

TABLE OF CONTENTS

SUMMARY OF RESPONSES	2
QUESTION #1	8
QUESTION #2	11
QUESTION #3	14
QUESTION #4	17
QUESTION #5	20
QUESTION #6	23
QUESTION #7	25
QUESTION #8	29
QUESTION #9	31

Summary of Responses

Overall

Mandate and Responsibilities

- All countries have well defined mandates, either in legislation or through other means.
- Only two countries appear to have the explicit requirement to balance effective regulation against restraints on competition.

Further Descriptions of Mandates

- Eight countries have further described their mandates through a mission or similar statement.
- Of these, four have expanded upon their mission or similar statement with agency objectives, while the other four have not.
- Common themes in mission statements/objectives include trust, confidence, sound business standards, stability, prompt action, competition, fairness and integrity.
- One agency indicated it has an objective of developing stronger ties with foreign regulators.

Reporting Relationships

- Four agencies are accountable to boards that have extensive responsibilities.
- Two agencies have dual reporting arrangements - to boards which have limited responsibilities, and also to a minister.
- Four agencies report to ministers.
- Most agencies appear to operate with a fair degree of independence from government.

Independent Assessments

- Most agencies are subject to a financial statement audit, and are, or could be subject to, a government audit pertaining to effectiveness.
- One agency is legally subject to independent review by two of its holder groups.
- This same agency must appoint an independent person to investigate complaints against it.

Communication from Stakeholders on Performance

- Three agencies receive communication on their performance from consumer or depositor or policyholder groups.
- All agencies but one have indicated they are or could be subject to some form of parliamentary scrutiny.
- All but two agencies have indicated they are subject to scrutiny from regulated parties and/or their trade associations.
- One agency indicated that the financial media comments on its performance.

Development of Standards to Measure Performance

- Five agencies are using standards to measure performance.
- Three of these agencies use a variety of opinion surveys.
- Three agencies are developing standards, one of which already has some.
- Three agencies do not have standards, nor have they indicated plans to do so.

Agency Mechanisms to Communicate Performance

- Most agencies use a broad range of mechanisms to communicate in general with stakeholders.
- The primary methods for communication on performance are the annual report, and meetings with other government officials and regulated institutions.
- Other approaches include: press releases, newsletters, and web sites.
- Three approaches are noteworthy: making public certain regulatory decisions, contact with media, and meetings with overseas regulators.

Mechanisms to Promote Staff Focus on Objectives

- Six agencies indicated they rely on a variety of staff communication, training and orientation programs.
- These programs include: team building workshops, staff and management training programs, staff involvement in the planning process, and frequent communication by senior management to staff.
- One agency indicated it is in the process of developing a comprehensive staff communication strategy.
- The approach of these five agencies is in contrast with two other agencies that have or are developing more structured programs that link agency mission and objectives to individual goals and performance.

Question 1 - What mandate or responsibilities does your legislation set out for your agency? Please summarise or quote here, or provide a copy?

All agencies appear to have a well-defined prudential mandate. Those countries that also have responsibility for securities regulation, and/or general market conduct matters, also have specific consumer protection responsibilities included in their mandates. In most cases, mandates are set out in legislation.

Only two countries, the U.K. and Canada, appear to have the explicit requirement in their mandates to endeavour to strike a balance between being an effective regulator, and not unduly interfering with competition.

Question 2 - Have you further described or clarified your legislated requirements in other statements or descriptions such as a mission statement, statement of objectives, etc.? If yes, please summarise or quote here, or provide a copy?

Eight countries have further described or clarified their mandates with a mission or similar statement. Of these eight, four have expanded upon the mission or similar statement by developing specific agency objectives, while the other four do not appear to have added specific objectives. Two countries have not developed a mission statement, but they have developed agency objectives.

Some of the themes that appear in mission statements and related objectives are:

- Trust and confidence in the financial sector.
- Promotion of sound business practices.
- Prompt corrective action.
- Orderly and stable financial system.
- Competitive and responsive financial markets.
- Promotion of the financial sector.
- Fairness for consumers.
- Integrity and competence on the part of regulatory personnel.

One agency appears to have as an agency objective the development of stronger ties with foreign regulators.

Question 3 - To who or whom do you legally report (Minister, board (or equivalent))? If your agency reports through a board, what authority does the board have? If your agency does not report through a board, what oversight structures exist?

Four agencies are accountable to boards that have fairly extensive oversight responsibilities. These are Australia, Iceland, Singapore and the United Kingdom. Two others, Norway and Sweden, are accountable to boards that have limits on their responsibilities. The other four countries, being Canada, Denmark, Korea and Japan, are not accountable to boards but rather directly to one or more Ministers of the government. Notwithstanding this direct reporting relationship to a Minister, most of these agencies generally operate with a degree of independence from government. Agencies that have boards with limited oversight responsibilities also have accountabilities to a Minister of the government.

Question 4 - Are there independent authorities that assess how well you are doing, such as government auditors, other external auditors, etc? If yes, please specify indicating their role, the criteria or standards applied, and the frequency of assessment?

Most agencies are subject to an independent financial statement audit. All but one of the agencies, the U.K., are also subject to, or could be subject to, a government audit as to the overall effectiveness and/or efficiency of the agency. While question 4 did not specifically ask about the existence of internal audit groups that assess agency effectiveness, it is known that several of the agencies have such groups or are in the process of establishing them.

Only one country, the U.K., has given specific stakeholder groups the statutory power to independently review the regulator's performance. The Financial Services and Markets Act (FSM Act) in the U.K. establishes the Practitioner Panel and the Consumer Panel, both of which are independent bodies with the power to review and report on the FSA's effectiveness. The FSM Act also obliges the FSA to appoint an independent person to investigate complaints against the FSA.

Question 5 - Which other groups have historically communicated directly with your agency, or indirectly through public statements, on your performance? What criteria have they cited in commenting on your performance (e.g. number of failed institutions, costs of supervision, number of complaints, etc.)?

**5(a) Consumer groups and
5(b) Depositors or policyholders groups**

Three agencies receive communication on their performance from consumer or depositor or policyholder groups. These are Iceland, Singapore and the U.K.

5(c) Parliamentary committees

All agencies, with the exception of Norway, indicated they were or could be subject to some form of oversight from parliamentary committees. For some countries this parliamentary committee oversight could be fairly extensive, while for others this oversight appears to be modest.

5(d) Regulated institutions

All agencies, with the exception of Korea and Japan, have indicated that they are subject to fairly extensive communication from regulated institutions and their trade associations concerning their performance.

5(e) Others (please specify)

The only mention in the “other” category came from Australia. It indicated that the media, particularly the financial media, comments on APRA’s performance.

Question 6 - Have you developed specific standards or criteria for measuring how you are doing, such as consumer surveys, complaints received, public opinion survey results, etc.?

Five of the agencies have not developed specific standards or criteria of the type contemplated by this question. However, two of these agencies (Australia and the U.K.) are in the process of doing so.

Four other agencies (Korea, Norway, Singapore and Japan) have implemented some standards, but have not indicated whether their plans include doing further work in this area. Canada has also implemented some standards, and has indicated that it is working to implement others.

Of the five agencies that have implemented specific standards (Korea, Norway, Singapore, Japan and Canada), surveys directed at obtaining views on agencies' performance are the most common:

- Two perform general public opinion surveys (Korea, Canada).
- Three perform surveys of regulated institutions (Korea, Norway, Canada).
- One surveys the media (Norway).
- One has implemented internal service standards (Singapore).
- One monitors the media (Singapore)

Canada is in the early stages of implementing other specific standards (Level of Intervention Index, Loss Recovery Index, and Employee Satisfaction Survey).

Question 7 - What mechanisms do you use to proactively communicate your views on your performance and for each, what is (are) its target audience(s)?
(a) Annual reports, targeted at...; (b) Regular meetings with...; (c) News letters, targeted at...; (d) Other (please specify)?

Responses to this question were more broadly framed than just addressing communication programs specifically directed at communicating an agency's views on its performance. All of the agencies that responded indicate they operate transparently and have programs in place to communicate on a wide range of matters with stakeholders, not just on agency performance. For example, all agencies used some or many of the following to communicate with stakeholders:

- Annual reports.
- Meetings with senior officials of other government agencies.
- Meetings with central bank officials.
- Meetings with regulated institutions either individually or through their industry associations.
- Meetings with consumer groups.
- Meetings with the general public.
- Newsletters.
- The publication of discussion, consultation and research papers.
- Press releases.
- Extensive use of agency Web sites to post information.

In addition to the above mentioned, there are four general communication strategies (not specifically directed at communicating an agency's effectiveness) used to get the agency's messages across and/or to obtain feedback, that are noteworthy:

- Making public certain important regulatory interpretations and decisions.
- Regular contact with the media.
- Regular meetings with overseas regulators.

The primary methods used to communicate with respect to agencies' effectiveness appear to be:

- The annual report.
- Regular meetings with regulated institutions and their associations.
- Regular meetings with other government officials involved in the financial sector.

Question 8 - What do you do to ensure staff understand and focus on achieving your agency's objectives? Would you say these practices are effective or still developmental?

Six of the respondents to the first part of this question indicated that they rely to a large extent on various forms of communication with staff, coupled with staff development and training programs, to ensure staff understand and focus on achieving objectives. Such initiatives include:

- New staff orientation programs.
- Team building workshops.
- Management learning and development seminars.
- Extensive technical training programs.
- Extensive staff involvement in the planning process.
- Frequent meetings of staff to discuss emerging issues.
- Frequent and full communication by senior management with staff (e.g. one agency provides all staff with a copy of the minutes of the senior management meetings).

One of these six agencies indicated that IT in the process of developing a comprehensive staff communication strategy. Others may also have, or are in the process of developing, such a strategy; however, the responses to the question do not make this clear.

In contrast with the six agencies mentioned above, at least two others either have, or are in the process of developing processes that could be described as being more highly structured. Such processes typically involve the development of a comprehensive mission statement and related objectives, and the linkage of these to an agency's strategic plan, annual business plan, divisional objectives, and individual objectives.

Four agencies specifically responded to the second part of this question, which asked about the effectiveness of agency practices directed at insuring staff understand and focus on achieving agency objectives. All four agencies responded that they believe their practices were effective in promoting and maintaining focus, but two of the four acknowledged that much more work needs to be done.

Other related matters:

- One agency commented that a key part of its approach to ensure effectiveness is continuous reinforcement.
- Two agencies suggested that whatever the processes chosen, there is a need to continue to develop and refine them.

Question #1	What mandate or responsibilities does your legislation set out for your agency? Please summarise or quote here, or provide a copy.
Australia	APRA's responsibilities are set out in the APRA Act 1998, under which it is constituted. These are set out in section 8 (1) and (2) of the Act. “(1) APRA is established for the purpose of regulating bodies in the financial sector in accordance with other laws of the Commonwealth that provide for prudential regulation or for retirement income standards, and for developing the policy to be applied in performing that regulatory role. (2) In providing this regulation and developing this policy, APRA is to balance the objectives of financial safety and efficiency, competition, contestability and competitive neutrality.”
Canada	OSFI has a legislative mandate through the Office of the Superintendent of Financial Institutions Act. OSFI's objects, or mandate, as stated in the OSFI Act, may be summarised as follows: <ul style="list-style-type: none"> • To supervise financial institutions to determine whether they are in sound financial condition. • To promptly advise the management and board of directors of a financial institution in the event the institution is not in sound financial condition. • To promote the adoption by institutions of policies designed to manage risk. • To evaluate system-wide issues that may have a negative impact on the financial sector. The OSFI Act also states that in fulfilling these objects, OSFI must have due regard: <ul style="list-style-type: none"> • To the need to allow institutions to compete effectively and take reasonable risks. • To the fact that boards of directors are responsible for the management of financial institutions. • To the fact that financial institutions can experience financial difficulties that can lead to their failure.
Denmark	The Danish Financial Supervisory Authority (DFSA) is part of the political system in the sense that it is a governmental body under the auspices of the Minister for Economic Affairs. In spite of that, the DFSA is very independent in its supervisory capacity, in its daily work, i.e. in performing the financial supervision in accordance to the agreed strategy and the financial regulation. The Danish Ministry of Economic Affairs is kept informed in cases of political importance. The DFSA is an aggregate (unitary) supervisory authority for the entire financial sector. The overall mandate and responsibility for the DFSA is to contribute to maintaining the confidence in the financial sector – both for each individual and for the society as a whole. This is done firstly by supervision of the adherence to financial regulation, secondly by participation in the forming of financial regulation and thirdly by gathering and communicating information on the financial sector.
Iceland	The Financial Supervisory Authority in Iceland (FME) shall ensure that the activities of parties subject until supervision are in accordance with laws, regulations, rules or by-laws governing such activities and that they are in other respects consistent with sound and proper business practices. (Paragraph 8 of the Act on Official Supervision on Financial Operations.)
Japan	Law for foundation of FSA tells that the mandates of FSA are; <ul style="list-style-type: none"> • Financial stabilization • Protection of depositors, insurance policyholders, investors, and etc • Facilitation of financial intermediation Note - Because of the administrative reform, financial regulatory system will be changed as follows. (1) At present Japan has three financial authorities which are: <ul style="list-style-type: none"> • Financial System Planning Bureau of Ministry of Finance (MOF), - researching and planning of design of the financial legal system • Financial Reconstruction Commission (FRC),

	<ul style="list-style-type: none"> - capital injection and resolution of failed banks - researching and planning the financial resolution scheme • Financial Supervisory Agency (FSA). - inspection and supervision of private financial institutions (including banks, insurance companies, security companies, non-banks, and etc) <p>(2) In July 2000, the Financial System Planning Bureau of MOF will be transferred to “Financial Supervisory Agency” which will be reorganizaed into “Financial Services Agency” (provisional name), while only one division, “Credit System Division”, will be left in the MOF.</p> <ul style="list-style-type: none"> • Financial Reconstruction Commission(FRC) - capital injection and resolution of failed banks - researching and planning the financial resolution scheme • Financial Services Agency(provisional name) (FSA) - inspection and supervision to private financial institutions - planning and formulation of the financial legal system <p>(excluding planning and formulation of the resolution scheme of failed financial institutions and financial crisis management which are the tasks for FRC)</p> <p>(3) In January 2001, the Financial Reconstruction Commission will also be merged with FSA.</p> <ul style="list-style-type: none"> • Financial Services Agency(provisional name) (FSA) - inspection and supervision to private financial institutions - planning and formulation of the financial legal system <p>(including planning and formulation of the resolution scheme of failed financial institutions which are provisional tasks until the reintroduction of limited deposit insurance in April 2002)</p>
Korea	<p>The purpose of establishing the FSS (Financial Supervisory Service) is to examine and supervise financial institutions under the direction of the FSC (Financial Supervisory Commission) or the SFC (Securities & Futures Commission). *Act on Establishment of Financial Supervisory Organizations S. 24(1)</p>
Norway	<p>The powers of Kredittilsynet ensue from the Act no. 1 of 7 December 1956 on the Supervision of Credit Institutions, Insurance Companies and Securities Trading, etc.</p> <p>Kredittilsynet is authorized to issue rules and regulations in a number of areas, and drafts acts and regulations on behalf of the Ministry of Finance. Certain authorities assigned by law to the Ministry of Finance are being delegated to Kredittilsynet through a regular letter of delegation from the Ministry of Finance. In most licensing/authorization cases within the financial sector, Kredittilsynet makes all preparatory investigations and gives its recommendation to the Ministry of Finance, which has the ultimate power of licensing. With regard to certain institutions, however, Kredittilsynet has the power to grant licenses or authorizations (inter ala securities firms, insurance brokers and pension funds). Kredittilsynet may recommend the removal of directors and auditors and may reject managers or directors not satisfying the "fit and proper" requirements.</p> <p>Kredittilsynet has the sole authority to perform on-site inspections. The power to collect and demand information follows from the act on supervision and Kredittilsynet may give directions (both individual directions to a financial institution or general directions to a whole branch or sector of the financial market) on how the institutions shall fulfill their obligations according to law.</p> <p>If major problems occur, Kredittilsynet may in certain cases suspend operations, however with regard to most financial institutions it would recommend the suspension to the Ministry of Finance, which makes the final decision. Kredittilsynet may order a transfer of engagements, or recommend to the Ministry of Finance to order a transfer of engagement.</p>

Singapore	<p>The Monetary Authority of Singapore (MAS) performs all the functions of a central bank except that of issuing currency. It is also the supervisor and regulator of the financial services sector with prudential oversight over the banking, securities, futures and insurance industries.</p> <p>Section 4 of the MAS Act states that the principal objects of the MAS shall be —</p> <ul style="list-style-type: none"> (a) to act as banker to, and financial agent of, the Government; (b) to promote, within the context of the general economic policy of the Government, monetary stability and credit and exchange conditions conducive to the growth of the economy; and (c) to foster a sound and progressive financial services sector. <p>In addition, there is specific legislation that regulates the individual industry within the financial sector, such as the Banking Act, the Insurance Act, and the Securities Industry Act.</p>
Sweden	<p>The overall goals or objectives set out by government for FSA are to promote the stability and efficiency of the financial system and to provide effective protection for consumers</p>
United Kingdom	<p>The Financial Services and Markets Act will set the FSA four objectives:</p> <ul style="list-style-type: none"> • to maintain confidence in the financial system • to promote public understanding of the financial system • to secure the appropriate degree of protection for consumers • to reduce the extent to which it is possible for a regulated firm to be used for a purpose connected with financial crime. <p>In discharging its general functions, the FSA must have regard to: the need to use its resources in the most efficient and economic way; the responsibilities of those who manage the affairs of authorised persons; the principle of proportionality; the desirability of facilitating innovation; the international character of financial services and the desirability of maintaining the competitive position of the UK; the need to minimise the adverse effects of regulation on competition; the desirability of facilitating competition.</p> <p>These objectives and considerations are set out in clauses 2 to 6 of the Act.</p>

Question #2	Have you further described or clarified your legislated requirements in other statements or descriptions such as a mission statement, statement of objectives, etc.? If yes, please summarise or quote here, or provide a copy.
Australia	<p>Yes. APRA’s Mission and Vision are set out in our annual report.</p> <p>Our Vision – is to be a world-class integrated prudential supervisor recognised for its leadership, professionalism and innovation.</p> <p>Our Mission – is to establish and enforce prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by institutions we supervise are met within a stable, efficient and competitive financial system.</p> <p>Our Values – are underpinned by the highest standards of individual and corporate integrity, as well as by flexibility, openness and accountability.</p> <p>Our Supervisory Approach – is forward-looking, primarily risk-based, consultative, consistent and in line with international best practice. This approach also recognises that management and boards of supervised institutions are primarily responsible for financial soundness.</p> <p>Attached is an electronic copy of the inaugural Annual report containing mission and vision statement. A hard copy will be forwarded to you.</p>
Canada	<p>Yes. OSFI’s mission statement is:</p> <p>We are the primary regulator of federal financial institutions and pension plans. Our mission is to safeguard policyholders, depositors and pension plan members from undue loss. We advance and administer a regulatory framework that contributes to public confidence in a competitive financial system. We also provide actuarial services and advice to the Government of Canada.</p> <p>We are committed to providing a professional, high quality and cost-effective service.</p> <p>OSFI’s Strategic Objectives are:</p> <p>Public Confidence - We contribute to public confidence by enhancing the safety and soundness of the Canadian financial system. We evaluate system wide risks and promote the adoption of sound business and financial practices.</p> <p>Safeguard from Undue Loss - We identify institution-specific risks and trends and intervene in a timely manner so as to minimise losses to policyholders, depositors and pension plan members.</p> <p>Competition - We fulfil our regulatory mandate having due regard for the need to allow institutions to compete effectively.</p> <p>Cost effectiveness - We maintain a full and open dialogue with our stakeholders on the costs and benefits of our work.</p> <p>Quality - We provide a high-quality service by giving employees the tools and professional development to meet the challenges of a rapidly changing environment.</p>
Denmark	<p>The Danish Financial Supervisory Authority (Danish FSA) has drawn up an overall objective, which expresses a more permanent goal for the performance of its activities: “The Supervisory Authority wishes to be respected for its impartiality, its high professional level and prompt and correct case administration.” Prompt and correct case administration means that matters are dealt with quickly, that the decisions are correct and that the most important matters are given highest priority.</p> <p>The strategic objective indicates the field where special focus will be put by the Supervisory Authority in the years to come: “In the years to come, the Supervisory Authority will put increased focus on communication of information concerning the financial sector as a means of strengthening the sector and confidence in it.”</p>

Iceland	In its policy formulation the FME has further developed its responsibilities: “The FME regulates the activities of parties subject to supervision in a constructive and goal-oriented way and supports the development of efficient and reliable financial operations where the professional internal organisation of financial companies is emphasised.” Furthermore FME’s general policy statement is as follows: “The FME follows a clearly defined policy which is regularly adapted to changed circumstances. The policy is based on a professional and dynamic internal operations, which are a prerequisite to the proper functioning of the institution.”
Japan	Yes, the FSA released “Basic Policy and Issues of the Financial Supervisory Agency in its Second Year”.
Korea	Under lower regulations than the law concerned, the purpose of establishing the FSS is to contribute to national economic progress by ensuring sound credit order and fair transaction practice and protecting consumers of financial services including depositors and investors, etc. through conducting the supervision and examination, etc. of financial institutions in accordance with the Act on Establishment of Supervisory Organizations. * Articles of Incorporation of Financial Supervisory Service S. 2
Norway	<p>Yes, we have a mission statement and our responsibilities are also presented in annual report, reports to the Parliament, Press Releases, etc. Every 3-4 year or so, Kredittilsynet develops a strategic document with goals and objectives for the supervisory authority. In 1998 Kredittilsynet considered and adopted a new strategy at the end of a process in which staff, managers and the board of directors were all actively involved. The plan confronts the challenges associated with the rapid development of national and international financial markets, and the tasks that Kredittilsynet's organization has to come to terms with in order to meet these challenges. According to the Strategy, Kredittilsynet's mission is to promote:</p> <ul style="list-style-type: none"> - Satisfactory levels of capital strength, risk awareness, management and control at financial institutions under its supervision - The exposure of circumstances that threaten the stability of the financial system and maintain preparedness for dealing with problems in the financial sector - Compliance with laws and regulations, a high ethical standard and orderly conditions among players in the financial market - A regulatory framework that fosters smoothly functioning markets both for supervised institutions and their users. <p>Kredittilsynet is an independent competent authority that performs its functions in accordance with guidelines drawn up by the Parliament, the Government and the Ministry of Finance. In order to achieve its objectives, Kredittilsynet must maintain a broad-based and substantial competence and utilize its resources effectively and efficiently.</p>
Singapore	<p>MAS' mission statement is to promote sustained non-inflationary economic growth, and a sound and progressive financial centre.</p> <p>Our objectives are to:</p> <ul style="list-style-type: none"> - Conduct monetary policy; - Manage the official foreign reserves; - issue government securities; - supervise the banking, insurance, securities and futures industries; - develop strategies in partnership with the private sector to promote Singapore as an international financial centre; and - build a cohesive and integrated organisation of excellence.

Sweden	To reach the objectives FSA has to express a more efficient and distinct strategy where the key issues are: Customer orientation; Result orientation; Co-operation; Comprehensive view. FSA has in its work with "The New Supervision" expressed the following four values: Professionalism; Openness; Good service to the public, media and the enterprises; The joy of work.
United Kingdom	Our responsibilities are discussed further in chapter 1 of "A new regulator for the new millennium", which we published in January 2000. This can be found on our website (www.fsa.gov.uk). Paragraphs 20 and 21 of this document state that "the FSA's declared aim is to be a world-leading regulator, respected for its effectiveness, integrity and expertise both at home and abroad. Our goal is to maintain efficient, orderly and clean financial markets and to help retail consumers achieve a fair deal."

Question #3	To who or whom do you legally report (Minister, board (or equivalent))? If your agency reports through a board, what authority does the board have? If your agency does not report through a board, what oversight structures exist?
Australia	APRA is a body corporate (section 13). Its Board has the functions set out in section 17 including: “(a)To determine APRA’s policies (including goals, priorities, strategies and administrative policies); and (b) to ensure that APRA performs its functions properly, efficiently and effectively; and (c) to ensure that APRA’s operations are conducted having regard to its purpose as stated in section 8.” and the powers set out in section 18. “The Board has power to do anything that is necessary or convenient to be done for or in connection with the performance of its functions.” The Treasurer who appoints the Chair, Chief Executive Officer and the four ordinary members may also terminate their appointments. The two Reserve Bank of Australia officers and the Australian Securities and Investments Commission officer are ex-officio. APRA is required to report to the Treasurer in respect of: regulated bodies which APRA considers are financially difficult.(s 10); APRA’s policies (s 12). If the Government disagrees with particular policies the APRA Act sets out a series of steps aimed at resolving those differences. (s 12)
Canada	OSFI does not have a board of directors. It reports directly to the Minister of Finance. Other oversight structures include: <ul style="list-style-type: none"> • Meetings with the Minister as required. • Meetings and discussions with the Department of Finance at the executive level. • The OSFI Act establishes the Financial Institutions Supervisory Committee (FISC), which is chaired by the Superintendent. Other members are: the Governor of the Bank of Canada, the Chairman of the Canada Deposit Insurance Corporation (CDIC), and the Deputy Minister of Finance. The committee meets on a predetermined schedule to discuss operational and systemic issues affecting the financial services industry. • Regular meetings with CDIC to discuss problem companies.
Denmark	DFSA report in general to the Minister for Economic Affairs. However, in specific the DFSA reports to the Minister for Labour on the supervision of the Danish Labour Market Supplementary Pension Fund (ATP) and the Danish Employees Capital Pension Fund (LD). Regarding Danmarks Skibskreditfond the DFSA report to the Minister for Business and Industri. The Supervisory Authority acts as secretariat for the Danish Insurance Council (Forsikringsrådet), the Danish Securities Council (Fondsrådet) and the Danish Pension Market Council (Pensionsmarkedsrådet). The Insurance Council is that body which makes decisions in test questions, new creations within the insurance area, major cases, etc. while the Supervisory Authority attends to daily administrative matters. The Danish Securities Council shall be instrumental in promoting a smooth Danish securities market, which is so efficient, transparent and competitive that it will be attractive to issuers, investors and securities dealers and which will comply with international standards. The Danish Pension Market Council's task is to contribute to support on-going public discussions of openness in the investment policies of pension institutions as well as to ensure continued focus on the investment decisions made by the institutions and development of member influence.
Iceland	The FME has a special board, composed of three members, appointed by the Minister of Commerce. The duties of the board are to direct the focus of the FME’s work and monitor its activities. Major decisions shall be presented to the Board for approval or rejection. Furthermore the FME shall annually present to the Minister of Commerce a report of its operations. The Minister then gives the Parliament a report of the FME’s activities.

Japan	From January 2001, the FSA will supervise financial institutions under the direction of the Minister who is solely in charge of financial supervision and policy making on financial systems. However, it is almost unlikely that he will exercise his authority to arbitrarily intervene against supervision and inspection, because the Diet will always watch the activities of the FSA, for example, through the process of deliberation of bills and annual budget of the FSA.
Korea	The FSS reports to the National Assembly of Korea, the Board of Audit and Inspection, and the FSC. The FSS reports matters concerning the operations, properties, and accounting of the FSS to the National Assembly of Korea and the Board of Audit and Inspection. The FSS reports financial institutions' examination results and matters concerning the operations, properties, and accounting results of the FSS to the FSC.
Norway	Kredittilsynet, the supervisory authority, is a government agency under the Ministry of Finance but with a high degree of independence with regard to practical supervision. Kredittilsynet reports administratively to the Ministry of Finance. Kredittilsynet is ultimately accountable to the King, represented by the Ministry of Finance. Parliament is kept informed through an annual White Paper on financial market issues. Kredittilsynet is headed by a board of five members and two alternates. Members and alternates are appointed by the King (in practice the Ministry of Finance) for a four-year term. Two members elected by and from among the employees supplement the Board when administrative matters are dealt with. Norges Bank (the central bank) appoints an observer to the board, currently one of the directors. The Board generally convenes about once a month. The Director General is appointed by the King in Council for a six-year term. The Director General, the Deputy Directors and other relevant members of the staff are present in the board meetings and may participate in the discussion of cases on the agenda. The administration of Kredittilsynet has the responsibility for preparing all cases for the board meeting. All matters are prepared under the responsibility of the Director General.
Singapore	Presently, the Board of Directors of MAS is chaired by the Deputy Prime Minister, BG Lee Hsien Loong. It is responsible for the policy and general administration of the affairs and business of MAS. The Board is accountable to Parliament through the Minister having constitutional responsibility for MAS. MAS operates independently from its parent Ministry, the Ministry of Finance, including the setting of policies for the financial sector.
Sweden	FSA has a board with a limited responsibility. The board is responsible for the semi-annual and annual reports to the Government. The reports are also sent to the National Audit Bureau.

United Kingdom	<p>The FSA is a company limited by guarantee. It is governed by a Board of Directors whose members are appointed by (and can be removed by) the Treasury. The Act specifies that a majority of the members of the Board must be non-executives. The current composition of the Board is an executive chairman (Howard Davies), two executive managing directors (Michael Foot and Phillip Thorpe), a non-executive deputy chairman, and ten other non-executive members drawn from a range of backgrounds (industry, consumer, public interest). The authority and functions of the Board are essentially the same as those of any board of directors under English company law, including oversight and decision-making responsibilities with respect to the strategy, policy, and organisation and structure of the FSA. However, decisions relating to individual cases are unlikely to be brought to the Board. The FSA must act through its Board in exercising its legislative functions (making rules, giving directions, and issuing codes, statements and general guidance). In addition, the Act requires a non-executive committee of the Board to keep under review whether the FSA is using its resources in the most efficient and economic way and whether the FSA's internal financial controls secure the proper conduct of its financial affairs. The FSA is also accountable through the publication of its annual report, through appearances before Select Committees of Parliament; and through the oversight of the Director General of Fair Trading with respect to competition matters.</p>
----------------	--

Question #4	Are there independent authorities that assess how well you are doing, such as government auditors, other external auditors, etc? If yes, please specify indicating their role, the criteria or standards applied, and the frequency of assessment.
Australia	<p>Independent authorities may be given special references to assess how APRA is performing. These may include parliamentary committees and also other entities such as the Australian National Audit Office, which has the additional role of auditing APRA’s financial accounts. References to agencies whose role is to examine APRA’s operational performance in areas such as workplace diversity have not been included.</p> <p>PARLIAMENTARY COMMITTEES</p> <p>There are two houses in the Australian parliament and each has the power to review APRA’s performance.</p> <p>The House of Representatives Standing Committee on Economics, Finance and Public Administration has a standing reference to review and report on APRA’s supervision and prudential regulation of those areas of the financial services sector for which it has responsibility. The review takes place annually and is in addition to any inquiry by the Committee into APRA relating to its annual report.</p> <p>The Senate Select Committee on Superannuation and Financial Services has a reference including the:</p> <p>“(a) prudential supervision and consumer protection for superannuation, banking and financial services; and (b) the opportunities and constraints for Australia to become a centre for the provision of global financial services.”</p> <p>The Senate Legislation Committee sitting as Budget Estimates Committee scrutinises APRA expenditure.</p> <p>OTHER BODIES</p> <p>Other bodies may assume specific references to examine aspects of APRA’s performance including Australian National Audit Office (ANAO) which conducts performance audits to evaluate the economy, efficiency and effectiveness of the management of public sector entities by examining and assessing resource use, information systems, delivery of outputs and outcomes including performance indicators, monitoring systems and legal and ethical compliance. These are usually reported to Parliament. The subject of the ANAO audit of APRA, which will be conducted later this year is the Prudential Supervision of Deposit-taking Institutions.</p>
Canada	<p>The Auditor General of Canada has a legislative mandate to perform a value for money audit of OSFI at least every five years. OSFI is in the process of building an internal quality assurance function. Other than the small division within OSFI responsible for the actuarial estimates required for the Canada Pension Plan (a universal pension plan for all Canadians referred to as the CPP), OSFI is not subject to an external financial statement audit. OSFI’s CPP responsibilities are funded directly by the federal government, in contrast with OSFI’s other activities which are funded by the industry.</p>

Denmark	As the DFSA is a governmental body under the Ministry of Economic Affairs, it is the Minister that is politically responsible to the supervisory and regulatory performance by the DFSA. The Minister is answerable for the Danish Parliament (the Folketinget), in practice answerable to the Danish Parliament's Commerce Committee. Furthermore, as a governmental body the accounting and administrative performance in the DFSA is assessed by governmental auditors.
Iceland	The National Audit Office reviews the annual financial accounts of the FME. It can also review the effectiveness of the FME, in relation to its annual budget. A special committee under the Prime Minister is assigned to the overall assessment of the different supervisory Authorities, primarily to make sure that the supervisory activities will not get to burdensome for different sectors of the economy.
Japan	The administrative Inspection Bureau in the Management and Coordination Agency can annually inspect the activities of all ministries including the FSA and make necessary recommendations to them. Moreover, the Budget Bureau in the Ministry of Finance can rigorously examines the financial needs of the FSA through the process of annual budget formulation. Both of Administrative Inspection Bureau and Budget Bureau monitor our activities from the viewpoint of how efficiently our organization carries out our duties.
Korea	The National Assembly and the Board of Audit and Inspection are the independent authorities that assess how the FSS is functioning. The standing committee of the National Assembly annually audits the activities of the FSS in general and the Board of Audit and Inspection annually audits the operations, properties and accounting of the FSS. The assessment criteria are contained in Acts and Regulations concerned.
Norway	The office of the Auditor General audits the accounts and assesses the management of Kredittilsynet, as part of its responsibility for auditing the government administration. In addition, the Auditor General performs ad hoc assessments or examinations of certain aspects of the functions of the supervisory authority. Certain aspects are audited annually (e.g. Kredittilsynet's accounts and internal control systems), while other assessments are done on an ad hoc basis (e.g. a recent examination addressed the use of external consultants). The office of the Auditor General reports its findings to the Ministry of Finance.
Singapore	MAS transmits to the President a copy of its annual accounts and a report on the working of MAS during the financial year, within 6 months from the financial year-end. The MAS Annual Report is presented to Parliament and published for public information. Section 33 of the Monetary Authority of Singapore Act (Chapter 186) requires MAS' accounts to be audited by the Auditor-General (AG) of Singapore. The AG discharges his duties in accordance with the provisions of the Audit Act (Chapter 17) and applies the applicable audit standards issued by the Institute of Certified Public Accountants of Singapore (ICPAS). Audits of MAS' financial accounts are undertaken annually, to enable the AG to express an opinion on the fairness of the presentation of MAS' state of affairs, results and cashflows. In addition, Section 5 of the Audit Act requires the AG to make the necessary examination to ascertain whether all reasonable steps have been taken to: -safeguard the collection and custody of public and other moneys; -ensure that issues and payments of moneys are made in accordance with proper authority and that payments are properly charged and supported by sufficient vouchers or proof of payments; and -ensure that the provisions of the MAS Act and other relevant legislation have been complied with.
Sweden	The National Audit Bureau audits FSA on a yearly basis, concerning efficiency and accounting. The Parliamentary auditors and the Parliamentary Standing Committee on Finance have the power to audit the efficiency of FSA.

<p>United Kingdom</p>	<p>The Act provides for independent review through:</p> <ul style="list-style-type: none"> • a Practitioner Panel to represent the interests of practitioners, and a Consumer Panel to represent the interests of consumers. These two independent bodies have already been established and both of their annual reports commented extensively on the performance of the FSA (based, in part, on practitioner and consumer surveys). Both Panels may also comment at any time (either privately to the FSA or publicly) on aspects of the performance of the FSA • the Treasury has the power to appoint an independent person to conduct a review of the economy, efficiency and effectiveness of the FSA; and the Treasury has the power to set up an inquiry in circumstances where events have (or could have) damaged the interests of consumers or of the financial system more generally • the FSA must appoint an independent person to investigate complaints against the FSA • the FSA must include in its annual report information on the extent to which the four regulatory objectives have been met and the manner in which the seven “having regard to” considerations (see answer to Q1 above) have been taken into account. <p>The FSA has appointed external auditors, but there is no statutory role for government auditors because the FSA is funded entirely from the industry it regulates and does not receive any public funds. The openness and transparency of the FSA makes it possible for independent commentators, including the media, to comment extensively on its performance.</p>
-----------------------	--

Question #5	Which other groups have historically communicated directly with your agency, or indirectly through public statements, on your performance? What criteria have they cited in commenting on your performance (e.g. number of failed institutions, costs of supervision, number of complaints, etc.)? (a) Consumer groups; (b) Depositors or policyholders group; (c) Parliamentary committees; (d) Regulated institutions; (e) Others (please specify)
Australia	As APRA was established on 1 July 1998, there is limited history to draw from, however, APRA communicates directly with industry groups, parliamentary committees (see comments above) and regulated institutions. In addition, the media, particularly financial media comments on APRA's performance and also performance of institutions from time to time.
Canada	<p>(a) Consumer groups have generally not addressed OSFI's performance, whether directly or indirectly. They have actively expressed their views on matters such as bank service charges, branch closings, access to services and interest rates; however, as these matters are outside of OSFI's mandate, their views have been targeted at the government and the industry itself.</p> <p>(b) OSFI's performance has not been a subject of interest to depositor groups. There are a couple of small policyholder groups who criticised the fairness for some policyholders of certain acquisitions and demutualizations that were subject to approval by OSFI.</p> <p>(c) Both the Canadian House of Commons and Senate have standing committees with mandates that cover the financial services sector. These committees deal with issues relevant to OSFI, and more specifically with the responsibilities and powers of OSFI, in occasional special studies as well as in the examination of proposed legislation that affects the financial services sector. Most recently, these committees have studied the role of OSFI in the wake of a task force report that proposed major reform of the rules and regulations governing the financial services sector in Canada. In addition, OSFI has consulted with the Senate Banking Committee on governance issues related to the operation of OSFI.</p> <p>(d) OSFI has traditionally engaged in extensive dialogue with the banking and insurance industries before introducing new or modified legislation, regulations and guidelines. This process can be viewed as an accountability mechanism in that it helps ensure that the impact of new rules is understood, and that they are appropriate. The industry's criteria for assessing such proposals are generally the cost of regulation, the regulatory need, and the impact on competitiveness. OSFI also meets annually with the banking and insurance trade associations to review its budget for the following year. The focus of these discussions is primarily on the cost of supervision, as OSFI operates on a cost recovery basis.</p> <p>(e) Other federal agencies – The Superintendent chairs a quarterly meeting with his counterparts from the Bank of Canada, the Department of Finance, and the Canada Deposit Insurance Corporation (CDIC). These meetings focus on a number of issues which, indirectly and over time, provide insights and observations on OSFI's performance.</p> <p>Shareholder rights groups - In recent years, the major banks have been criticised by some shareholder rights groups for aspects of their corporate governance practices. OSFI has been lobbied by these groups to encourage the banks.</p>

Denmark	<p>c) Parliamentary committees The Danish Parliament has a standing committee in regard to financial services, The Commerce Committee. However the Committee do not communicate directly with the DFSA, but with the politically responsible Minister, i.e. the Minister for Economic Affairs, e.g. when changes in the financial regulation is needed, e.g. by strengthen the supervisory powers of the DFSA.</p> <p>d) Regulated institutions It is a tradition and common procedure that The Bankers Association, The Mortgage Bankers Association etc. are given the opportunity to comment when changes in the financial regulation are prepared.</p>
Iceland	<p>(a) The Consumers Association has commented on the FME's performance in specific cases, through press releases.</p> <p>(b) No.</p> <p>(c) Yes, informally in connection with different bills of law, dealing with the FME's responsibilities.</p> <p>(d) A special consultative committee composed of representatives from the parties subject to supervision is operated in conjunction with the FME. The executives of the FME shall hold regular meetings with the Consultative Committee. The opinion of the Consultative Committee shall be sought as to the operational budget planned for the following year. The Consultative Committee does not have power to make decisions in the affairs of the FME.</p>
Japan	(a)(d)
Korea	Standing committees in the National Assembly communicated with the FSS directly and indirectly, regarding a variety of issues.
Norway	<p>(a) No. (Kredittilsynet does not have the formal responsibility for handling consumer complaints, but will assist the relevant consumer agencies in complicated matters).</p> <p>(b) No.</p> <p>(c) No (Parliament is however kept informed about our functions and performance through an annual White Paper on financial market issues. The Finance Committee of Parliament normally visits Kredittilsynet once or twice during its 4-year parliamentary term).</p> <p>(d) Yes, usually via the industry associations, or in letters, meetings and through surveys etc.</p>
Singapore	<p>(a) Individual consumers, and to a lesser extent consumer groups, in Singapore have directed queries or complaints to MAS on issues relating to the provision of financial services. By and large, industry associations handle the issues relating to industry practices while MAS addresses those involving unethical conduct or malpractice. Consumers sometimes also expressed their views in the press, commenting on market practices, the service level of regulated financial institutions, MAS' policies on credit limits, and other issues pertaining to the financial sector. In addition, we have a designated telephone line manned by a Quality Service Manager for complaints relating to MAS' level of service standards. So far, there has been little direct feedback on MAS' performance.</p> <p>(b) Please see reply to (a).</p> <p>(c) There is a Government Parliamentary Committee (GPC) on finance that comprises backbench Members of Parliament. The GPC and other MPs regularly pose questions on financial regulatory issues in Parliament. Some of the current issues of interest include the impact of financial sector liberalisation on the local banking environment. The GPC is a party structure created to give government backbenchers a larger role to play in government affairs. Government MPs may serve in any one of the 11 GPCs, which are allocated portfolios corresponding to one or more ministerial portfolios. The specialised committees scrutinise the work of the Ministries allocated. They seek assistance from panels of experts, and engage the public in discussions.</p>

	<p>Recommendations arising are then made to the Government.</p> <p>(d) MAS has made a serious effort to build a constructive exchange and dialogue with the private sector. In our day-to-day dealings with the financial institutions, we listen to proposals and ideas from the industry and feedback. At the same time, we are willing to explain the rationale for decisions and policies. MAS also actively solicits inputs from industry participants on many issues, especially major policy reviews. Our philosophy is to understand the industry's point of view, and yet not be captured by the industry we are regulating.</p>
Sweden	<p>(a) There has never been any consumer groups communicating directly or indirectly with FSA. However FSA, the National Board for Consumers Policy and the Swedish Banker's association respectively the Swedish Insurer's Association have set up a Banking Bureau for Consumers and an Insurance Bureau for Consumers both of them dealing with information to consumers, depositors and policyholders.</p> <p>(b) Depositors and policyholders are referred to as consumers see 5 (a)</p> <p>(c) The Parliamentary Standing Committee on Finance has the right to ask for information, which they do approximately once a year. FSA also invites the Committee for information meetings every second year.</p> <p>(d) The regulated institutions from the three sectors banks, insurance companies and security firms have each one a sector organization. FSA has close contacts with these three organizations, both in a formal and an informal way.</p>
United Kingdom	<p>As noted in the answer to Q4, the Practitioner Panel and Consumer Panel are established under the Act and play a major role in commenting on both the performance of the FSA and on the numerous issues that we have taken to public consultation. We also receive numerous comments from (i) other groups established by the FSA including both standing committees such as the Small Business Practitioner Panel and ad hoc groups set up to advise the FSA on specific issues; (ii) regulated firms and trade associations, both formally in response to our consultation documents and informally; (iii) various Parliamentary committees, including in particular the Treasury Select Committee; and (iv) others such as the IMF in preparing Article IV reports. Following the announcement in May 1997 of the creation of the FSA, and during the passage of new legislation through Parliament, most of the external comment has been on the new legislation and on how the FSA intends to operate under it, rather than on regulatory "events". There has, however, been considerable interest in issues such as the continuing clear-up of pensions misselling, the selling of additional pension contributions, and the selling of mortgage endowment policies.</p>

Question #6	Have you developed specific standards or criteria for measuring how you are doing, such as consumer surveys, complaints received, public opinion survey results, etc.?
Australia	These standards and criteria are being developed.
Canada	<p>OSFI is at the early stages of identifying and using performance standards, among which are the following:</p> <p>Level of Intervention Index – OSFI rates institutions from Stage 0 to Stage 4. The index tracks the number of institutions at each stage and expresses the results as a percentage of the total number of institutions.</p> <p>Risk Exposure Index – This index weights the results from the preceding index, recognising that the impact of problems on the financial system will vary depending on the size and type of institution.</p> <p>Loss recovery Index – This cumulative index expresses as a percentage of the amount owing the amount that depositors and policyholders can expect to receive in liquidations.</p> <p>Intervention Effectiveness Measure – This measure assess how well OSFI carries out actions called for in its intervention guides, and how effective these were.</p> <p>General Population Survey – OSFI surveys the general population to track the level of confidence in the financial system.</p> <p>Effectiveness Survey – OSFI surveys industry opinion leaders and knowledgeable individuals to measure its effectiveness in promoting sound business and financial practices.</p> <p>Employee Survey – OSFI surveys employees to measure their satisfaction with their working environment.</p>
Denmark	<p>The Danish FSA publishes an annual report on its activities, objectives and strategy. Furthermore this report contains statistics on time spend and resources used on the different areas of supervision, regulation and internal administration as well. An important part of this annual statement is a report on the one-year-contract between the Danish Ministry of Economic Affairs and the Danish FSA. This contract contains a description of the most important business areas and activities for the Danish FSA to deal with for the coming year and gives the Ministry, the Danish Parliament (and the public) the opportunity to evaluate and measure (by operational criteria) the performance of the Danish FSA.</p> <p>Finally, it is a regular topic on the agenda for annual meetings with the management in the largest financial institutions to ask how they have experienced the performance of the Danish FSA in regard to e.g. case administration during the year.</p>
Iceland	The policy formulation of the FME lays down the basic outlines for its operational criteria and the outlines of a regular assessment on how the FME is doing in different areas, dealing with issues relating to the employees and the internal organisation of the FME, the parties subject to supervision, the co-operating parties and the financial environment.
Japan	Yes. We supervise financial institutions taking into account of complains received at the local finance bureau.
Korea	As an integrated financial supervisory authority, the FSS conducted consumer surveys on the financial mediations performed by the FSS to establish a plan for safeguarding consumers containing disseminating information and consumer education. The FSS conducts surveys of regulated institutions on the quality of supervision and examination. The FSS also conducts the analysis of complaints received and public hearings.

Norway	<p>We have performed surveys among financial institutions under our supervision as well as the media to map their degree of satisfaction or dissatisfaction with our work.</p> <p>The latest survey initiated by Kredittilsynet was a so-called "user survey" in 1997 addressed to a selection of financial institutions, industry organizations and media representatives. The survey was undertaken by an independent research firm which based its finding on in-depth interviews of managers and management groups in larger undertakings, some medium-size undertakings, most industry associations, in addition to telephone interviews with some medium-size and smaller banks. 12 financial reporters were also interviewed to include the opinion of the media. This result of this survey was used as input in the long-term strategic process that was undertaken in 1998.</p>
Singapore	<p>Internally, the MAS has set performance standards to ensure that applications and queries from financial institutions or public are promptly looked into and replied within a reasonable time. We also monitor responses to our policies and operations through various feedback channels, such as the government feedback unit, letters in the press, media reports and direct feedback to the MAS through letters or telephone calls, including the Quality Service Manager telephone line.</p>
Sweden	<p>FSA has not developed any standards or criterias. However we have made some surveys on an ad hoc basis.</p>
United Kingdom	<p>This is a relatively under-developed area, reflecting both the new regulatory objectives set out in the legislation and the task of creating a single regulator. We are, however, beginning to develop sources of information relevant to performance measurement, including surveys of both consumers and practitioners; data on problems arising at firms and on problems in the selling of products to consumers; various data on volumes and patterns of business in the financial services market; an assessment of the risks posed by regulated firms; and an analysis of industry-wide themes. [Further details to be given in presentation to the Conference.]</p>

Question #7	<p>What mechanisms do you use to proactively communicate your views on your performance and for each, what is (are) its target audience(s)?</p> <p>(a) Annual reports, targeted at...; (b) Regular meetings with...; (c) News letters, targeted at...; (d) Other (please specify)</p>
Australia	<p>APRA has developed a communications strategy which involves a variety of strategies tactics in communicating with its various audiences. These include meetings with industry representatives and specific institutions; the annual report whose stakeholders are the Minister, Treasurer and Assistant Treasurer, Treasury, members of the public, depositors and members, financial media, industry bodies, Government and other regulators, and internal APRA audiences. APRA holds regular meetings with institutions, industry peak bodies, as well as issuing policy and other discussion papers. Newsletters, circulars, policy statements guidance notes and policy papers are issued where appropriate in hard copy and in soft copy on APRA's Intranet site.</p>
Canada	<p>OSFI must file an annual report with the Minister of Finance outlining its activities for the year, and commenting on whether it is achieving its legislative mandate and whether the institutions it supervises are in compliance with their governing legislation. The annual report must be tabled before Parliament. In addition to being printed and widely distributed, the annual report is put on to OSFI's web site.</p> <p>(a) Annually the Superintendent meets with the industry chief financial officers through the industry associations to discuss cost allocations, changes in the supervisory approach and other issues of interest to both parties. Other ad hoc meetings are held through out the year with industry executives, generally through the industry associations.</p> <p><i>The Superintendent has established advisory committees of auditors and actuaries These committees meet regularly to discuss common interests.</i></p> <p>(b) OSFI has made limited use of newsletters in the past to communicate certain of its initiatives to stakeholders; however, it has not used this medium to communicate it views on its performance.</p> <p>(c) OSFI make extensive use of its web site to communicate with its stakeholders. While the site contains a significant amount of information on OSFI and the way in which it operates, the only information specifically dealing with OSFI's performance is contained in its annual reports.</p>
Denmark	<p>Annual reports, statistical reports, key financial figures and accounting information on the individual areas of supervision. To a large extend only presented and available on the web-site on the Internet.</p> <p>In general the DFSA finds that the financial markets have an important role to play in addition to the supervision itself in maintaining a stable financial sector in which the public has confidence. For market discipline to work the markets need to have access to relevant information on the individual institutions on their risk profiles and economic strength. On our web-site we are e.g. publishing economic data on the individual institutions. We also publish our own balance sheet, giving information on the policies and activities of the DFSA. Furthermore we have started to make public important interpretations of the existing regulation and important decisions based on the regulation.</p> <p>The targeted audience in regard to reports is the public in general. Regular annual meetings are held with the management in the largest financial institutions.</p>
Iceland	<p>(a) the parties subject to supervision, the Government and the Parliament, as well as the media.</p> <p>(b) the Ministry of Commerce, the Ministry of Finance and the Central Bank of Iceland.</p> <p>(c) Press releases, targeted at the media and the relevant regulated institutions.</p> <p>The Internet site (currently under construction), through which a wide range of information on the financial market will be distributed</p>

Japan	<p>(a) Annual reports, targeted at the public.</p> <p>(b) Regular meetings, with the financial industries such as associations</p> <p>(c) News letters, targeted at the staff in the local finance bureau</p> <p>(d) Other (Public comments, targeted at the public)</p>
Korea	<p>The FSS holds public hearings to seek public opinions on important cases. Additionally, the FSS publishes Annual Reports, a Monthly Review, and Weekly Newsletter. The purpose of the publishing Annual Reports are to summarise the macroeconomic and financial market trends, major accomplishments, and operational and financial status of the FSS, to help the public understand the current status of financial supervision and to use them as a historical data. The target audiences of the reports are government ministries, national assembly, financial companies, academics, and media. The FSS publishes a Monthly Review which contains the major statistics concerning banking, securities, insurance and non-banking industry. Domestic and foreign financial institutions are target audiences. The FSS publishes a Weekly Newsletter which contains information concerning current trends of domestic and overseas financial markets and supervision. The target audiences are government ministries, the National Assembly, financial companies, academics and media. Other than the publications described above, the FSS publishes the English version of monthly and weekly reviews contain major events occurred in the Korean financial market. Their target audiences are international financial organizations and foreign financial organizations. These materials are listed on the FSC/FSS web-site(www.fsc.go.kr, www.fss.or.kr).</p>
Norway	<p>(a) The public in general.</p> <p>(b) There are regular meetings between Kredittilsynet and the <u>Ministry of Finance</u>. These meetings occur at least quarterly and ad hoc if necessary. There are regular liaison meetings and ad hoc meetings with the industry associations and there are well-established cooperation arrangements, both formal and informal with other authorities, including: <u>Norges Bank</u> (the central bank) – quarterly meetings with the Governor and monthly contact meetings on department or staff level. (A formal set of guidelines on the cooperation between Norges Bank and Kredittilsynet has been developed and are available in English). The monthly meetings address issues related to current cases, e.g. matters related to application for licenses or structural issues. The quarterly meetings would inter alia address issues related to financial stability and structural developments in financial market in Norway, macro-prudential issues (macro-economic surveillance of the market) etc. as well as international developments within the financial markets. <u>ØKOKRIM</u> (The national authority for investigation and prosecution of economic and environmental crime) - There are regular contact meetings and regular dialogues in matters related to suspicions of insider trading, money laundering, fraud, etc. <u>Datatilsynet</u> (the Data Inspectorate responsible for the protection of personal integrity in computer systems) <u>Konkurransetilsynet</u> (the competition authority)</p> <p>(c) (We do not publish newsletters. Circulars are sent to the supervised institutions, e.g. to explain new regulations, reporting requirements etc.)</p> <p>(d) Press releases and articles in the media. The public is kept informed on a regular basis through contact with the media. There is a strict policy in Norway of transparency in government activities, which includes the functions of the supervisory authority. We present the results of the supervised financial institutions and securities firms to the public in quarterly press releases. (See our comments in question 9)</p>

Singapore	<p>(a) The MAS publishes an annual report that is presented to the parliament. The report is available to the public through the MAS website.</p> <p>(b) We regularly hold consultations and dialogue sessions with industry groups and market participants to communicate policy positions and keep abreast of current developments.</p> <p>(c) The MAS has a number of publications that are targeted at various audiences. Many of these publications are available for free download on our website. Some of the publications are:</p> <ul style="list-style-type: none"> - Monthly Statistical Bulletin (MSB) (an online bulletin that provides the latest statistics on Singapore's monetary and financial markets including Asian Dollar Market, exchange rates and interest rates) - Financial Hub Singapore (a quarterly newsletter for the financial industry) - Economics Department Quarterly Bulletin (a quarterly assessment of GDP growth, inflation and other economic developments in Singapore) - Economics Department Monthly Report on Financial Markets (macro trends and developments in international financial markets, in particular, bonds, equities and currencies) - Directory of Financial Institutions (listing the contact details of financial institutions operating in Singapore, relevant trade bodies and government organisations) - Occasional Research Papers from Economics Department - Brochures and Handbooks on Singapore's Reinsurance and Captive Insurance Markets - Economics Explorer (a series of pamphlets providing an introduction to a broad range of economic issues, such as monetary policy, trade and balance of payments) - Occasional Reports and Consultative Papers on Singapore's Financial Markets - Annual Insurance Industry Performance, data from audited statutory returns of insurance companies
Sweden	<p>(a) The formal annual report is targeted at the Government. Its content is strictly regulated. FSA also produces an informal annual report targeted at the public.</p> <p>(b) FSA has regular meetings with the Central Bank, the National Board for Consumer Policies, the National Competition Board, the regulated institutions organizations, The Ministry of Finance and the Standing Committee on Finance.</p> <p>(c) FSA has a newsletter on its web-site targeted on the regulated institutions and media but available for the public.</p>

<p>United Kingdom</p>	<p>(a) Annual reports, targeted at regulated firms, government, Parliament, other key opinion formers, overseas regulators and the media. We also publish a summary annual report circulated to smaller firms and available for consumers.</p> <p>(b) Regular meetings with a wide range of interested parties, including members of Parliament, trade associations, consumer groups, overseas regulators etc. And we will be holding an annual open meeting, which anybody can attend to ask questions about our annual report.</p> <p>(c) News letters, targeted at regulated firms and trade associations to keep them up to date with policy developments and, more generally, our approach to all aspects of regulation.</p> <p>(d) We also publish a wide range of other materials (in both paper form and through our web site) covering a very wide audience, including consultation papers on policy issues and on draft text of our new Handbook of Rules and Guidance; discussion papers on policy issues where our approach remains at a very early stage; papers such as “A new regulator for the new millennium” outlining the evolution of our regulatory approach; Occasional Papers containing academic work on financial regulation undertaken by either FSA staff or academics; and a very wide range of consumer education publications including consumer fact sheets, consumer alerts and financial literacy materials for use in schools and elsewhere.</p>
-----------------------	--

Question #8	What do you do to ensure staff understand and focus on achieving your agency's objectives? Would you say these practices are effective or still developmental?
Australia	APRA is reinforcing understanding of objectives with its staff in development of the corporate plan performance assessment linked to divisional objectives and in developing our internal communications mechanism, the Intranet.
Canada	There are direct linkages from OSFI's mandate and objectives to its strategic plan, and annual office, Sector, Division, and individual performance objectives. Everything we undertake is linked to, or assessed in the context of whether it is consistent with, our mandate and objectives. OSFI now has a seamless process from our high-level mission statement, to specific goals and objectives, and the way we assess our effectiveness. The process of establishing goals and objectives and assessing performance against them is taken seriously within OSFI. These practices are effective in promoting and maintaining focus; however, as with most such practices, it is necessary to continue to assess their effectiveness and constantly reinforce their importance.
Denmark	It is part of the Authority's strategy that the Authority's objectives and strategic planning is well known and accepted by management and staff. Focus by annual business planning as well as strategy and business planning 4 years ahead. However practices are still developmental.
Iceland	Currently the employees of the FME are 27, holding 25 positions, thereof 19 experts. Weekly meetings are being held to communicate information and discuss issues relating to FME's objectives. The employees take active part in the developing of the FME's policy formulation.
Japan	Most of recruits get in-house training to make sure that staff understand and focus on achieving our agency's objectives.
Korea	We have numerous formal and informal meetings (i.e., workshops, seminars, etc.) participated in by the directors and staffs of the FSC and FSS which concentrate on discussing current major issues of financial markets. Other than these informal meetings, we have diversified training programs for the full understanding of the current financial supervisory works for the staffs of the FSS. These practices are effective
Norway	In order to promote and foster the establishment of corporate culture, the management of Kredittilsynet ensures the participation of the employees in all processes related to the organization and management of Kredittilsynet. All employees are involved in preparing the annual plans for Kredittilsynet (related both to budgets and objectives), and reporting the activities at mid-year and year-end (at department level and for each section). Internal information is emphasized and all employees receive a copy of the minutes from the weekly senior management meetings. There is a high degree of openness with regard to internal organizational matters in addition to professional matters (e.g. employment terms etc.) Projects involving the participation of persons across sections and departments help build a team spirit and corporate culture. Regular information meetings are held 4-6 times a year for all staff members. We try to involve the staff in all the important processes related to the objectives and functions of Kredittilsynet. We find these practices effective and will continue to develop and improve them.

Singapore	<p>For new officers, MAS' mission and objectives are communicated and reinforced through:</p> <ul style="list-style-type: none"> - a half-day orientation program; - a one-week Central Banking Induction program; and - team building workshops. <p>For existing officers, the following programs helped to reinforce the shared vision:</p> <p>a one-day annual work plan seminar where management and all levels of staff discuss and share their work plans for the new financial year;</p> <ul style="list-style-type: none"> - seminars on learning organisation; - annual department retreats; and - middle management <i>program for senior officers</i>. <p>Also, there are frequent informal settings where management and staff interact and share information, such as</p> <ul style="list-style-type: none"> • brown bag lunches accompanied by presentations on selected issues; • tea parties hosted by individual departments; and • dialogue sessions focusing on Human Resource issues.
Sweden	<p>FSA has no specific way to ensure that the staff understand and focus on the objectives. This has to be developed in our Quality Development Programme.</p>
United Kingdom	<p>Many of our publications also play a key role internally in keeping the staff informed about a wide range of issues. This is supplemented by extensive learning and development programmes, internal communication programmes and a statement of the FSA's Vision and Values. The results of a staff survey in July 1999 suggest that this has been reasonably effective, but there is of course room for considerable improvement and this is an area that requires continuous development. Staff generally understand the FSA's objectives, but it will not be possible for them to have a clear view about how well these objectives are being achieved until we have made further progress on how these objectives can best be measured and on how each area of the FSA contributes to their achievement.</p>

Question #9	Other comments?
Australia	
Canada	<p>OSFI has recently created, and is in the process of staffing, the Quality Assurance and Performance Standards Division. Its mandate is to assist OSFI in developing a stronger results orientation, and enhancing accountability and effectiveness reporting to stakeholders in three ways:</p> <ul style="list-style-type: none"> • Through creation and maintenance of Performance Standards and Measures designed to evaluate progress against our strategic objectives. • Through independent Quality Assurance reviews of operations throughout all sectors of OSFI focussing on how well the goals and objectives outlined in the OSFI Strategic Plan are being met. • Through reporting on these initiatives and obtaining feedback from OSFI stakeholders on what their expectations are and how they believe we are performing against them.
Denmark	
Iceland	
Japan	
Korea	
Norway	<p>We conduct statistics on the media's attention to matters related to Kredittilsynet. In 1999 there were 1949 references to the work of Kredittilsynet in the media, of which 408 where reports or interviews in radio and television. 40 press releases were sent and two press conferences were held. We have also organized a seminar for the media regarding the new rules of conduct related to securities transactions (i.e. insider trading, market manipulation etc).</p>
Singapore	
Sweden	
United Kingdom	