



**First SPI Committee Meeting
June 10, 2008
Discussions and Follow-up Actions**

Topics	Discussions/ Decisions June 10, 2008	Main Follow-Up Actions
ACTIVITIES		
SPI Albania Program for 2008 - for approval	SPI Committee approved the SPI Albania Program for 2008. SPI Committee agreed with the principles used in designing Project Working Groups' composition and committed to support their gathering.	SPI Secretariat will forward the SPI Albania Program for 2008 to AAB and Bank of Albania for wide circulation. SPI Committee members from BoA and AAB will appoint POs for the first four projects by the end of the week. SPI Secretariat will organize meetings with potential project owners to confirm their involvement in the respective projects. SPI Committee members from BoA and AAB will support the SPI Secretariat during PWGs gathering process. AAB will review the PWG composition and will send their suggestions by the end of this week. SPI Secretariat will prepare the invitation letters in order to gather the Project Working Groups. SPI Secretariat will finalize the ToRs together with the Project Management Teams and organize the first meetings as planned for June.
SPI Albania Activity Report	SPI Committee encouraged reporting on regular basis. For visibility reasons the SPI Committee recommended the SPI Secretariat Committee report to be posted on the SPI Website and to be delivered for their information to the AAB and BoA Departments.	SPI Secretariat will report on a regular basis and will publish the monthly reports on the SPI Webpage (www.spi-albania.eu). AAB and BoA will support the dissemination of the information on the SPI Activities.
MANDATE		
SPI Committee Operating Guidelines Approval	SPI Committee approved the SPI Committee Operating Guidelines. The Guidelines together with all the incorporated Annexes represent a comprehensive package on the SPI Albania Governance.	SPI Secretariat will post the Operating Guidelines on the Website. SPI Secretariat will closely follow-up on the implementation of the rules set forth by the Operating Guidelines.
SPI Albania as a legal entity – for discussion	SPI Committee took note on the possibility of having SPI Albania registered as a legal entity.	AAB will discuss the issue in their General Assembly July meeting. AAB will seek the concurrence of other financial market associations to jointly promote the incorporation of SPI Albania. AAB Secretariat and Convergence Program will collaborate to prepare a pro-forma business plan and a governance framework. After circulation to the SPI Committee of the above document, Convergence Program will seek BoA, MEF, AMF and Regione Puglia's views to participate in the governance of SPI Albania as legal entity. SPI Committee will review progress status in October. After eventual SPI Committee endorsement, AAB and Convergence Program will start procedures to incorporate SPI Albania.

DRAFT

Minutes



First SPI Committee
Tuesday, June 10th, 2008
Location: Bank of Albania

Participant SPI Committee Members:

Mr. Fatos Ibrahim	First Deputy Governor, Bank of Albania
Mr. Edvin Libohova	Chairman, Association of Albanian Banks
Mr. Luigi Passamonti	Head of Convergence Program

Permanent Observers:

Mr. Nezir Haldedaj	General Treasury Director, Ministry of Finance
Mr. Keler Gjika	Deputy Chairman, Financial Supervisory Authority

Other Participants:

Mr. Elvin Meka	General Secretary, Association of Albanian Banks
Mrs. Ramona Bratu	SPI Regional Operations Director
Mrs. Anuela Ristani	SPI Albania, Director of Operations
Ms. Elona Bollano	SPI Albania, Director of Analytics and Policy

1. Activities – SPI Albania Program for 2008 - for approval

SPI Secretariat built up the SPI Program for 2008 in accordance with the issues raised by AAB members and Bank of Albania.

The first four projects to be undertaken are: 1. Improving Auction Procedures under Foreclosure for Immovable Collaterals - The project is planned to have three stages: the first stage has as objective to prompt the discussion in the Parliament of the already existing Civil Code amendment proposals; the second stage envisages to contribute to the improvement of the Bailiff Office performance; the third stage aims at promoting the standardization in the appraising methodologies. SPI Committee recommends SPI Secretariat to check on the status of the work that is being done by the Parliamentary Legal Commission on Civil Code amendment regarding collateral foreclosure and to change the ToRs accordingly. SPI Committee also proposes a representative of the BoA Legal Department to be part in the PWG. SPI Committee supports the SPI involvement in improving the activity of Bailiff Office and in helping standardizing appraising methodologies.

1

SPI Albania Secretariat

Mrs. Anuela Ristani, Director of Operations, anuela.ristani@spi-albania.eu

Ms. Elona Bollano, Director of Analytics and Policy, elona.bollano@spi-albania.eu

Address: Twin Tower I, Kati 6, Apt. A3. Tirana, Albania. Tel. +355 42 280 359; Fax. + 355 42 280



2. Reducing Cash Transactions - The project objective is to promote within the banking community a self – regulatory measure in order to offer disincentives for cash transactions. AAB would play an important role in encouraging banks to implement the provisions of a protocol stating the common policy for reducing cash transactions and BoA could support the banks’ initiative. The project ToRs provides also a campaign for raising public awareness on the new banking policy in respect of non-cash transactions. SPI Committee identified other area that should be approached within the project – the large companies that are dealing with a high volume of cash transactions such as KESH, Vodafone, AMC. PWG should identify, in consultation with these companies, products or commissioning policies in order to support these companies in reducing cash transaction. SPI Committee suggests also that, in order to reduce cash transactions, the possibility of setting up a domestic hard currency payment system be explored in a future SPI project.

3. Improving Regulations on Capital Adequacy – The project objective is to formulate the amendments to the regulations on capital adequacy in order to introduce a new approach for the credit risk and the operational risk, together with an implementation plan. SPI Committee stresses the fact that changes on the Law on Banks might not be necessary since it has been recently amended and includes general provisions giving the space to regulate the Capital Adequacy issues through BoA regulations. SPI Committee recommends SPI Albania to search for solutions that are not involving law issuance since the enactment process could take up to 2 years. AMF will appoint a representative in this PWG to facilitate cooperation between BoA and AMF and ensure broad consistency of methodologies.

4. Assessing the IFRS Adoption Impact on the Regulatory Framework – The project aims at identifying the banking regulations to be amended in order to implement IFRS and the sense of the necessary changes. MoF Treasury Department will assign a representative in the PWG.

SPI Committee approves the SPI Albania Program for 2008 and endorses the drafted ToRs for the first four projects to be finally approved by the Project Working Groups.

In order to ensure a fair and proportionate representation of all the banks, SPI Secretariat has proposed for all the banks to be involved in the first six projects. In designing the PWG’s composition, SPI Secretariat has followed the EU DGMarkt recommendation to ensure that all categories of Banks (small, medium, and large) are duly represented. SPI Committee agrees with the principles of building up a balanced

2

SPI Albania Secretariat

Mrs. Anuela Ristani, Director of Operations, anuela.ristani@spi-albania.eu

Ms. Elona Bollano, Director of Analytics and Policy, elona.bollano@spi-albania.eu

Address: Twin Tower I, Kati 6, Apt. A3. Tirana, Albania. Tel. +355 42 280 359; Fax. + 355 42 280



Project Working Groups' composition. AAB will closely review the Project Group Composition and will formulate suggestions on the banks' capabilities and expertise to be used in each project. SPI Committee members will support the gathering of the Project Working Groups agreeing to intervene in case by case basis if SPI Secretariat will face challenges with gathering individual representatives.

All communications for Project Working Group gatherings will be made through AAB and the respective department from the BoA. The SPI Secretariat suggests the AAB Executive Committee members to be Project Owners for the projects proposed by the Banking Community and high level BoA management for the BoA proposed projects. SPI Secretariat will follow up with BoA and AAB in order to have the POs appointed by the end of the week.

SPI Secretariat will communicate the SPI Albania Program for 2008 to the AAB and Bank of Albania for wider circulation. SPI Secretariat will organize meetings with the potential project owners to confirm their involvement in the respective projects. SPI Secretariat will prepare the invitation letters in order to gather the Project Working Groups. SPI Secretariat will finalize the ToRs together with the PWG Management Teams and organize the first meetings as planned for June.

2. Activities- SPI Albania Activity Report

In order to have more transparency and reflect on the activities the SPI Secretariat will employ a regular system of reporting to the SPI Committee and the overall Albanian banking community. The first report focuses on the start-up of the SPI Secretariat and reflects its activity on the preparatory phase for the projects in the 2008 program, and on the positioning of SPI Albania in the Albanian banking community as a whole.

SPI Committee encourages reporting on regular basis. For visibility reasons the SPI Committee recommends the SPI Secretariat Committee report to be posted on the SPI Website and to be delivered for their information to the banking community and BoA Departments.

AAB and BoA will support the dissemination of the information on the SPI activities. SPI Secretariat will report on a regular basis and will publish the reports on the SPI Webpage (www.spi-albania.eu)

3. Mandate- SPI Committee Operating Guidelines Approval

3

SPI Albania Secretariat

Mrs. Anuela Ristani, Director of Operations, anuela.ristani@spi-albania.eu

Ms. Elona Bollano, Director of Analytics and Policy, elona.bollano@spi-albania.eu

Address: Twin Tower I, Kati 6, Apt. A3. Tirana, Albania. Tel. +355 42 280 359; Fax. + 355 42 280



The SPI operating guidelines provide for the rules and regulations that will guide the implementation of SPI Albania objectives. The Operating Guidelines include the annexes on the List of SPI Committee Members and Permanent Observers and of their Alternates, The SPI Project Selection and Approval Process, the SPI Stakeholders Cooperation Guidelines, The SPI Working Group Activities Guidelines, and the SPI Cooperation of Enactment Activities.

The SPI Committee approves the SPI Committee Operating Guidelines. The Guidelines together with all the incorporated Annexes represent a comprehensive package on the SPI Albania Governance.

SPI Secretariat will post the Operating Guidelines on the SPI website. SPI Secretariat is committed to closely follow up on the application of the rules set forth by the guidelines and will assist in their practical applicability for the entire lifecycle of the SPI Program Projects.

4. Mandate- SPI Albania as a legal entity – for discussion

SPI Committee members acknowledge the potential importance and benefits of establishing SPI Albania as a legal entity. There is common understanding on the fact that such entity will enable the construction of SPI Albania as a solid, well regulated and represented institution with the capacity to attract financing sources (such as EU Funds) other than those coming from its initial sponsors. Having in view its objectives, the SPI Albania should be a not-for profit entity, but enjoy the possibility to generate revenue from its activities.

AAB proposed to add this initiative as a topic on their General Assembly meeting to be held in July and invited Convergence Program to present the idea on SPI Albania incorporation as a legal entity.

AAB will seek the concurrence of other financial market associations to jointly promote the incorporation of SPI Albania.

AAB Secretariat and Convergence Program will collaborate to prepare a pro-forma business plan and a governance framework.

After circulation to the SPI Committee of the above document, Convergence Program will seek BoA, MoF, AMF and Regione Puglia's views to participate in the governance of SPI Albania as legal entity.

SPI Committee will review progress status in October. After eventual SPI Committee endorsement, AAB and Convergence Program will start procedures to incorporate SPI Albania.

4

SPI Albania Secretariat

Mrs. Anuela Ristani, Director of Operations, anuela.ristani@spi-albania.eu

Ms. Elona Bollano, Director of Analytics and Policy, elona.bollano@spi-albania.eu

Address: Twin Tower I, Kati 6, Apt. A3. Tirana, Albania. Tel. +355 42 280 359; Fax. + 355 42 280