

Convergence Romania Financial Sector Modernization

Special Projects Initiative Public-Private Steering Committee



Amendment of the AML law

Project Objective

Draft amendment of the AML law in line with the EU Third Directive provisions, which will address both banks' concerns for cost-effectiveness of reporting and avoidance of reputational and legal risks, and authorities' concerns for maintaining high standards about AML.

Project Management Team

Project Owner (PO): Petre Bunescu (RBA Vice President)

Project Manager (PM): Doru Bebe Bulata (Director, BCR)

Deputy Project Manager (DPM): an AML Office manager (to be appointed)

Minutes

First Meeting

November 14, 2006, RBA Premises

Attendees: Doru Bulata, PM
Liana Teodorescu, member
Magdalena Calangiu, member
Victoria Preoteasa, member (represented by Alina Snop)
Ramona Bratu, SPI Secretariat

Further to the monthly meeting of the RBA Compliance Technical Committee, the PWG bank members for AML SPI project had an ad – hoc meeting and discussed on the followings:

I. Progress in gathering PWG members

SPI Secretariat informed on the invitation letters sent by RBA to banks, to NBR, to MoPF, MoJ and to AML Office last week (Nov. 6 – 8) and on the confirmations/appointments received. PM concluded that PWG can move on in this formula until the other intended members will join.

II. Terms of Reference (ToRs) of the project

SPI Secretariat briefly presented the proposed ToRs which will be sent to all PWG members for comments and suggestions. PM pointed out RBA readiness to participate in technical hearings with the two Parliament Commissions.

III. Findings of the short study on international experience – using the study findings as a start point, PWG decided to:

- identify all the issues for which international benchmarking is necessary;
- search for legal provisions in other countries and for World Bank and IMF studies;
- reconsider the amendment proposals in the view of the study findings.

IV. Assessment of the current compliance costs and of potential savings resulted from the law amendment proposals -

PM stressed the high compliance costs and the types of costs involved (with personnel, IT, training, testing the procedures, audit, sanctions, with eventual court trials, etc). A detailed Regulatory Impact Assessment will be performed in order to show the current compliance costs and the potential savings resulted from the law amendment proposals.

V. Homework and further steps:

- PWG will send comments and suggestions to the ToRs (herewith attached) to the SPI Secretariat, by e-mail. SPI Secretariat will gather the individual contributions, will discuss with PM the final ToRs form and will share it with PWG members;
- SPI Secretariat will send to the PWG a draft list of identified issues for international benchmarking. PWG members will review the draft list and will send proposals to SPI Secretariat. The centralized list will be approved by PM and circulated to the PWG members;
- Based on the final list of issues:
 - PM will search in the USA law;
 - L. Teodorescu will look into the Greek and Swiss experience;
 - M. Calangiu will make inquiries on the CAMS forum;
 - V. Preoteasa will look into Hungarian law;
 - SPI Secretariat will search for WB and IMF studies and comparative situations.

All individual contributions will be centralized by SPI Secretariat in a summary document.

- SPI Secretariat will circulate the draft list of costs to PWG for comments. Final list will be used to build up the questionnaire for RIA;
- SPI Secretariat will keep PMG updated on the progress in PWG members gathering.

VI. Based on the work progress, the next PWG meeting to be considered for next week (date, time and place to be determined). The objective of the next PWG meeting will be to outline the main directions followed in drafting the amendment proposals. The final draft should be approved by the PWG no later than December 8 if it is to be considered by the SPI Committee in its December 20 quarterly meeting.