



**Sixth SPI Committee Meeting
December 20, 2007
Decisions and Follow-up Actions**

Projects	Main Follow-Up Actions November 13, 2007 SPI Committee Meeting	Decisions December 20, 2007 SPI Committee Meeting	Main Follow-Up Actions December 20, 2007 SPI Committee Meeting
SPI 2007 Projects			
Progress Report on Main Issues			
IFRS Provisioning Impact Assessment	SPI Committee encourages the validation of the findings with the members of the RIA PWG and the finalization of the overall project by December 2007. The final impact assessment study will be sent to MEF in order to support the decision on the fiscal treatment of IFRS provisions.	SPI Committee takes note of the final findings of the RIA working group impact assessment study, which have been validated by the NBR RIA PWG members. The SPI Committee acknowledges that implementation of IFRS provisions in 2010, which would be in line with market preparations of fully compatible internal models, would minimize negative tax impact.	SPI Committee will submit the impact assessment study to MEF, asking the Ministry to confirm that fiscal treatment of IFRS provisions will be consistent with treatment under RAS standards. SPI Committee also encourages the NBR Licensing and Regulation Department to finalize the preparation of the draft IFRS regulation and discuss it in market consultations.
Lending Databases	SPI Committee encourages the Lending Databases project working group to get more actively involved in the preparation of the final recommendations. RBA will designate a new project owner to coordinate the activities of the project working group.	SPI Committee encourages the new team to speed up work on this important project for the banking sector. It is expected that the analytical document is completed by April 2008.	SPI Committee expects monthly progress reports on this project, in order to closely monitor the actions of the new project working group.
MiFID	SPI Committee notes the progress made on these two important projects and expects the finalization of the MiFID Implementation project by end 2007.	SPI Committee notes the useful dialogue that has been created between banks and NSC on MiFID implementation issues within the SPI project. With this, the project can be considered completed.	SPI Committee encourages banks and NSC to continue using the SPI platform for impact assessment and consultations on other important issues of common interest.

Projects	Main Follow-Up Actions November 13, 2007 SPI Committee Meeting	Decisions December 20, 2007 SPI Committee Meeting	Main Follow-Up Actions December 20, 2007 SPI Committee Meeting
Enactment Monitoring			
2007 Projects under implementation	The SPI Committee will continue to monitor the enactment of the legislative proposals on Debit Instruments, AML, Goods Safety and implementation of the proposed Bank Ombudsman and Rural Lending solutions.	SPI Committee asks the SPI Secretariat to propose a methodology to strengthen the SPI monitoring of its legislative and institutional solutions.	SPI Secretariat will prepare a plan for promoting the implementation of the SPI project solutions.
2008 SPI Program			
2008 Projects	SPI Committee asks the SPI Secretariat to start early work on 2008 Structural Lending and AML Database projects and to prepare a final proposed list for 2008.	SPI Committee approves the list of 12 SPI Core Projects to be undertaken in the first half of 2008. The SPI Committee encourages the SPI Secretariat to facilitate the creation of and to support the activities of public-private working groups for additional 9 projects.	SPI Committee asks the SPI Secretariat to start working on the following priority projects: 1) Co-financing with EU structural funds; 2) PPP lending; 3) Standard Repo procedures so as to have them finalized by end March 2008.
Administrative Arrangements	SPI Committee will support needed legislative amendments. SPI Committee will ask the RBI to speed up work on SPI Secretariat integration into RBI. Also, SPI Committee instructs the Migration Team to modify the procurement guidelines and to prepare a more detailed budget for SPI 2008 Program.	NBR stated the conditions approved by the NBR Board for the migration of the two SPI Secretariat staff to RBI effective January 2008. The SPI Committee takes note of the Convergence proposal to prolong the current SPI Secretariat arrangements until March 2008, when an appropriate formula for obtaining financial support from banks, matching the NBR financial commitment, will be identified.	Convergence will conduct fund-raising activities with the banking sector in January-March 2008, building on the earlier RBA approval of funding support to SPI Romania. Also, in January-March 2008 Convergence has proposed to work with the assigned RBI manager to handle over the SPI Secretariat managerial functions.
Better Regulation	The SPI Committee commends the completion of the RIA Capacity Building Program for Romanian regulatory authorities. It encourages SPI Romania support to other Romania regulatory authorities as they develop impact assessment approaches to policy design.	The SPI Committee appreciates the usefulness of the template developed by EU financial sector regulators for policy design and its relevance for Romania's financial sector modernization needs. It notes with pleasure that CESR has invited SPI Romania to share its pioneering experience with other EU financial regulators.	NBR and MEF will envisage involving the SPI Secretariat in organizing analytical and consultative activities in line with the Better Regulation approach.
Regional Activities	The SPI Committee is content to note the active contribution of the SPI Secretariat to building impact assessment capacities in other countries in the region.	The SPI Committee is pleased that the Albanian stakeholders are considering launching SPI Albania, based on the SPI Romania experience.	The SPI Committee will be pleased to share its experience with its Albanian counterparts and with those of other neighboring countries.



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1. The SPI Committee is pleased to note the finalization of the MiFID Implementation project. The SPI Committee also notes the finalization of the IFRS provisioning impact assessment and the successful re-launching of the Lending Databases project. The SPI Committee will continue to monitor the enactment of the pending SPI legislative proposals and the implementation of the proposed institutional solutions. The SPI Committee approves the list of 12 SPI Core Projects to be undertaken in the first half of 2008. The SPI Committee will envisage involvement of SPI Secretariat in implementing the “better regulation” approach.

Following is the assessment in respect of specific SPI projects and actions.

2. Progress Report on Main Issues regarding 2007 SPI Projects

IFRS Provisioning Impact Assessment

SPI Committee takes note of the final findings of the RIA working group impact assessment study, which have been validated by the NBR RIA PWG members. The SPI Committee acknowledges that implementation of IFRS provisions in 2010, which would be in line with market preparations of fully compatible internal models, would minimize negative tax impact. SPI Committee will submit the RIA impact assessment study to MEF, asking the Ministry to confirm that the fiscal treatment of IFRS provisions will be consistent with treatment under RAS standards. SPI Committee also encourages the NBR Licensing and Regulation Department to finalize the preparation of the new IFRS regulation and discuss it in market consultations, in line with the “better regulation” approach.

Lending Databases

SPI Committee takes note of the change in the project management team and encourages the new team to speed up work on this important project for the banking sector. It is expected that the analytical document is completed by April 2008. The SPI Committee also expects monthly progress reports in order to closely monitor the project working group actions.

MiFID Implementation

SPI Committee notes the useful cooperation that has been created between the banks and NSC on MiFID implementation issues within the SPI project. With this, the project can be considered finalized. SPI Committee encourages banks and NSC to continue using the SPI platform for impact assessment and consultations on other important issues of common interest.

Data Protection

The SPI Committee is pleased to note that BCR started reporting positive credit information to the Credit Bureau. The SPI project has thus contributed to raising the coverage of the information on the retail banking market from 27 percent in 2007 to about 83 percent in 2008. Also, the SPI Committee notes the progress achieved with the dialogue with NASPDP on data protection issues, which should lead to the design of a robust framework for credit information sharing in Romania. The dialogue on these issues will remain open until the proposed regulation strikes a reasonable balance between the data protection needs and the requirements of banks and the credit bureau to have efficient credit information systems.

Improving Consumer Financial Education

The SPI Committee takes note of the recent European Commission communication, stressing the importance of increasing the ability of EU citizens to understand and engage with financial products and services and setting out some basic principles to guide financial educators. The SPI consumer financial education initiative will be adjusted to fully reflect EU guidance.

3. Enactment Monitoring

The SPI Committee will continue to monitor the enactment of the SPI legislative proposals on Debit Instruments, AML, Goods Safety and the implementation of the proposed Bank Ombudsman and Rural Lending institutional solutions.

SPI Committee asks the SPI Secretariat to propose a methodology to strengthen the SPI monitoring of its legislative and institutional solutions. SPI Secretariat will prepare a plan for promoting the implementation of the SPI project solutions.

4. 2008 SPI Program

2008 Projects

SPI Committee approves the list of 12 SPI Core Projects to be undertaken in the first half of 2008. Also, the SPI Committee encourages the SPI Secretariat to facilitate the creation of and to support the activities of public-private working groups for additional 9 projects. Of the total of 21 projects proposed to be undertaken, 18 represent new projects and 3 are carry over projects from 2008 (Lending Databases, Bank Guarantees, and RDGF- which has been approved, but not initiated in 2008).

The selected 18 new projects embed public-private interests and present a balanced mix between business development (7 projects), industry competitiveness (6 projects) and industry reputation (5 projects). The projects also respond to the need for a closer integration with the EU strategic directions (structural funds, payments initiatives, consumer education, etc.).

It is estimated that in 10 projects the SPI Secretariat will be have full involvement, acting as executive project manager; in other 2 projects, the SPI Secretariat will provide international benchmarking and convener support, if undertaken by one of the stakeholders; and in 6 projects,

the SPI Secretariat could provide convener support through its junior staff, if undertaken by one of the stakeholders.

SPI Committee asks the SPI Secretariat to start working on the following priority projects (1) Co-financing with EU structural funds; 2) PPP lending; 3) Standard Repo procedures) so as to have them finalized by end March 2008.

2008 Administrative Arrangements

NBR stated the conditions approved by the NBR Board for the migration of the two SPI Secretariat staff to RBI effective January 2008. The SPI Committee takes note of the Convergence proposal to prolong the current SPI Secretariat arrangements until March 2008, when an appropriate formula for obtaining financial support from banks, matching the NBR financial commitment, will be identified. Convergence will conduct fund-raising activities with the banking sector in January-March 2008, building on an earlier RBA decision to support SPI Romania financially. Also, in January-March 2008 Convergence is available to work together with the assigned RBI manager to handle over the SPI Secretariat managerial functions.

5. Better Regulation Approach

The SPI Committee appreciates the usefulness of the template developed by EU financial sector regulators for policy design and its relevance for Romania's financial sector modernization needs. It notes with pleasure that CESR has invited SPI Romania to share its pioneering experience with other EU financial regulators. NBR and MEF will envisage involving the SPI Secretariat in organizing analytical and consultative activities in line with the Better Regulation approach.

6. Regional Activities

The SPI Committee is pleased that the Albanian stakeholders are considering launching SPI Albania, based on the SPI Romania experience. The SPI Committee will be pleased to share its experience with its Albanian counterparts and with those of other neighboring countries.

7. Next SPI Committee Meeting

The next SPI Committee meeting will be held at the National Bank of Romania in February 2008 (Date to be confirmed).