



KINGDOM OF THE NETHERLANDS-CURAÇAO AND SINT MAARTEN

TECHNICAL ASSISTANCE REPORT—IMPLEMENTATION OF RISK-BASED SUPERVISION

March 2022

This Technical Assistance report on the Kingdom of the Netherlands-Curaçao and Sint Maarten was prepared by a staff team of the International Monetary Fund. It is based on the information available at the time it was completed in June 2021.

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TECHNICAL ASSISTANCE REPORT

KINGDOM OF THE NETHERLANDS- CURAÇAO AND SINT MAARTEN

Implementation of Risk-based Supervision (Diagnostic Review to Determine Harmonized Framework for Supervisory Assessments)

JUNE 2021

PREPARED BY

Ralph Lewars (Long-term Expert) and Naren Sheth (Short-term Expert)



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GLOSSARY

AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
CAMELS	Capital, Assets, Management, Earnings, Liquidity, and Sensitivity to Market Risks
CARAMELS	Capital, Asset, Reinsurance, Actuarial, Management, Earnings, Liquidity, Subsidiaries
CARTAC	Caribbean Regional Technical Assistance Centre
CBvCSM	Central Bank of Curacao and St Maarten
DNB	De Nederlandsche Bank
RBS	Risk-Based Supervision
RFSF	Risk-Focused Surveillance Framework
RM	Relationship Manager
STX	Short-term Expert
SWOT	Strengths, Weaknesses, Opportunities, and Threats

PREFACE

In response to a request from the Central Bank of Curacao and St Maarten (CBvCSM) to assess the practicality and appropriateness of developing and implementing a harmonized risk assessment/rating system for assessing the risk profile of banks and non-bank institutions, insurance firms, asset management and trust companies, a Caribbean Regional Technical Assistance Centre (CARTAC) mission comprising Ralph Lewars, CARTAC's Resident Adviser for Financial Sector Regulation and Supervision, and Narendra Sheth, CARTAC's Short-Term Expert (STX) provided the assistance requested remotely during the period February 1 to 5, 2021.

The mission met with Mr. Arnoud Vossen, the Deputy Director of the supervision department and members of his management team; and conducted separate discussions with staff members from the different functional units within supervision, including Account Supervision, and Expert Supervision. The mission also met separately with the President of the CBvCSM, Mr. Richard Doornbosch and the Deputy Director on the last day of the mission to discuss the mission's findings and preliminary recommendations. The mission wishes to thank the Deputy Director and staff of the supervision department for their cooperation, productive discussions, and feedback provided on the draft version of the Report.

This Report presents the mission's assessment and main conclusions.