

Convergence Romania Financial Sector Modernization

Special Projects Initiative Public-Private Steering Committee



Amendment of Law on Goods Safety and Persons Protection

SPI Committee
April 27, 2007 Meeting

Project Objective:

The amendment of Law no. 333/2003 regarding the goods safety and persons protection in order to provide for the possibility that banks design their safety plans based on their own analyses of risk, in line with international practices.

Project Working Group Activities

PWG members: 10

PWG meetings: 2

Public stakeholders

- National Bank of Romania;
- Gendarmerie.

Private stakeholders

- Banking sector (4 banks).

Project Main Steps

Dec. 15, 2006: 1st PWG meeting

Dec. 19, 2006: PWG (banks and NBR representatives) endorse proposed law amendments

Dec. 20, 2006: SPI Committee members approve the law amendments and decide to support the legislative enactment

Jan. 12, 2007: SPI Committee members from NBR and RBA send proposed law amendments to Ministry of Administration and Internal Affairs

Mar. 2007: SPI Committee MEF member follows up with Ministry of Administration and Internal Affairs

Summary of Impact Assessment:

Government: RON 8.1 mil. (5 year net present value) as tax revenues

Banks: RON 35.4 mil. (5 year net present value) as additional profits

For more information, please contact:

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Amendment of Law on Goods Safety And Persons Protection

Project Team

Project Owner (on behalf of RBA): Constantin Barbu, RBA

Project Manager: Ionel Arghiroiu, Manager, Bancpost

Deputy Project Manager: Gavrilă Popo, Gendarmerie

Project Working Group Members:

Traian Pometcu, NBR

Marian Georgescu, BCR

Alin Lupea, BRD

Eugen Bezdedeanu, Raiffeisen Bank

Sergiu Boga, Unicredit

Nicolae Craciun, Unicredit

Chiriac Lazar, Gendarmerie

Nicolae Magercu, Gendarmerie

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((Romanian version to be made available at the SPI Committee meeting))

April 27, 2007

Bucharest

To: Mr. Cristian David
Minister of Internal Affairs and Administrative Reforms

Dear Mr. Minister,

*Law no. 333/2003 regarding the Goods Safety and Persons Protection
Amendment Proposals*

The SPI Committee has submitted a note to the Ministry of Internal Affairs and Administrative Reforms (formerly Ministry of Administration and Internal Affairs) with proposed amendments to the *Law on goods safeguard and persons protection* on January 10, 2007 (letter attached). Also, in March 2007, the Ministry of Economy and Finance has asked the Ministry of Internal Affairs and Administrative Reforms about the status of the proposed legislative changes.

As we have not received any feedback from the Ministry of Internal Affairs and Administrative Reforms on the above mentioned matter, we would like to ask you, Mr. Minister, to facilitate a discussion between the Ministry's representatives and the members of the public-private working group who drafted the legislative proposal in order to discuss its provisions and agree on an enactment timeline.

We would appreciate if you could communicate to the SPI Secretariat (copied below) the names of the persons designated from the Ministry of Internal Affairs and Administrative Reforms to participate in the discussions with the SPI working group.

Thank you for your support.

Sincerely,

Florin Georgescu
First-Deputy Governor
National Bank of Romania
Member of the SPI Committee

Radu Gratiian Ghetea
President
Romanian Banking Association
Member of the SPI Committee

Sebastian Vladescu
Secretary of State
Ministry of Economy and Finance
Member of the SPI Committee

Gheorghe Ciubotaru
President
National Authority for Consumer Protection
Member of the SPI Committee

SPI Project on Amendment of Law on Goods Safety And Persons Protection

Project Status Report

I. Actions undertaken so far

In December, 2006, the project working group, composed of representatives of banks and of the National Bank of Romania has prepared the proposals for amending Law no. 333/2003 on goods safety and persons' protection. The main amendments refer to:

- the establishment by banks, based on their own analyses of risk, of the requirements, measures, means and forms to ensure the security of banks' endowments, staff, and clients;
- the projects for executing the electronic systems of security for individual units can be done based on standardized projects designed per categories of units of the network, to be approved on an annual basis by the Gendarmerie;
- clarifying the requirement for providing information by security agents / companies without the approval of the banks, etc.

The law amendment proposals have been endorsed by the SPI Committee members, who submitted them in January 2007 to the competent authority – the Ministry of Administration and Internal Affairs. In lack of any feedback from the competent Ministry, the SPI Committee Ministry of Economy and Finance member has followed up with the Ministry of Administration and Internal Affairs in March 2007.

So far, no feedback has been received from the Ministry of Administration and Internal Affairs.

II. Proposals for continuation of follow up on the law amendment proposal enactment

The SPI Secretariat proposes the following actions that could be undertaken to speed up the law amendment proposal enactment:

- a) SPI Committee members **request a follow up meeting** between the representatives of the Ministry of Administration and Internal Affairs and the project working group members (from RBA and NBR) in order to determine the status of the law amendment proposals (early May, 2007);
- b) The **members of the project working group meet with the representatives of the Ministry of Administration and Internal Affairs** in order to discuss the proposed law amendment proposals and agree on an enactment timeline (mid May, 2007);
- c) The SPI Secretariat writes the minutes of the meeting between the project working group members and the representatives of the Ministry of Administration and Internal Affairs and submits them to the SPI Committee members in order to allow them to **monitor the progress of the negotiations with the competent authority** (mid May, 2007);
- d) The SPI Committee members follow up with the Ministry of Administration and Internal Affairs on the **law amendment proposal enactment** (end of May, 2007).