



# **HIGH-LEVEL SUMMARY TECHNICAL ASSISTANCE REPORT**

## **PHILIPPINES**

Developing a Regulatory and  
Supervisory Framework for  
Operational Resilience

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**Prepared By**

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**Summary Technical Assistance Report**  
Monetary and Capital Markets Department

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**The *Summary Technical Assistance Report* series provides high-level summaries of the assistance provided to IMF capacity development recipients, describing the high-level objectives, findings, and recommendations.**

**ABSTRACT:** Responding to a request from the Bangko Sentral ng Pilipinas (BSP) for developing a regulatory and supervisory framework for operational resilience, a Technical Assistance mission aided the authorities in identifying regulatory gaps, provided guidance in enhancing the regulatory framework and delivered a training program focusing on regulatory aspects pertaining to operational resilience. The recommendations focused on articulating the case for policy initiative, developing a regulation in consultation with the industry, considering potential severe but plausible scenarios.

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## Background

The Bangko Sentral ng Pilipinas requested technical assistance on developing a regulatory and supervisory framework for operational resilience. Accordingly, the Monetary and Capital Markets department delivered a technical assistance mission during the period November 28 to December 2, 2022. The purpose of the mission was to assist BSP in identifying regulatory gaps, provide guidance in enhancing the regulatory framework pertaining to operational resilience, and deliver a training program focusing on regulatory aspects of operational resilience.

## Summary of Findings

The BSP is keen to implement the Basel Committee on Banking Supervision's Principles for Operational Resilience and has constituted a Technical Working Group to draft the regulation and formulate a supervisory approach. The BSP has issued regulations on various components relevant to the topic of operational resilience, but such regulations need clarity and emphasis on the operational resilience principles which are separate and distinct from the operational risk management and business continuity. Being an island nation facing severe climate-related challenges, the business continuity preparedness of the jurisdiction is perceived to be strong, thereby reducing the potential gap between the extant regulatory framework and the required regulations to implement operational resilience principles. Capacity of the supervisors in drafting a regulation on this topic of emerging interest was augmented by the focused training program.

## Summary of Recommendations

*The mission's main recommendations to the BSP in developing its regulatory framework for implementing operational resilience were the following:*

- Identify and articulate the case for a BSP policy initiative on the topic of operational resilience.
- Identify and address regulatory gaps in existing regulations on corporate governance, information and communication technology/cyber risk, outsourcing, business continuity management, and operational risk management from an operational resilience perspective based on the feedback and the inputs provided.
- Choose the best suitable option for implementing operational resilience principles based on the various inputs provided by the mission considering the scope, applicability, timelines for implementation, and proportionality aspects.
- Prepare the draft regulation for implementing operational resilience principles based on the inputs provided during the training program and the feedback provided by the mission.
- Determine potential severe but plausible scenarios for Philippines considering (i) already strong Business Continuity Plan preparedness amongst banks in the face of the unique geographical characteristics, and (ii) the unique needs of the jurisdiction.