

## CBR Roadmap

A detailed Roadmap is presented below. It includes a list of actions required to deliver on the WB recommendations, with priority, responsibility and timeframe assigned to each action. Deliverables for addressing each recommendation are also included.

The Roadmap is a multi-year plan, which will commence on the day it is endorsed by a relevant forum (e.g., PESC) (Commencement). The Roadmap will require a sustained and coordinated effort by PI countries and key development partners. Given capacity constraints and competing priorities of stakeholders, deliverables from the Roadmap need to be prioritized in order of urgency/importance, impact and effort required. Some deliverables will act as a pre-condition for other actions and deliverables.

The following scale is used in assigning priority and timeframe to each action:

Priority	Description	Timeframe (from Commencement)
Critical	<b>Urgent/Pre-condition</b> - actions that must be completed to set the Roadmap in motion	Within 3 months
High	<b>Urgent/High impact</b> – actions needed to uplift standards and provide a strong foundation for focusing attention on the prevention of CBR losses before they eventuate through timely identification of issues	Within 6 months
High-Medium	<b>Important/High impact</b> – actions that are aimed at exploring potential medium- to long-term solutions, will have a high impact on outcomes when implemented and will require a high level of coordination across public and private sector stakeholders	Within 12 months
Medium	<b>Important/High impact/Significant effort</b> – actions with high impact, but will require significant effort	Within 18 months
Medium-Low	<b>Good practice/Medium impact/High effort</b> – actions that are desirable and good practice, but are not critical or high impact, and can be undertaken if there is capacity	Within 24 months
Low	<b>Good practice/Low impact</b> – Currently there are no Low priority actions	> 24 months

**Recommendation 1:** The Forum should continue to support action by PI jurisdictions to meet required standards and to collaborate with counterparts to improve tax transparency.

Action	Priority	Responsibility	Timeframe
1. Develop a dashboard <sup>1</sup> of the status and actions by PI jurisdictions to meet the international standards on AML/CFT/CP)	High	PIF Secretariat, in collaboration with PIRI and the WB, and with support from the APG, IMF and ADB	< 6 months
2. Identify and summarize any roadblocks, actions needed by	High	PIF Secretariat in collaboration with the	< 6 months

<sup>1</sup> Schematic overview of the current state.

jurisdiction to uplift standards and timelines to progress		WB, with support from the APG, ADB and IMF	
3. Monitor progress and present the dashboard and the summary of roadblocks, actions needed by jurisdiction to uplift standards and timelines to PIF members on an annual basis. This will enable PIF members to assist local banks to take action to meet the required standards quickly.	High	PIF Secretariat, with support from the WB	< 6 months
4. Engage with counterparts (particularly in the EU <sup>2</sup> ) to improve tax transparency	High -Medium	PIF members with support from the WB and the IMF	< 12 months
5. Coordinate with the APG, ADB and other development partners to support action by PI jurisdictions to meet required standards	Medium - Low	The WB, APG, ADB, donors and other development partners	< 24 months
<b>Deliverable: A dashboard of action by PI jurisdictions to meet required AML/CFT/CPF and tax transparency standards is developed, and a report presented to the PIF.</b>			<b>&lt; 6 months</b>

**Recommendation 2:** The Forum should support broad PI piloting of the draft remittance corridor risk assessment methodology developed by the WB and the IMF. The Secretariat should analyze the outcomes of these assessments to inform appropriate risk assessment methodologies that would provide improved risk-related information to respondent and correspondent banks, AML/CFT/CPF-regulated businesses and their regulators in relation to the Pacific.

Action	Priority	Responsibility	Timeframe
6. Identify volunteers for piloting the draft remittance corridor risk assessment methodology	Critical	PIF Secretariat, with support from the WB and IMF	< 3 months
7. Undertake risk assessments	Medium	The WB and/or IMF	< 18 months
8. Analyze outcomes of the risk assessments and prepare a report	Medium	The WB and IMF, with support from PIF members and other stakeholders	< 18 months
9. Engage with respondent and correspondent banks to discuss the outcomes of the risk assessments	Medium	The WB and IMF, with support from the PIF members, PBF and other stakeholders	< 18 months
10. Consider changes to legislation and/or regulatory requirements that may be required for reducing the risk and the sharing of improved risk-related information to CBR counterparts and their regulators	Medium - Low	PIF members in collaboration with the WB and supported by the IMF, APG and ADB.	< 24 months
<b>Deliverable: Risk assessments completed, and a report prepared.</b>			<b>&lt; 18 months</b>
<b>Recommendation 3:</b> The Secretariat should encourage and guide efforts by central banks and Ministries of Finance of members to collect relevant CBR data and support the reporting of annual trends to Forum ministers. This may include negotiating better access to SWIFT data for the region.			
Action	Priority	Responsibility	Timeframe

<sup>2</sup> Currently, five PIF Members are included in the EU list of non-cooperative jurisdictions for tax purposes: Fiji, Marshall Islands, Palau, Samoa and Vanuatu.

11. Develop a simple template for PI central banks and regulators to collect CBR data from respondent banks	High	PIF Secretariat, in collaboration with PIRI, and with support from the WB	< 6 months
12. Reach agreement on the priority countries sending the template to the banks and collecting and reviewing data for reasonableness	High	Priority countries, with support from the PIF Secretariat	< 6 months
13. Send letters to SWIFT to allow sharing of the SWIFT data with the WB	High - Medium	PI central banks and Ministries of Finance	< 12 months
14. Negotiate and agree an approach with SWIFT for the sharing of the SWIFT data with PI jurisdictions that don't have central banks	High - Medium	PIF Secretariat, with support from the WB	< 12 months
15. Develop a template for annual reporting to PIF members on the state of CBR in the Pacific Regular collection, analysis, and reporting of CBR data is intended to act as an early warning system, with a shift in focus from addressing the loss of CBRs to taking preventative steps to mitigate the risk before it eventuates.	High - Medium	PIF Secretariat, in collaboration with PIRI, and with support from the WB	< 6 months
<b>Deliverable: Templates for CBR data collection and annual reporting to PIF members developed.</b>			<b>&lt; 6 months</b>

**Recommendation 4:** The Secretariat should assess the strengths and gaps in current financial integrity information-sharing frameworks and practices among members in relation to key Pacific payment corridors and advise on appropriate improvements and frameworks to support alignment, where required.

Action	Priority	Responsibility	Timeframe
16. Collate information on the existing financial integrity information-sharing frameworks and practices among PIF members in relation to key Pacific payment corridors	High-Medium	PIF Secretariat with support from the ADB and the WB	< 12 months
17. Develop a list of characteristics for adequate information-sharing frameworks and practices (what good looks like) in relation to key Pacific payment corridors	High-Medium	PIF Secretariat, with support from the ADB and the WB	< 12 months
18. Assess existing frameworks against the list of characteristics for adequate frameworks and practices	High-Medium	PIF Secretariat, with support from the WB	< 12 months
19. Develop a template for monitoring and annual reporting of progress to PIF members	High-Medium	PIF Secretariat, with support from the WB	< 12 months
<b>Deliverable: A report on financial integrity information-sharing frameworks and practices among members prepared for PIF members, and a template for monitoring and annual reporting of progress developed.</b>			<b>&lt; 12 months</b>

**Recommendation 5:** The Secretariat should provide a platform for Pacific engagement with appropriate parties to key Pacific CBR corridors to explore the feasibility and design of cross-border public-private partnerships and regulatory safe harbor CBR frameworks for Pacific jurisdictions.

Action	Priority	Responsibility	Timeframe
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20. Organize a roundtable with public-private partners to understand the issues, consider potential solutions including regulatory safe harbors, and better understand what those solutions might entail	Critical pre-condition for actions 20 to 21	PIF Secretariat, with support from the WB, PBF and other development partners	< 6 months
21. Engage with the governments in the home countries to correspondent banks to assess political willingness to provide support in reducing the costs and any identified risks of providing correspondent banking	Medium	PIF Secretariat, with support from the WB and PBF	< 18 months
22. Hold tripartite meetings with relevant authorities in a priority PI jurisdiction and correspondent banks to determine common factors to estimating reasonable costs for the provision of CBR services and estimating any related reputational risk. This could be a test case that can subsequently be replicated for other priority PI jurisdictions.	Medium	PIF Secretariat, with support from the WB and PBF	< 6 months
23. If any of the potential solutions, including regulatory safe harbors, are identified as sufficiently helpful, organize workshops with the regulators of key correspondent bank jurisdictions to agree on what that would entail	Medium - Low	PIF Secretariat, with support from the APG, WB, IMF, PBF, US Treasury, AUSTRAC and NZ authorities	< 24 months
<b>Deliverable: Prepare an exploratory report on the outcomes of workshops/discussions to facilitate further consideration of potential solutions.</b>			<b>&lt; 12 months</b>

**Recommendation 6:** The Secretariat should undertake a diagnostic assessment of the enabling environment for the banking sector to identify opportunities for strengthening. The first step would be to develop an appropriate methodology for such a diagnostic.

Action	Priority	Responsibility	Timeframe
24. Select countries for the diagnostic assessment	Critical	PIF Secretariat, with support from the WB,	< 3 months
25. Scope and develop a methodology for an assessment of the enabling environment for the banking sector	Medium	PIF Secretariat, with support from the WB.	< 12 months
26. Conduct the diagnostic assessment	Medium	PIF Secretariat, with support from the WB	< 18 months
27. Analyze results and prepare a report for the selected country and lessons learnt for PIF members	Medium	PIF Secretariat with support from the WB	< 18 months
28. Monitor progress and report annually to PIF members	Medium	PIF Secretariat with support from the WB	< 18 months
<b>Deliverable: A diagnostic assessment of the enabling environment for the select country/ies conducted and a report presented.</b>			<b>&lt; 18 months</b>

**Recommendation 7:** The Secretariat should advise on an appropriate regional strategy in relation to the innovations and changes that may flow from the G20 ‘Roadmap for Enhancing Cross-border Payments’ project. This should be a regional initiative to overcome capacity and resource constraints.

Action	Priority	Responsibility	Timeframe
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29. Nominate a regional champion on a key topic/s related to the G20 Roadmap for Enhancing Cross-border Payments project	Critical	Each Pacific jurisdiction (or groups of 2-3 small jurisdictions)	< 3 months
30. Hold periodic meetings of the group of regional champions for information sharing on key international developments and regional implications and strategies	High - Medium	PIF Secretariat, with support from the WB, and IMF PFTAC	< 12 months
31. Provide an annual update to PIF FEMM on key international developments and regional implications and strategies	High - Medium	PIF Secretariat with support from the WB	< 12 months
32. Organize seminars/training/study tours for the regional champions for capacity building	Medium	PIF Secretariat, with support from the WB, IMF, Bank for International Settlements (BIS) and individual central banks	< 18 months
<b>Deliverable: Regional champions nominated.</b>			<b>&lt; 3 months</b>

<b>Recommendation 8:</b> The Secretariat should develop a CBR resilience framework, take stock annually of de-risking actions and report on progress towards CBR resilience			
<b>Action</b>	<b>Priority</b>	<b>Responsibility</b>	<b>Timeframe</b>
33. Engage with PI central banks/regulators and respondent banks to determine a sufficient level (e.g., the number and quality) of CBRs in each PI jurisdiction	High	PIF Secretariat with support from the WB	< 6 months
34. Engage with local and international banks to understand the expectations of correspondent banks with respect to a specific PI jurisdiction	High	PIF Secretariat with support from the WB and PBF	< 6 months
35. Develop a metric for determining the target state for CBRs in a jurisdiction	High	PIF Secretariat with support from the WB	< 6 months
36. Develop a CBR resilience framework	Medium	PIF Secretariat with support from the WB	< 18 months
37. Develop a template for annual reporting on de-risking actions and progress towards CBR resilience	High	PIF Secretariat with support from the WB	< 6 months
<b>Deliverable: A CBR resilience framework and a template for regular reporting on de-risking actions and progress towards CBR resilience developed.</b>			<b>&lt; 18 months</b>

## 1. Key deliverables and implementation timeframes

This section sets out the key deliverables and implementation timeframes for the Roadmap.

### Within 3 months of Commencement

The following activities and deliverables should be prioritized as they are pre-conditions to the implementation of the Roadmap. These activities should be completed within 3 months of Commencement:

- Extend the PIF/World Bank study to include coverage of the three USD-based economies – the Federated States of Micronesia, Republic of Marshall Islands and Palau.
- Establish a cooperation and coordination mechanism – for example, a Pacific De-risking Group (Pre-condition).
- Identify a Pacific Priority Group with a list of focal points by jurisdiction (Pre-condition).
- Identify volunteers for piloting the draft remittance corridor risk assessment methodology (Recommendation 2).
- Hold an information event (in Sydney or Suva) to share the recommendations of the PIF/World Bank study with the public and private sector.
- Create a group of regional champions on key topics related to the G20 Roadmap for Enhancing Cross-border Payments project (Recommendation 7).

#### **Within 6 months of Commencement**

- Develop a dashboard of action by PI jurisdictions to meet required AML/CFT/CPF standards (Recommendation 1).
- Develop a template for CBR data collection (Recommendation 3).
- Hold a workshop with public-private partners to explore the need for, and feasibility of, design options relating to regulatory safe harbors (Recommendation 5).
- Hold tripartite meetings with relevant authorities in home countries and correspondent banks to determine common factors to estimating reasonable costs for the provision of CBR services and estimating any related reputational risk (Recommendation 5).
- Develop a metric for determining the target state of CBRs in a jurisdiction (Recommendation 8).
- Develop a template for annual reporting to PIF members on the state of CBRs in the Pacific (Recommendations 3 and 8).

#### **Within 12 months of Commencement**

- Complete assessment of the strengths and gaps in current financial integrity information sharing frameworks and practices and prepare a report (Recommendation 4).
- Prepare an exploratory report on the feasibility and design of cross-border public-private partnerships and regulatory safe harbor CBR frameworks to facilitate further consideration of the issues (Recommendation 5).

#### **Within 18 months of Commencement**

- Complete piloting of the WB/IMF draft remittance corridor risk assessments methodology for priority country/ies and prepare a report (Recommendation 2).
- Develop a methodology for a diagnostic assessment of the enabling environment of the banking sector in a priority country/ies and conduct diagnostic assessments (Recommendation 6).

#### **Within 24 months of Commencement**

- Develop a CBR resilience framework (Recommendation 8).

## **2. Next steps**

This Roadmap has been prepared for the PIF Secretariat. Once agreed between the WB and the PIF Secretariat, it should also be shared with the relevant development partners.

An information sharing event should be organized (in Sydney or Suva) in the first quarter of 2024 to share the PIF/WB report and Roadmap and discuss the implications with public and private sector stakeholders.