b) Mobile money, 1c) Payments system,
- 2) Consumer protection
- 3) Consumer financial capability
- 4) MFIs regulation, supervision & governance, d) Capacity building.

B. Progress to-date on the Implementation of the Financial Inclusion Project Technical Assistance:

In an effort to support the implementation of the FSDIP, the World Bank fielded several missions to Monrovia from March 2017 to December 2019 to launch and implement activities under the FIRST-funded financial Inclusion Project. Key activities conducted during these missions included:

A one-day workshop on Agent Banking best practices and subsequently coordinated a stakeholder’s validation of the Agent Banking Regulation;

Preliminary discussions on the appropriate microfinance regulatory framework for the sector;

A diagnostic assessment of the Liberian microfinance sector;

A stakeholders’ meeting to discuss consumer protection issues as well as consumer financial capability;

A review of the Payment Systems Laws;

A meeting with the MSME Loan project team (MFDP, CBL, and MOCI) to discuss implementation issue relative to the Micro, Small and Medium Enterprise (MSME) and Rural Finance Post-Ebola Project (P157797);

A workshop to engage the broader microfinance community and other stakeholders on the study’s findings and finalize an action plan, particularly those areas that can be supported under the technical assistance program, issues that could be addressed in the medium term and those which can’t be financed under the TA program; and

Provided Technical assistance for the development and launch of a National Financial Inclusion Strategy (NFIS).

C. Key Outputs from the World Bank TA Missions:

Completion of the Agent Banking Regulation and subsequent validation of the regulation with the stakeholders. This regulation has been issued;

A draft Consumer Financial Education program which is being reviewed for domestication;

Micro finance Reform: actions to regulate and Bolster the Microfinance Sector. A microfinance regulation and supervision framework, amendments to existing regulations and MFI capacity development;

Drafting of mobile microcredit regulations, including ability of MNOs to conduct credit scoring based on transaction history; and

The Development and launch of the National Financial Inclusion Strategy and the National Financial Education Strategy.

The National Financial Inclusion Strategy

In continuation of the implementation of the FSDIP, the National Financial Inclusion Strategy (NFIS), 2020-2024 was developed and launched in December 2019. The NFIS leveraged on progress made with recent financial sector development efforts from the implementation of the FSDIP in the areas of advancing access to financial services, particularly through digital channels. The NFIS serves as a platform to develop the core underlying financial infrastructure, bolster the regulatory framework, and enhance institutional and consumer capacity to achieve progress towards financial inclusion for all.

The NFIS Framework outlines the key focus areas to achieve the NFIS vision and address the underlying issues that serve as barriers to increasing financial inclusion in Liberia. Thus, the Framework is built on three main pillars: **i) Access to Financial Services and Credit, ii) Digital Financial Services, and iii) Consumer Protection and Financial Capability.**

Out of the sixty-three policy actions under the FSDIP, xxx have been placed under the NFIS. Reporting and updates of these actions will form part of the periodic reports on the implementation of the NFIS.

Updates of FSDIP Policy Actions

Out of the sixty-three policy actions recommended under the FSDIP, nine (9) have been completed. Out of the remaining fifty-four (54) policy actions, fourteen (14) are ongoing under the NFIS/NFES. Sixteen (16) of the policy actions haven't started. Seven (7) of the policy actions are to be implemented by NASSCORP updates are to be requested while Sixteen are On-going separately. The table below provides the details about the aspects of the FSDIP that have been placed under the NFIS/NFES and others that are being handled under other arrangements as well as those reforms/activities that haven't been factored for implementation yet.

NO.	Policy Action	Priority	Working Group	Target Completion	Status as at July,2020
Banking Sector					
1	Adopt Master Repurchase Agreement for interbank transactions	Medium	Financial Infrastructure	17/08/2017	
2	Expedite adoption of new or revised financial sector legislation (Payments Act, Insolvency Act, the CBL Act etc.).	Medium	Cross-cutting	17/05/2017	Ongoing Separately: A draft revised CBL Act has been submitted to the Legislature. Proposed Amendments to the Payment Systems Act are being reviewed. The Financial Institution Act (FIA) is also under review by the CBL and IMF.
3	Coordinate with the Debt Resolution project of the Law Reform Commission and Judiciary for Alternative Dispute Resolution and mediation within ambit of commercial court. Establish Mediation Rules for Commercial Court and promote consideration of	High	Cross-cutting	17/05/2017	On-going – Partly under NFIS – Policy Action 6 of Consumer Protection.

	the draft Insolvency Law.				
4	Conduct Insolvency and Creditor Rights ROSC (Review on Observance of Standards and Codes) and establish action plan based on findings.	Medium	Financial Inclusion	17/08/2017	Not Started.
5	Assess viability of a deposit insurance law that complies with the core principles of International Association of Deposit Insurers (IADI).	High	Financial Infrastructure	5/17/2017	Ongoing Separately: in 2017, a Technical Assistance (TA) mission from AFRITAC West II / IMF was fielded in Liberia to review and advice on the possibility of establishing a Deposit Insurance Scheme (DIS) in Liberia. The mission piggybacked on a concept paper on DIS that had already been prepared by the RSD. The Mission held the view that the preconditions for establishing an effective DIS had not been met. The Mission advised that

					financial stability concerns such as high NPLs as well as macroeconomic concerns such as subdued GDP growth, rising depreciation and inflation should be addressed in Liberia before a DIS is introduced.
6	Conduct an external assessment with Basel Core Principles under an FSAP.	High	Financial Stability	17/12/2017	Ongoing Separately: The Regulation & Supervision Department (RSD) commenced this process few year ago, but it has not been completed.
7	Commission study on other countries' experience of dual currency regimes. Specifically assess potential risk to banking system of adoption of Liberian dollar as sole legal tender.	Medium	Financial Stability	17/08/2017	Ongoing Separately: The Research Policy & Planning Department (RPPD) of the CBL has gathered cross-country experiences as well as other issues surrounding de-dollarization. A research by the Deputy Governor for Economic Policy was also conducted on the subject in 2019. Additionally, there is a national roadmap on de-dollarization. Moreover, the launch of

					the new interest rate-based monetary policy framework of the CBL seeks to give more value to the Liberian Dollar thus promoting the overall de-dollarization effort.
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Insurance Sector

8	Enforce capital requirements of new Insurance Act and initiate processes to supervise the orderly transfer of business from companies not meeting capital requirements.	High	Financial Inclusion	18/11/2018	On-going Separately: In 2018, the CBL enhanced its enforcement of the capital requirement of the insurance sector. As part of the enforcement exercise, more than US\$5 million additional capital was brought into the sector. The CBL seized and took possession of five insurance companies that were critically undercapitalized. These five companies have entered into a merger arrangement.
9	Adopt IFRS in the insurance sector.		Financial Inclusion	19/08/2017	Not Started.
10	Review the NICOL Act.	Medium	Financial Inclusion	19/11/2017	Not Started.

Banking and Insurance Sector

11	Strengthen capacity of Consumer Protection Unit to ensure enforcement of regulations, including on-site inspection.	Low	Financial Inclusion	17/08/2017	On-going under the NFIS: Pillar III: Consumer Protection. Policy Action 1 under
12	Review regulations issued under the New FIA (1999), including with respect to the bases for CBL intervention and tools for enforcement, considering realistic prospects for compliance	Medium	Cross-cutting	18/02/2018	Ongoing Separately: The RSD conducts ongoing reviews of the various regulations. With the ongoing amendments to the FIA and the CBL Act, more comprehensive reviews are envisaged.
13	Review and amend CBL regulations and guidelines to differentiate recommendations from legally binding rules. Establish predictability of sanctions for noncompliance.	Medium	Cross-cutting	18/02/2018	Ongoing Separately: The RSD conducts ongoing reviews of the various regulations. With the ongoing amendments to the FIA and the CBL Act, more comprehensive reviews are envisaged.

14	Develop and publish internal rules of regulatory procedure for the CBL reflecting new procedures for regulatory governance to enhance CBL transparency, responsiveness to regulated institutions and the public, and efficiency.	Medium	Cross-cutting	20/02/2018	Not Started.
15	Establish a Financial Stability Council for macroprudential surveillance and reporting; prepare and publish an annual financial stability report.	Medium	Financial Stability	17/09/2017	Not Started.
16	Develop a modern financial institutions resolution law with key elements of EU Directive 2014/59 to replace articles 40 and 47–55 of the New FIA.	Medium	Financial Stability	30/09/2017	Ongoing Separately: Financial institution resolution is being modernized under the current review of the FIA.

17	Establish a crisis management framework including guidelines for management of systemically important problematic financial institutions and financial crises. Establish contingency plans for financial crisis management and arrangements for the exercise of CBL role as LOLR, including in cases of systemic liquidity pressures.	High	Financial Stability	31/05/2017	Ongoing Separately: The RSD has drafted a crisis management framework which has received review comments from IMF Staff. Additionally, a Regulation on Emergency Liquidity Assistance to respond to liquidity pressure and perform the LOLR role of the CBL has been issued.
18	Develop a bank resolution framework, including triggers for corrective action and bank resolution.	High	Financial Stability	31/05/2017	Ongoing Separately: Financial institution resolution is being modernized under the current review of the FIA. Moreover, a revised Prompt Corrective Action document (Regulation on Supervisor Intervention) has been issued by the CBL.

19	Clarify limits on aggregation of large exposures in bank regulations.	High	Financial Stability	31/05/2017	Not Started.
20	Determine international best practice for related party transactions for both Banking and Insurance industries and establish appropriate regulations.	High	Financial Stability	31/05/2017	Completed: A revised related party regulation has been issued by the CBL.
21	Adopt prudential and market conduct insurance regulations now in draft form	High	Financial Inclusion	31/05/2017	Not Started
22	Supervise insurance business conduct for selling practices that compromise claims paying ability.	High	Financial Inclusion	On going	Ongoing Separately: The CBL among other things issued the "no premium, no cover" regulation for insurance companies.
Credit Information System					
23	Implement legal framework for credit reporting to ensure comprehensive credit information (positive and negative) is	High	Financial Infrastructure/ Financial Inclusion	31/05/2017	Ongoing Separately: As part of the ongoing modernization of the credit reference project of the CBL, provision is being made for comprehensive information to be

	available on all formal borrowers.				available on formal borrowers.
24	Develop proposal for PPP credit information system, including microfinance/rural sector, insurance and NBFIs.	High	Financial Infrastructure/ Financial Inclusion	30/11/2018	Ongoing Under the NFIS: Pillar I: Access to Credit The CBL has taken an initiative to enhance the existing Credit Reference System in the financial sector. The Enhanced Credit Reference System pilot project took effect in September 2017 and has been fully implemented in line with the deliverables. The Enhanced Reference Project maintains key data quality and is being designed to incorporate all banks and non-bank financial institutions. The ultimate goal of the project is to support financial inclusion
Payments Systems & Digital Finance					
25	Complete the planned RTGS/SSS, ACH/ACP and core banking for central bank. Implement interoperability	High	Financial Infrastructure	31/082017	Ongoing under NFIS: Pillar II under Facilitating DFS Usage Policy Action I Implementation of RTGS/SSSS, ACP/ACH

	arrangements for card payments				and CBA has been completed. Card payments interoperability is fully operational with four Banks (Ecobank, UBA, GTBank and LBDI). Efforts are underway to onboard or integrate the remaining banks, Mobile Money operators etc....
26	Coordinate with Ministry of Internal Affairs regarding biometric National ID system and prospective linkage to credit information database.	High	Financial Infrastructure	28/02/2019	<p>On-going under the NFIS:</p> <p>Pillar I</p> <p>The CBL has had series of conversations with the National Identification Registry with the goal of leveraging the National biometric ID for the financial sector including use in the credit reference system. These discussions are well advanced with a drafted regulation that would make use of the National ID compulsory transacting with the financial sector.</p>
27	Establish dedicated payments oversight function/division within the CBL with	High	Financial Infrastructure	28/02/2017	<p>Completed: A consultant was hired to assist CBL establish the Payment System</p>

	oversight policy framework and oversight guidelines.				Department structure and oversight functions. The Consultant conducted an assessment and provided his recommendations to management for approval. Considering these recommendations, management elevated the Payment System Unit to a Department.
28	Development of a Government Payment program with the objective to migrate all disbursements (incl. social cash transfers), collections, and payrolls to electronic payments, based on the USAID-GEMS initiative.	High	Financial Infrastructure/ Financial Inclusion	30/09/2018	<p>On-going under the NFIS</p> <p>Pillar II Facilitating DFS Usage</p> <p>CBL is closely working with MFDP and LRA for the automation of GOL payments to civil servants, pensioners, contractors and suppliers, etc.... and the collection of GOL fees and taxes. The World Bank is also providing support to the GoL in this area. The MoU between the three institutions has been drafted and is awaiting final review and signatures. On the other</p>

					hand, the contract agreement between the solution providers and the CBL has been drafted and expected to be signed following the signing of the MoU.
29	Develop National Payments System strategy including a comprehensive Retail Payments Strategy aiming at increased access to transaction accounts, use of electronic payments, expansion of access points and supporting measures (e.g. interoperability).	High	Financial Infrastructure/ Financial Inclusion	30/09/2017	Completed: The National Payment System strategy has been developed, based on which the WAMI project for the modernization of the National Payment Systems in Liberia was implemented. Review and amendment of this document is a continuous exercise to include those new developments in the payment ecosystem of the country since technology is evolving.
30	The CBL to develop a database for the comparison of fees for account and payment services and requiring banks and nonbank providers to provide the respective data.	Medium	Financial Infrastructure/ Financial Inclusion	30/11/2017	Not Started.

31	Coordinate with Presidential Delivery Unit for the transition of all G2P (Government to People) payments (salaries and transfers) to a digital platform.	Medium	Financial Infrastructure/ Financial Inclusion	31/05/2017	<p>On-going under the NFIS:</p> <p>Pillar II Facilitating DFS Usage</p> <p>The CBL has engaged CSA and MFDP as well as LRA over the years for the payment of salaries and taxes via MMS. Dialogue is ongoing. With some Ministries rolling out payments through Mobile Money with Lonestar Cell MTN and Orange Mobile Money Inc.</p>
32	Reassess remittance market against general principles.	Medium	Financial Infrastructure	30/11/2017	Not Started.
33	Make an assessment against PAFI guiding principles and identify key actions.	Medium	Financial Infrastructure/ Financial Inclusion	31/08/2017	Not Started.
34	Establish National Payments Council.	Medium	Financial Infrastructure/ Financial Inclusion	28/02/2017	<p>On-going under the NFIS:</p> <p>Pillar II; Access to Credit</p> <p>Policy Action 3 of Legal and Regulatory Framework & Institutional Capacity.</p>

35	Implement Mobile Money Strategy.	Medium	Financial Infrastructure/ Financial Inclusion	31/08/2017	On-going under the NFIS- "National Mobile Money Strategy" changed to "National DFS Strategy". First draft completed by FHI 360/mSTAR and approved by CBL

Social Security (NASSCORP)

36	Ensure Government contribution to NASSCORP is funded (including an assessment of the accrued to date liabilities for employees who are covered under the Civil Service arrangements).	High	Financial Inclusion	30/11/2017	Awaiting Updates from NASSCORP
37	Review NASSCORP actuarial review both in relation to the accrued to date liabilities and the open system liabilities; and seek to ensure long term sustainability (Establish whether the asset values used in the	High	Financial Inclusion	30/02/2018	Awaiting Updates from NASSCORP

	projection of the future cash flow deficits in NPS are realizable values and review administrative expenses to ensure efficiency and alignment with participant interests).				
38	Establish process for consolidation of Public Service Pension Scheme within NASSCORP on a fully funded basis.	Low	Financial Inclusion	30/11/2017	Awaiting Updates from NASSCORP
39	Complete the collection and revision of member data for members of both the CSA and NPS.	Medium	Financial Inclusion	30/11/2018	Awaiting Updates from NASSCORP
40	Address the issue of lack of indexation in NPS and possible inequities in the calculation of the reference wage in NPS.	Medium	Financial Inclusion	28/02/2019	Awaiting Updates from NASSCORP
41	Improve the enforcement of mandatory	Medium	Financial Inclusion	31/08/2017	Awaiting Updates from NASSCORP

	membership of NPS to lift the coverage rate from the present 59% of the formal workforce.				
42	Explore feasibility of shift to digital payments (electronic funds transfer or mobile money) for all pension payments (security services as well as NPS and CSA).	Medium	Financial Infrastructure/ Financial Inclusion	31/08/2019	Awaiting Updates from NASSCORP
Financial Inclusion					
43	Establish and enforce regulations for governance, credit appraisal and risk management. Arrange for training in these areas.	High	Financial Inclusion	31/08/2017	On-going under the NFIS Pillar I: Access to Financial Services and Credit
44	Ensure all regulated MFIs provide audited financial statements within 3 months of end of financial year. Unaudited reports to be submitted within one month of end of year and half-year.	High	Financial Infrastructure/ Financial Inclusion	31/08/2018	Ongoing under the NFIS – Pillar I: Access to Financial Services and Credit This is part of Professionalizing the NBFIs sector.

45	Require MFIs to separate financial operations from social support activities, with separate accounts.	Medium	Financial Inclusion	30/11/2017	<p>Ongoing under the NFIS – Pillar I: Access to Financial Services and Credit</p> <p>This is part of Professionalizing the NBFi sector.</p>
46	Coordinate with donors for support for hardware and software limited to MFIs which are compliant with regulations and reporting for credit underwriting analysis and financial reporting.	Medium	Financial Infrastructure/ Financial Inclusion	31/08/2017	Not Started.
47	The CBL to conduct training in governance for the boards of MFIs including on risk management, for those not supported by international partners.	High	Financial Inclusion	28/02/2018	Completed through the support of the World Bank
48	Evaluate the feasibility of introduction of micro insurance for certain MFIs for life,	Low	Financial Inclusion	31/08/2017	Not Started.

	health, credit, and crop failure.				
49	Support transition to digital financial services by microfinance and rural financial institutions.	High	Financial Infrastructure/ Financial Inclusion	30/09/2017	On-going under the NFIS Pillar II: Facilitating DFS Usage
50	Launch a comprehensive program of Financial Education, focused on key teachable moments where insurance, the wise use of credit, savings and payments can be beneficial.	Medium	Financial Inclusion	31/09/2017	On-going under the NFIS/NFES. Pillar III: Consumer Protection and Financial Capability The Action plan of the National Financial Education Strategy (NFES) was adopted under the New NFIS.
51	Develop regulatory framework for establishment of payment agent ("Agency Banking") functions in connection with mobile money (digital financial services).	High	Financial Infrastructure/ Financial Inclusion	31/08/2019	Completed. Agent Banking Regulation has been issued by the CBL.
52	Establish Rural Community Finance Institutions in every county.	Low	Financial Infrastructure/ Financial Inclusion	31/09/2019	On-going Separately: The GoL has a project with the International Fund for Agriculture Development (IFAD) to

					improve the operations of existing RCFIs and create more RCFIs across the country.
53	Promoting the Expansion of Branches of commercial Banks in southeast and Western Counties.	Low	Financial Infrastructure/ Financial Inclusion	31/08/2019	On-going Separately – this will be enhanced through agency banking.
54	Establish Four Regional Credit Unions.	Low	Financial Infrastructure/ Financial Inclusion	31/08/2017	Completed: The four (4) Regional Credit Unions (RCUs) were established between April 2013 to June 2014 through the Central Bank of Liberia (CBL) and the Liberia Credit Union National Association (LCUNA) with the vision to provide adequate financial Inclusion around the country. LCUNA is the apex body of all credit unions in Liberia with a membership of over 260 credit unions and was established in 1969 and accredited by the Government of Liberia in 1973. The Regional credit unions are: 1. MULTI-NATIONAL Credit Union Bomi Co.

					<p>Bomi, Gbapolu, Cape Mount and Montserrado Counties.</p> <p>2. TRUST SAVING Credit Union Ganta, Nimba Co. Nimba, Lofa and Bong Counties.</p> <p>3. UNITED PROGRESSIVE Credit Union Grand Bassa Co. G. Bassa, Rivercess, Sinoe and Margibi Counties.</p> <p>4. UNITY SAVING Credit Union Zwedru, G. Gedeh Co. River Gee, Grand Kru, Maryland, and Grand Gedeh Counties</p>
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Enterprise Access to Finance

55	Explore opportunities for financial leasing (including structures which allow extrajudicial recovery of leased property).	Medium	Financial Inclusion	28/02/2018	Not Started.
56	Map existing and planned government-wide economic stimulus initiatives (MFI, mortgage, and SME etc. to identify synergies and overlaps.	Low	Financial Inclusion	28/02/2019	Not Started.

57	Support strong auditing and accounting infrastructure and implementation of international standards.	Medium	Financial Inclusion	28/02/2018	Ongoing – The Liberian Institute of Certified Public Accountants (LICPA) continues to oversee the accounting and auditing practice in the country. The Act establishing the LICPA was revised in 2011 that includes updates for international standards including International Financial Reporting Standards (IFRS).
58	Evaluate potential for warehouse receipts financing including review of the legal, regulatory, accounting and tax rules.	Medium	Financial Infrastructure/ Financial Inclusion	31/08/2017	Not Started.
				30/11/2017	
59	Revise the Association Law of 1976 make mandatory the submission of audited financial statements for all public interest entities using IFRS and ISA as mandatory standards and	Medium	Financial Inclusion	30/11/2017	Not Started. However, the revised LICPA Act of 2011 that requires use of international standards such as IFRS and empowers the LICPA to come up with accounting and auditing rules/standards overtime.

	simplified reporting requirements for SMEs.				
Anti-Money Laundering/Countering Financing of Terrorism					
60	Draft and submit regulations on Cross Border Transportation of Currency, Suspicious Transaction Reporting (STR), Politically Exposed Persons (PEPs & Currency Transaction Reporting (CTR) for AML/CFT reporting entities.	Medium	Cross-cutting	31/08/2017	Completed. These instruments have been issued by the Financial Intelligence Unit of Liberia (FIUL) with participation of the CBL.
61	Initiate preparations for National AML/CFT Risk Assessment utilizing the World Bank NRA Tool.	Medium	Cross-cutting	30/11/2017	Completed: The FIUL assisted by the CBL organized and commenced the conduct of the National Risk Assessment (NRA) of Liberia. The NRA report is being drafted.
62	Draft and adopt AML/CFT Inspection Procedures for banks and	Medium	Cross-cutting	30/11/2018	Completed by the FIUL with support from the CBL and the World Bank.

	insurance companies.				
63	Review and amend existing AML/CFT laws to remedy legal framework deficiencies and ensure adequate legal basis to meet international AML/CFT obligations	Medium	Cross-cutting	30/11/2019	Ongoing Separately- the FIUL with support from the CBL, World Bank and other partners continue to review the AML/CFT legal and regulatory framework of the country.

Conclusion / Recommendation

Implementation of the sixty-three recommended policy actions under the FSDIP has been challenging. Notwithstanding, nine (9) of the policy actions have been completed. Those that have been completed are : 1) *FSDIP 20*: a revised related party regulation has been issued by the CBL; 2) *FSDIP 27*: the CBL management has elevated the Payment System Unit to a Department with oversight policy framework and oversight guidelines; 3) *FSDIP 29*; a National Payment System strategy has been developed; 4) *FSDIP 47*: the CBL through the support of the World Bank has conduct training in governance for the boards of MFIs including on risk management, for those not supported by international Partners; 5). *FSDIP 51*: An Agent Banking Regulation has been issued by the CBL; 6). *FSDIP 54*: four (4) Regional Credit Unions (RCUs) were established; 7). *FSDIP 60*: Regulations on Cross Border Transportation of Currency, Suspicious Transaction Reporting (STR), Politically Exposed Persons (PEPs & Currency Transaction Reporting (CTR) for AML/CFT reporting entities have been issued by the Financial Intelligence Unit of Liberia (FIUL) with participation of the CBL; 8). *FSDIP 61*: The FIUL assisted by the CBL organized and commenced the conduct of the National Risk Assessment (NRA)_ of Liberia. The NRA report is being drafted and 9). *FSDIP 62*: adopt AML/CFT Inspection Procedures for banks and insurance companies. Fourteen (14) have been subsumed under the NFIS/NFES. There are sixteen (16) that are ongoing separately, while updates from NASSCORP on seven (7) policy actions are outstanding. This review has established that implementation of the below policy actions has not started:

1. Conduct Insolvency and Creditor Rights ROSC (Review on Observance of Standards and Codes) and establish action plan based on findings. (FSDIP 4)
2. Adopt IFRS in the insurance sector (FSDIP 9)

3. Review the NICOL Act. (FSDIP 10)
4. Develop and publish internal rules of regulatory procedure for the CBL reflecting new procedures for regulatory governance to enhance CBL transparency, responsiveness to regulated institutions and the public, and efficiency. (FSDIP 14)
5. Establish a Financial Stability Council for macroprudential surveillance and reporting; prepare and publish an annual financial stability report (FSDIP 15)
6. Clarify limits on aggregation of large exposures in bank regulations. (FSDIP 19)
7. Adopt prudential and market conduct insurance regulations now in draft form (FSDIP 21)
8. The CBL to develop a database for the comparison of fees for account and payment services and requiring banks and nonbank providers to provide the respective data. (FSDIP 30)
9. Reassess remittance market against general principles. (FSDIP 32)
10. Make an assessment against PAFI guiding principles and identify key actions (FSDIP 33)
11. Coordinate with donors for support for hardware and software limited to MFIs which are compliant with regulations and reporting for credit underwriting analysis and financial reporting. (FSDIP 46)
12. Evaluate the feasibility of introduction of micro insurance for certain MFIs for life, health, credit, and crop failure. (FSDIP 48)
13. Explore opportunities for financial leasing (including structures which allow extrajudicial recovery of leased property). (FSDIP 55)
14. Map existing and planned government-wide economic stimulus initiatives (MFI, mortgage, and SME etc. to identify synergies and overlaps. (FSDIP 56)
15. Evaluate potential for warehouse receipts financing including review of the legal, regulatory, accounting and tax rules. (FSDIP 58)
16. Revise the Association Law of 1976 make mandatory the submission of audited financial statements for all public interest entities using IFRS and ISA as mandatory standards and simplified reporting requirements for SMEs. (FSDIP 59)

In view of the foregoing, it is recommended that these policy actions that haven't started be discussed with the World Bank and other donor partners for support where needed. The CBL as the lead institution on the implementation of the FSDIP should also send a communication to NASSCORP to provide updates on the policy actions related to NASSCORP's operations/functions.