

## **Algeria**

### **Technical Assistance in Fiscal Year 2020**

#### **Banking Supervision** (November 17-21, April 19-23)

METAC continued its assistance to the Bank of Algeria in implementing Pillar 2 of Basel II, by enhancing the supervisory review and evaluation process, and developing a risk assessment framework to better evaluating banks' capital adequacy. This activity assessed the progress made by the authorities in implementing the ICAAP framework, identified the difficulties encountered, and proposed a way forward.

METAC continued assisting the Bank of Algeria in enhancing the supervisory review and evaluation process. It established an action plan for the Bank to develop a risk assessment and risk rating system by the end of 2020. METAC will accompany the Bank of Algeria in this reform.

#### **Revenue Administration** (September 22-October 3)

METAC organized an expert visit to follow-up on its advice to the Algerian General Directorate of Taxes on improving debt recoveries and reducing the high stock of tax debts. The visit refined previous advice on implementing a tax arrears collection strategy, which included a greater focus on collection of new and large debts, and reduction of old debt. The expert also advised on the next priorities to overcome current impediments for effective debt recovery. These include organizational restructuring of the collection function, remedial actions to ensure a more effective implementation of the new integrated tax administration software, and establishment of specific legal authority for writing off uncollectible debts. In addition, the visit assisted the tax administration in determining performance standards to monitor and measure implementation of the collection strategy.