

# Convergence Romania Financial Sector Modernization

Special Projects Initiative Public-Private Steering Committee



## Technical and regulatory requirements for improving clearing and settlement of checks, drafts and promissory notes

### Project Objective

To prepare a document that would represent a solution acceptable to all stakeholders for transition to final solution on paper-less check and other debit instrument processing on a time-compressed schedule

### Main Problem to Solve

To convince all banks, irrespective of their DI market share, on the necessity and opportunity to get to the electronic processing of DI and to agree on a comprehensive technical and regulatory framework for implementation

### Project Management Team

**Project Owner (PO):** Gabriela Tudor (RBA Vice President)

**Project Manager (PM):** Mirela Palade (TransFonD, Deputy General Manager)

**Deputy Project Manager (DPM):** Constantin Rotaru (BCR, Director)

## Minutes

### **Second Meeting**

*November 27 2006 – SPI Office*

**Attendees:** Mirela Palade, PM  
Constantin Rotaru, DPM  
Maria Sheikh-Ahmad, member (BRD – GSG), represented by Mrs. Dragoi  
Ileana Velicu, member (BCR)  
George Carabasan, member (Alpha Bank Romania)  
*Ramona Bratu and Oana Nedelescu, SPI Secretariat*

## Agenda

1. Discussions on the second draft document on the electronic processing of debit instruments prepared by PM and TransFonD team;
  2. Discussions on the draft of project initiation report prepared by PM;
  3. Discussions on the proposed revised action plan prepared by PM;
  4. Discussions on draft RIA questionnaire prepared by SPI Secretariat;
  5. Next meeting.
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1. PWG members had suggestions on how to improve and enrich the draft document on electronic processing of debit instruments. PWG members agreed on the following main changes:
    - a short presentation of the Romanian Electronic Payment System to be included;
    - to include in the text references to appendices;
    - clear provisions regarding the paper-based processing of the bills of exchange (drafts);
    - the bar code to be mentioned as an option, not as a compulsory way of checks' standardization;
    - the description of the processing flow and of archiving to cover all possible choices referring to the truncation (centralized or decentralized);
    - the calculation of the additional collateral needed for the DI settlement to be done automatically by TransFonD and sent to banks;
    - the possibility of automated reporting to NBR of the refused DI;
    - the last two above mentioned to be also included as advantages of the electronic processing of DI.

PM outlined that there are some assumptions to be validated by banks in the consultations process, as the checks' standardization. PM and her team from TransFonD will modify the document. PM will have a series of meetings with banks to raise awareness on the issue, before sending the document to banks for consultation.

2. PWG members agreed on the draft project initiation report, asking only for clarification of the project sponsorship. SPI Secretariat will send by e-mail its comments and suggestions.
3. PWG members agreed with the revised action plan, but with the presentation of the amendment law proposals by mid March 2007, allowing their presentation in the SPI Committee March meeting. PM stressed the idea of working simultaneously on the technical and functional specifications and on the law amendment proposals (with the participation of legal experts). PWG members emphasized that they could involve their colleagues from the Legal Departments, even at this stage, based on the drafts prepared within the initial project of the Electronic Payment System. The final stage of the project would be drafting the amendments of the secondary regulations, planned to end by mid-June 2007.

4. PWG members agreed on the RIA questionnaire, its reference period (June 30<sup>th</sup> , 2006) and suggested to include two additional questions on the administrative elimination of checks and on imposing a maximum amount for checks' issuance. SPI Secretariat will send to banks, through RBA, the questionnaire. The findings of RIA analysis will be included in the document referred to at point 1.
5. Date of next meeting: December 14<sup>th</sup>; objective: to incorporate banks proposals and suggestions in the final document and RIA analysis findings.