**12 August 2016**

**MEMORANDUM TO: Directors of Research and Training**

**FROM: Dr. Hans Genberg**

**Executive Director**

**SUBJECT: SEACEN Learning and Research Needs Assessments for 2017:**

**Outcome of Discussions at DPSS and DOS Meetings**

**Background**

We recently conducted a series of surveys on learning program and research priorities for our member central banks/monetary authorities for 2017 and beyond. This note summarises the results of the surveys regarding Payment and Settlement Systems (PSS) and Financial Stability and Supervision (FSS). Survey instruments were designed to elicit detailed information in order to inform in-depth follow-on discussions with our constituents.

We are pleased with the strong survey response rates from our twenty members (PSS – 19 and FSS – 17). Detailed analyses of survey responses for PSS and FSS were prepared and subsequently discussed at the annual meetings of the SEACEN Directors of PSS and FSS, held on 22 July 2016 and 5 August 2016, respectively.

The following commentary summarizes the results of the DPSS and DOS discussions of the survey results.

**Payment and Settlement Systems**

The DPSS meeting on the Learning and Research Needs Assessment (LRNA) resulted in a general consensus to conduct three PSS learning programs during 2017: Foundational, Intermediate and Advanced.

The DPSS recommended that Foundational courses should be scaled back to 2 days. Advanced Course duration should be around 3.5 days to allow participation of senior officials.

The following PSS potential research topics were suggested for 2017:

* Ways to eliminate cash PSS and more towards a digitalized PSS
* Electronic PSS
* Case studies

The DPSS noted the following themes should be considered for modules in the advanced course:

* + Cyber Security
  + E-payment
  + Virtual Currency
  + IT infrastructure in Payment System
  + Fraud
  + Use of payment system data for Macro supervision
  + Business Continuity Planning and Back-up Systems
  + Central counterparty (CCP)
  + Recovery of FMIs

**Financial Stability and Supervision**

The SEACEN Executive Committee and Board of Governors previously endorsed the development of progressive course offerings in bank examination and supervision, oriented toward emerging market economies.

The FSS needs assessment survey asked respondents to consider the relative importance of a number of FSS-related topics; respondents were also able to suggest additional topics. The respondents were asked whether a particular topic should be covered as a stand-alone course or as a module in a course(s). Further, they were able to indicate whether a topic should be covered at a Foundational, Intermediate or Advanced level.

The DOS discussion of the survey responses yielded a general consensus on the following topics as stand-alone courses, at the parenthetically indicated levels:

1. **Crisis Management and Resolution (Intermediate)**
2. **Advanced Stress Testing including Internal Capital Adequacy Assessment Process (ICAAP) Including Stress Testing (Advanced)**
3. **Macroprudential Policy including Shadow Banking (Intermediate)**
4. **Problem and Workout Loans and Provisions (Intermediate)**
5. **Risk-Based Supervision (Intermediate)**
6. **Dealing with Problem and Near Problem Banks including Bank Off-Site Analysis and Monitoring: Early Warning Indicators (Intermediate/Advanced)**
7. **Technology Risks in Banks including Cyber Security (Intermediate)**
8. **Enterprise Risk Management (Intermediate)**

(The actual course titles may be adjusted depending on the final emphasis of the course curriculum.)

At this point, it appears that there is interest in eight (8) stand-alone FSS-related courses for 2017.

The following were recommended as potential topics for Symposiums or Seminars:

1. **Current Issues in Bank Accounting and Financial Reporting**
2. **Corporate Governance**
3. **Anti-money Laundering/Combating Terrorist Financing**

The following FSS potential research topics were suggested for 2017:

* The link between strong prudential requirements for Non-performing loan (NPL) provisioning and the levels of gross and Net NPLs at Banks
* Financial surveillance indicators for Asian markets
* Drivers of capital flows into Asia
* Intermediation cost and efficiency in relation to different banking business models
* Case studies