

CAPTAC-DR NEWS

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OF THE GRAND DUCHY OF LUXEMBOURG



El futuro
es de todos

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Summary of Capacity Development Activities

Tax Administration

- A webinar was held on the audit powers in the region, where a satisfactory level of legal coverage was observed for the main powers needed for audits in most countries. However, there are some opportunities for improvement, such as limiting the admission of requested evidence and not delivered, beyond the audit procedure or the possibility of deepening into aspects of access to banking information.
- Webinars were also held to strengthen the tax audit function and compliance risk management in the region. These events have allowed tax administration officials to strengthen their knowledge and learn from the experiences of other Latin American administrations.

Customs Administration

- Customs in the region worked hard to prioritize their strategic modernization initiatives (Panama), strengthen their capacity to identify risks under a sectoral approach (Costa Rica and Honduras), enhanced their audit plans on the taxpayers and sectors at greatest risk (Costa Rica, El Salvador, Honduras, and Guatemala), and improve the administration and control of inward processing regimes (Guatemala).
- In addition, a series of six webinars were organized for Honduran customs officials to improve their skills in customs valuation and inward processing operations. Guatemala continues to implement improvements in air clearance under the comprehensive customs modernization program (MIAD, in Spanish).

Public Financial Management

- The area held a seminar on Public Investment Management Assessment (PIMA) with the objective of motivating the countries of the region to apply international best practices in public investment management and to better understand and apply several basic principles of the PIMA framework to assess existing practices within their own jurisdictions; it also presented the new climate module of the IMF's PIMA framework, applying a climate-sensitive lens to public investment.
- In April, the annual seminar on modern treasury management was held once again. This year, the event focused on treasury management issues within the framework of public policy, identifying good practices in management and their evaluation. Two regional experiences (Dominican Republic and Costa Rica) in treasury collection systems and innovative electronic payment systems were presented.

Monetary and Foreign Exchange Operations

- The Center worked with the Central Bank of Honduras on the development of a new methodology for calculating the reference exchange rate that takes into account the Principles on Financial Reference Indices developed by the International Organization of Securities Commissions. Technical assistance was also provided to the Central Bank of Costa Rica focused on identifying the requirements for the development of the domestic interbank liquidity market. Finally, the Center collaborated with the IMF's Monetary and Capital Markets Department in the organization of the regional webinar on new digital payments and central bank digital currencies.

Banking Supervision and Regulation

- The area provided technical assistance to the Central American Council of Superintendents of Banks, Insurance and Other Financial Institutions (CCSBSO, in Spanish), Panama, and Honduras. Two missions were carried out together with the CCSBSO. The first one on the harmonization of accounting standards with International Financial Reporting Standards (IFRS 5) and the second on the implementation of the ICAAP of Pillar I of Basel. In Panama, the regulatory and supervisory framework for financial cooperatives was reviewed and preliminary recommendations were provided to the Panamanian Autonomous Cooperative Institute (IPACOOOP, in Spanish) for their convergence. In Honduras, support was provided for the development of Phase 2 of the expected loss model for the loan portfolio.
- On April 21st, officials from the region participated in a webinar on climate risks, their impact on financial stability and the role of the financial supervisor and regulator. The objective of the seminar was to raise awareness among the region's financial supervisors and regulators of the risks related to climate change, its impact on financial stability, and its incorporation into regulatory and supervisory frameworks. The event was attended by speakers representing the Bank of Spain and the Network for Greening the Financial System (NGFS), the Financial Market Commission of Chile, academics specialized in the study of climate change in the region (Universidad Del Valle de Guatemala), and the Ad Hoc Committee on Environmental and Social Risk of the CCSBSO.

Real Sector Statistics

- The Central Bank of Honduras was assisted with tools for the compilation of residential property price indexes for the development of a database and the revision of the supply and use table for the new 2016 base year. The National Institute of Statistics and Census of Panama was also assisted in the compilation of new export and import price indices. Technical assistance was also provided on the Monthly Index of Economic Activity and seasonal adjustment techniques.
- Technical assistance was also provided to Central Bank of Nicaragua to compile a new producer price index for the, as well as for the compilation of quarterly national accounts based on the 2008 SNA. For the Central Reserve Bank of El Salvador, technical assistance focused on the introduction of the Excel tool for the supply and use table as part of the process of compiling the annual national accounts.

Government Finance Statistics

- The area provided five bilateral technical assistance (TA) activities. With the team from the Ministry of Finance of El Salvador, the Center worked on the compilation and dissemination of government finance statistics (GFS) and public sector debt statistics (PSDS) for analysis and decision-making. Support was also provided to the Ministry of Finance and the Central Bank of Nicaragua within the framework of non-financial public sector partnerships. The Ministry of Finance of Costa Rica was assisted in its action plan to strengthen the compilation and dissemination of GFS and PSDS in line with the 2014 Government Finance Statistics Manual (GFSM 2014) and the 2011 Public Sector Debt Guide. For Panama, the TA focused on contributing to the process of compiling and disseminating GFS in based on the GFSM 2014. For the Dominican Republic, work was carried out to compile and disseminate PSDS under the standards of the 2011 Guide for Compilers and Users.
- Two seminars were held at the regional level: in February, the working meeting on the harmonization of macroeconomic statistics was held, as well as the meeting of the ad hoc groups. In April, a seminar was held on the application of the balance sheet approach within the framework of the GFSM 2014, with the participation of officials from central banks and ministries of finance of the region.



Free On-line Courses in Spanish by the IMF's Institute for Capacity Development



Financial Programming and Policies, Part 1: Macroeconomic Accounts and Analysis (FPP. 1x)

- **Up to April 2023**

At your own pace! Recommended dedication: 5-6 hours per week, for 6 weeks.

- **Government officials, register [here](#).**
- **General public, register [here](#).**

Course Description:

- How healthy is an economy? What can economic policy do to maintain or restore the health of an economy? These questions are at the heart of financial programming. In our FPP course you will learn the fundamental concepts to answer these questions.

Financial Programming and Policy Online Course, Part 2: Program Design (FPP. 2x)

- **Up to April 2023**

At your own pace! Recommended dedication: 5-6 hours per week, for 7 weeks.

- **Government officials, register [here](#).**
- **General public, register [here](#).**

Course Description:

- This course builds on the FPP.1x course and focuses on the design and implementation of macroeconomic and financial policies. It presents simple forecasting methods for each macroeconomic sector; explains the underlying assumptions for the diagnosis of macroeconomic performance; and discusses the design of a macroeconomic adjustment program for a country case study.

Public Sector Debt Statistics (PSDSx)

- Up to April 2023

At your own pace! Recommended dedication: 4-5 hours per week, for 7 weeks.

- **Government officials, register [here](#).**
- **General public, register [here](#).**

Course Description:

- This course covers the fundamentals needed to compile and disseminate comprehensive public sector debt statistics (PSDS), useful for decision and policy makers as well as other users. The course presents the conceptual statistical framework for GDSs-included in the publication Public Sector Debt Statistics: A Guide for Compilers and Users-in the context of the government finance statistics (GFS) framework, harmonized with other macroeconomic statistical frameworks..

Tax Gap Analysis RA-GAP (VGAPx)

- Up to April 2023

At your own pace! Recommended dedication: 3-4 hours per week, for 5 weeks.

- **Government officials, register [here](#).**
- **General public, register [here](#).**

Course Description:

- This online course, taught by the Department of Public Finance, teaches how to prepare and run the VAT Gap Estimation Model (VGEM) of the Tax Gap Analysis in Public Revenue Management Program (RA-GAP) from the IMF.