



SPI Monthly Activity Report September 2007 also on www.spi-romania.eu

Project Highlights:	<u>1 Project Working Group Meeting</u>	<i>(Monthly New Item)</i>
<i>New projects:</i>	<i>Credit rating agencies development, MiFID Implementation</i>	
<i>Regulatory-making process:</i>	<i>Law on Safety, Electronic processing of debit instruments, AML Law</i>	
<i>Institutional development:</i>	<i>Credit Positive Information Sharing, Ombudsman</i>	
<i>Finalized projects:</i>	<i>Rural lending, IFRS Provisioning</i>	
<i>Lagging behind:</i>	<i>Bank Guarantees, Lending databases</i>	

SPI Project Working Groups Activities

New projects

- ***Credit rating agencies development:*** The NBR is close to finalizing the ECAI-related regulation. The regulation will be submitted for comments to the PWG.
- ***MiFID Implementation:*** The SPI Secretariat has conducted a bank survey with banks, which outlined the criticalities in MiFID implementation. The banks' issues will be discussed with NSC, which appointed two representatives in the PWG. The PWG will outline the solutions for overcoming the impediments perceived by banks in MiFID implementation, thus marking the achievement of the project objective.

Regulatory-making process

- ***Amendment of law on goods safeguard:*** The SPI Secretariat followed up with the Ministry of Internal Affairs and Administrative Reforms (MIAAR) on the new law proposal. The PWG will review the final draft law once received from MIAAR and will propose further adjustments if needed.
- ***Amendment of AML law and Electronic processing of debit instruments:*** SPI Secretariat submitted to MEF the opinion of the public-private PWG on the law amendment proposals for the electronic processing of debit instruments under the public consultation process. Also, the SPI Secretariat supported the SPI Committee in following up with the Ministry of Justice on the integration of the PWG proposals into the ongoing AML legislative initiative.

Institutional development

- ***Credit positive information sharing:*** The SPI Secretariat prepared a document on the outstanding issues pertaining to personal data protection for PWG discussions and consensus building. The PWG will outline the commonly agreed solutions, which will be sent for SPI Committee endorsement and to the RBA and NASPDP for discussion and implementation.
- ***Ombudsman:*** The SPI Secretariat supported the RBA in asking the NBR and MEF endorsement on the proposed Bank Mediator setting up.

Finalized projects

- ***Rural lending:*** The SPI Secretariat has requested a follow up meeting with the Ministry of Agriculture on the project implementation steps.
- ***IFRS Provisioning:*** NBR has collected the banks' responses to the impact assessment questionnaire. The data is currently compiled by the SPI Secretariat who will also draw the preliminary findings. The RIA PWG will finalize the RIA analysis and will conduct the consultations with the relevant stakeholders. The impact assessment findings will be presented to the SPI Committee and to MEF in order to enable it to make a decision on the fiscal treatment applicable to bank provisions.

Projects close to finalization

- **Consumer education:** The SPI Secretariat finalized the preparation of the national strategy for promoting consumer financial education. The proposed strategy will be discussed by the PWG in early October and subsequently sent to the SPI Committee for endorsement. A round table will be organized with all relevant stakeholders in order to ensure a broad endorsement of the proposed national strategy.
- **Stress testing:** The background document on stress testing, integrating the NBR contribution, has been finalized. The document will be disseminated and discussed with banks.

Projects lagging behind

- **Lending databases:** The SPI Secretariat is currently preparing a background document, which is to be discussed and endorsed by the PWG. RBA is expected to revamp the project management group, in accordance with the decision of the SPI Committee.
- **Law on bank guarantees:** The SPI Secretariat encouraged the project management team to speed up work on this project.

Other Developments

- **SPI 2008 Pipeline:** The SPI Secretariat continued to receive project proposals for 2008 from SPI stakeholders to be discussed on the occasion of the October SPI Committee meeting.
- September 10, 2007 - SPI Secretariat Follow-Up Visit to Serbia: Oana Nedelescu, SPI Director for Policy and Analytics, illustrated the SPI Romania activities to the Serbian Ministry of Trade and Services and to the National Bank of Serbia;
- September 12-14 - How to Design Better Financial Regulation Seminar: Mr. Stefan Nanu, Director-General of the Ministry of Economy and Finance and SPI Committee Alternate Member, and Ms. Oana Nedelescu, SPI Director of Analytics and Policy, discussed how RIA techniques benefit the SPI Program at a regional workshop to be held at the Ljubljana's Center of Excellency in Finance. The event was addressed to ten South-East European financial regulators;
- September 18, 2007 – SPI Director for Analytics and Policy Oana Nedelescu met with the City of London representatives, the local authority for the financial center of Britain. City of London runs a program for practitioners, government officials and regulators from the new EU Member States, which in 2008 will target Romania. City of London accepted to become an international institutional anchor for SPI Romania, by putting it in contact with relevant institutions throughout the UK financial sector (Banking Association, Treasury, FSA, etc.) and with the Program's alumni network;
- September 19, 2007 - SPI Secretariat participated in EU Public Hearing on Green Paper on Retail Financial Services: Ramona Bratu, SPI Director for Bank Products and Services, attended the Public Hearing held by the European Commission on future policy directions for retail financial services;
- September 26, 2007 – SPI Director for Bank Products and Services Ramona Bratu organized a debriefing for Romanian stakeholders on the EC Green Paper Public Hearing at the InfoEuropa Center. The discussions with the authorities and market players' representatives outlined the priorities for the retail Romanian financial market, in line with EU developments.

Highlights of expected October activities

- The impact assessment of the IFRS provisioning regulations will be finalized;
- The SPI projects on consumer financial education and stress testing will be finalized;
- The RIA knowledge transfer and capacity building program with Romanian regulatory authorities will be finalized. The project working groups will make presentations in front of the SPI Committee members;
- SPI Committee meeting expected to be held at the end of October to provide preliminary approval of the 2008 SPI Pipeline (now totaling 13 projects), endorse the finalized projects, deal with the project enactment monitoring issues and with the migration of SPI to the Romanian Banking Institute.

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SPI COMMITTEE SECRETARIAT:	
Ms. Ramona Bratu SPI Director of Bank Products and Services ramona.bratu@convergence-see.eu	Ms. Oana Nedelescu SPI Director of Analytics and Policy oana.nedelescu@convergence-see.eu
Tel: 021- 323.66.10 www.spi-romania.eu	