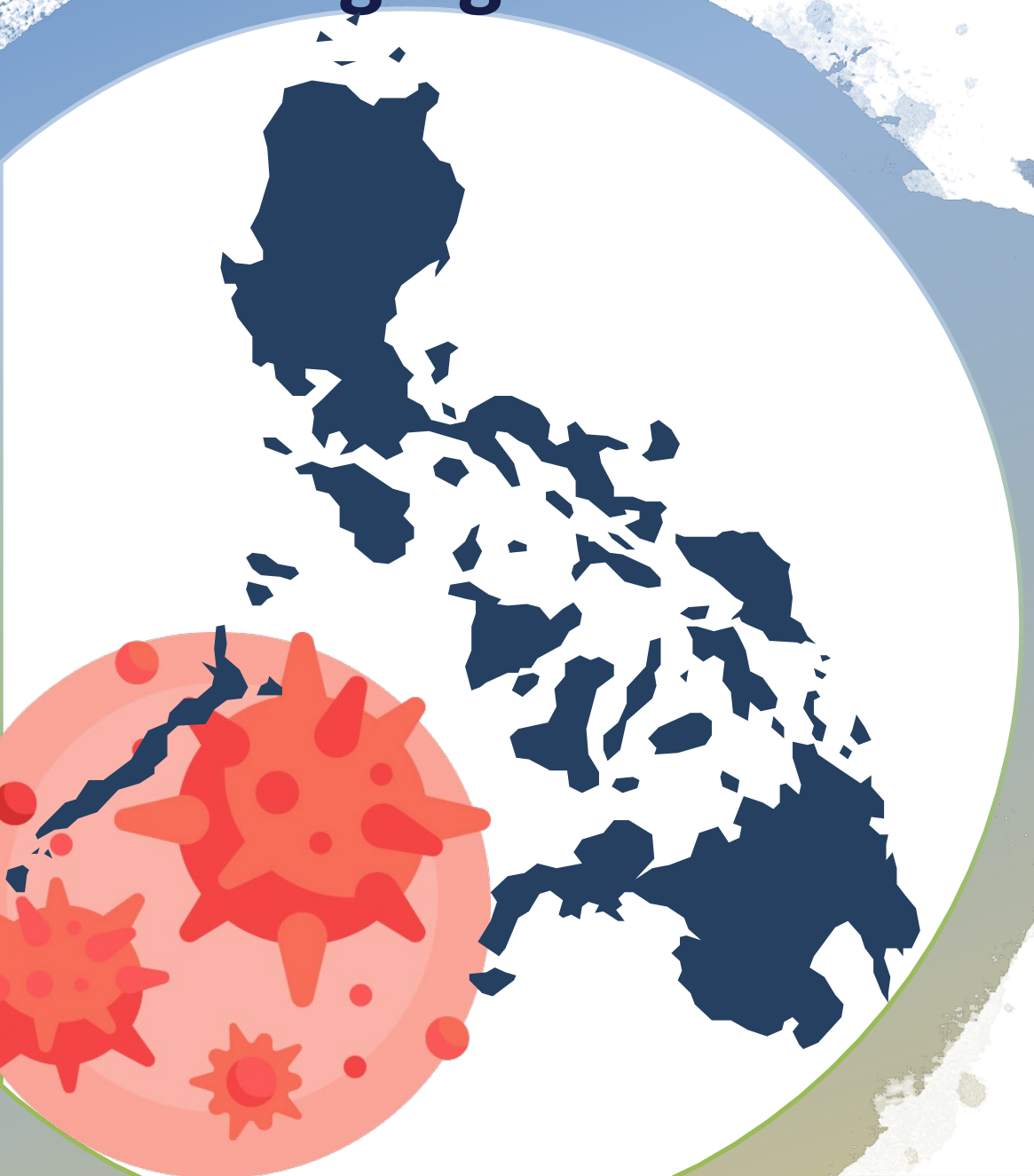
Citius, Altius, Fortius, Extentus: Lifting the Bar of Excellence in Financial Supervision

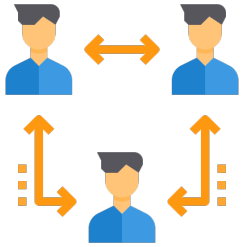
20th International Conference on Policy Challenges for the Financial Sector

Chuchi G. Fonacier
Deputy Governor

Challenging Times: The Philippine Pandemic Experience



50% OF PERSONNEL ARE REQUIRED TO REPORT TO THE OFFICE ON A ROTATION BASIS



FINANCIAL SUPERVISORS ARE EXPECTED TO ACT FASTER, AIM HIGHER, BE STRONGER AND MORE RESILIENT. ALSO, SCOPE OF RESPONSIBILITY GREW WIDER

BSP acted swiftly and decisively to cushion immediate impact of pandemic

The BSP activated short-term crisis response plan

Financial Institution Portal

ENHANCES THE SUBMISSION PROCESS OF PRUDENTIAL REPORTS

Supervisory Dashboard

PRESENTS BASIC INFORMATION ON BANKS

Application Programming Interface

ALLOWS MACHINE-TO-MACHINE REPORTING BY BANKS TO THE BSP

BSP's

Key Projects in the Pipeline

Intelligent Detection of Atypicality (IDeA)

Utilizes data science techniques in automating the process of detecting data anomalies and ensuring that information received are plausible

ASTERisC

Streamlines and automates regulatory supervision, reporting and compliance assessment of BSFIs' cybersecurity risk management

Big Data Analytics

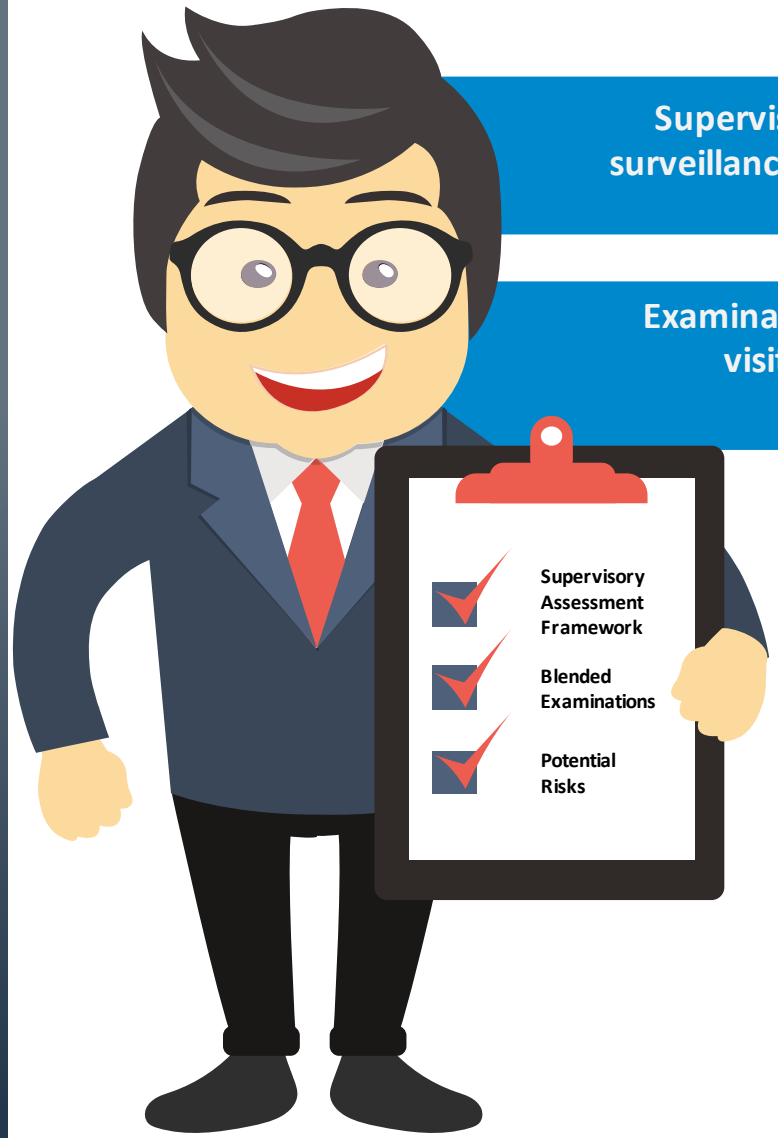
The BSP collaborated with the academe on a 1-year Big Data Project on Sentiment Analysis for banks as well as the development of a Banking System Resilience Index to aid bank supervision

SUPERVISORY PRIORITY

CYBER SURVEILLANCE EFFORTS

REINFORCED COLLABORATION AND ACTIVE ENGAGEMENT WITH KEY STAKEHOLDERS

BSP changed its overall supervisory approach



- Supervisory Assessment Framework or SAFr relies heavily on offsite surveillance and assessment of the bank's business model and risk profile
- Examinations are conducted using a blended approach wherein visits are primarily conducted using virtual platforms

BSP Expanded the Breadth and Scope of Financial Supervision

PAYMENTS

MONEY SERVICE BUSINESS

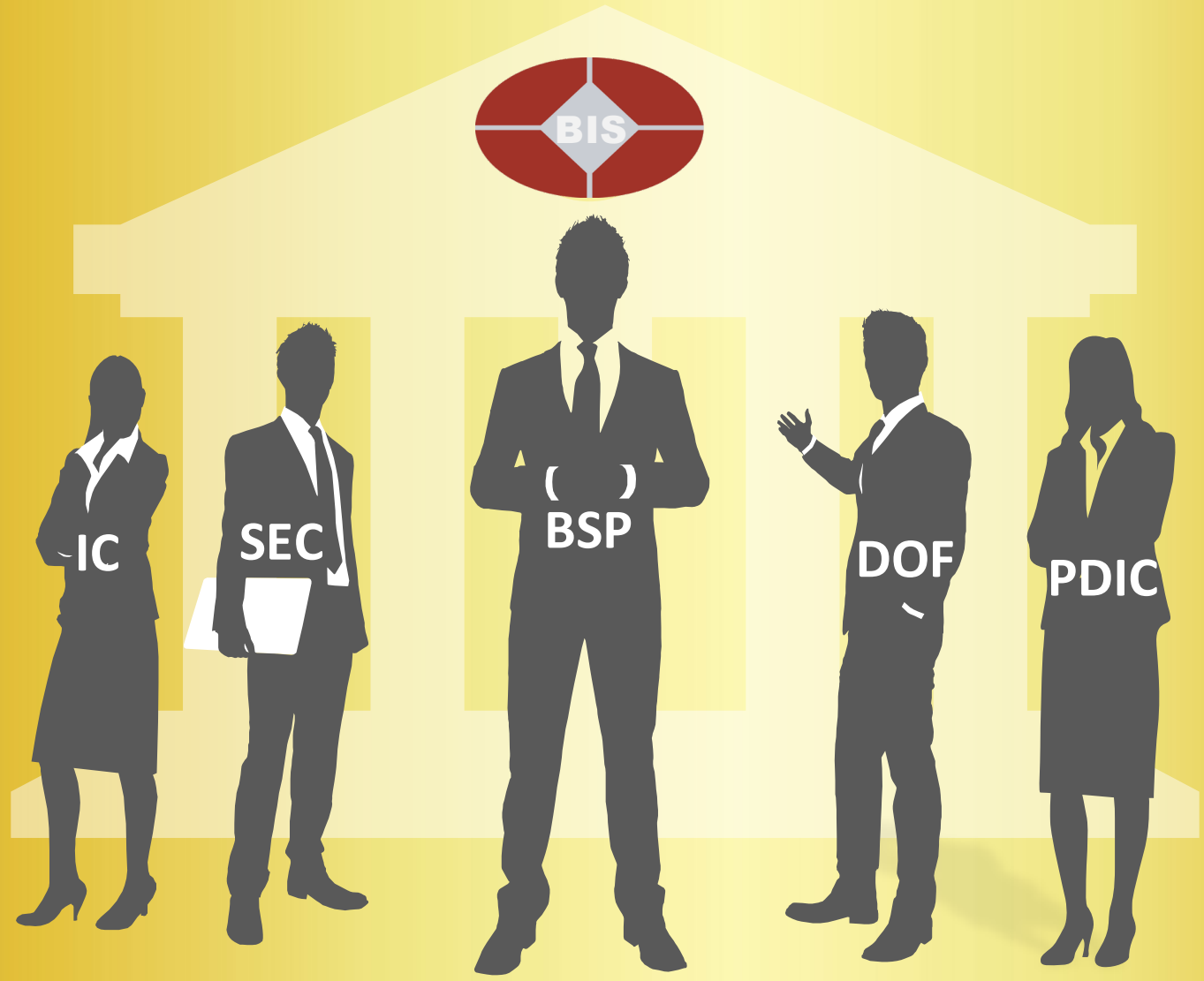
VIRTUAL ASSET SERVICE PROVIDERS

INTRODUCED TECHNOLOGY-AIDED VERIFICATION PROCEDURES

FINE TUNING RISK MANAGEMENT STANDARDS AND SUPERVISORY GUIDANCE

The Bar on Supervisory Excellence has been Raised

The BSP remains committed in providing an enabling regulatory and supervisory environment



FINANCIAL SUPERVISORS MUST CONTINUE TO UPSKILL AND RETOOL

ENHANCED COOPERATION AMONG FINANCIAL SUPERVISORS

PROACTIVELY ADAPT TO DEVELOPMENTS AND TAKE THEM AS OPPORTUNITIES

Key Takeaways

A. The COVID-19 pandemic has posed higher expectations and increased responsibilities on financial supervisors.

B. Increased reliance on technology comes with its own risks and challenges which financial supervisors have to effectively manage.

C. While the core mandates and priorities of financial supervisors remain the same, the supervisory tools, modes, methods and scope have changed.

D. The scope and breadth of supervisory responsibilities have increased.

E. The pandemic has highlighted the need for supervisors to continuously upskill and retool.

F. Cooperation among financial supervisors is important.

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