



SPI Project

Improving auction procedures for immovable collateral under foreclosure

Minutes

Second meeting

July 30, 2008—AAB premises
10:00 – 11:30

Project Objectives

1. To undertake analytical activities that would support the enactment of law amendment proposals.
2. To support the improvement of the Bailiff Office activity.
3. To improve the quality of the buildings evaluation.

Project Management Team

Project Owner (PO): Seyhan Pencapligil, General Director, BKT
Project Manager (PM): Veronika Prifti, Legal Department Manager, BKT
Deputy Project Manger (DPM): Rudina Gorishti, Legal Department Deputy Director, Bank of Albania

Attendees:

Veronika Prifti, BKT (PM)
Kimmo Vikman, EURALIUS (peer-reviewer)
Andin Jakova, BNT (member)
Petrit Qarri, MoJ (member)
Altin Hysi, Emporiki, (member)
Alban Mehmeti, Emporiki, (observer)
Arta Taipi, UBA (member)
Odetta Hyseni, EURALIUS, (observer)
Ramona Bratu, SPI Regional Operations Director
Elona Bollano, SPI Albania Director of Analysis and Policy
Anuela Ristani, SPI Albania Director of Operations
Luigi Passamonti, Convergence Head

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

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AGENDA

- I. Project Activity Brief
- II. Aggregated Individual Contributions on CCP and PWG Proposal (Discussion)
- III. Questionnaire on Banks' difficulties in dealing with Bailiff's officers (Discussion and Approval)
- IV. Note on international Bailiff Experience (Discussion and Approval)
- V. Conclusions and distribution of tasks
- VI. Closing Remarks

Project Activities Status

Planned Actions From the first PWG Meeting (July 4 th , 2008)	Status/ Discussions during the Second PWG Meeting (July 30 th , 2008)	Main Follow-Up Actions
Working Group Tasks		
Banks to send study cases on the impact of the current situation on the banks' business	With the Exception of UBA, no other banks contributed with their own examples for illustrating the situation	PM will provide some cases that were mentioned during the WG Meeting
PWG members to provide feedback on the note regarding the impact of foreclosure procedures.	No comments were received. Draft was tacitly approved	No further actions required
PWG to make proposals for new amendment proposals to the Civil Code	Proposals were received from <ol style="list-style-type: none"> 1. RZB 2. UBA 3. ICB 4. Tirana Bank A significant number of WG members were not present in the meeting, including the ones that did make the amendment proposals. After discussing a few articles the WG members decided to postpone this item for the next meeting	All amendment proposals will be discussed at the next WG meeting, pre-scheduled to take place on September 8 th , 2008. Prior to the meeting, PMT will draft possible PWG proposals in order to facilitate consensus reaching within the next PWG meeting.
SPI Secretariat Tasks		
SPI Secretariat with PMG support to draft a questionnaire on the impediments perceived by banks in working with the Bailiff Office;	SPI Secretariat drafted the questionnaire and this was discussed, completed and approved during the meeting In addition, SPI Secretariat prepared a note on the international experience with the bailiff services.	The Questionnaire will be sent to AAB Legal Committee in order to be filled in by the Legal Departments of all the Banks. Results will be distributed to the banking community. A note with PWG recommendations will be sent to MoJ for their consideration for the improvement of Bailiff Services.
SPI Secretariat to ask MoJ on the sense of the liberalization concept in respect of the Bailiff Office;	PMT sent, with SPI Secretariat's support, a letter to MoJ. Following the letter, Project Management Team and the SPI Secretariat met with the MoJ representatives from Enforcement Department and obtained an invitation for the MoJ Consultation Hearings on the Bailiff Office Liberalization. and the appointment of a expert of this department in PWG.	PMT and SPI Secretariat will participate in the MoJ consultation Hearings and will report to the PWG members during the next meeting.
SPI Secretariat to provide the PWG with the current MoJ legislative proposal and with the European Council recommendation on bailiff activities	SPI Secretariat sent to the PWG the latest draft as approved by the Council of Ministers SPI Secretariat sent to the PWG the EU Council recommendation on bailiff activities	SPI Secretariat will send a summary of EURALIUS recommendations SPI Secretariat will provide relevant legal provisions from the Romanian legal framework. PWG to take into account these documents when formulating the proposals
SPI Secretariat to gather individual contributions and to send the aggregated document to all PWG members;	SPI Secretariat followed up on the collection of the proposals, aggregated them and sent them to the PWG members prior to the second meeting.	SPI Secretariat will update the document with the individual contributions if other suggestions will be sent prior to the second meeting.

I. Project Activity Brief

After the letter sent to the MoJ on behalf of the PMT, the SPI Secretariat and the PMT have met with the MoJ, Enforcement Department Representatives. The outcome of this meeting was the participation of Mr. Petrit Qarri in the quality of WG member for the project and an invitation for the SPI Secretariat and the PMT to participate in the MoJ Consultation Hearings on the Bailiff Office Liberalization.

Mr. Seyhan Pencapligil, in the quality of Project Owner, sent a series of letters to The World Bank, IMF, IFC, EBRD, EU Delegation and Council Of Ministers Donors Coordination Unit. The letter was sent as a request for information in order to map out all activities undertaken or planned to be undertaken that directly or indirectly relate to our SPI Albania Project on Foreclosure in order to coordinate our efforts and assess options of collaboration.

In between the two meetings the Secretariat has followed up on the collection of the proposals, aggregated them, and sent the aggregated document to the PWG members prior to the second meeting.

II. Aggregated Individual Contributions on CCP and PWG Proposal (Discussion)

Since a significant number of WG members were not present in the meeting, including the ones that did make the amendment proposals, the WG concluded that it would be more appropriate to postpone the discussion for the next meeting. Meanwhile both PM and SPI Secretariat will follow up with the individual WG members to ensure their presence in this important discussion that will provide the substance for the Project Outcomes. PMT will draft possible PWG proposals in order to facilitate consensus reaching within the next PWG meeting.

III. Questionnaire on Banks' difficulties in dealing with Bailiff Officers (Discussion and Approval)

The SPI Secretariat presented the draft of the questionnaire on Bank's difficulties in Dealing with Bailiff's officers. The PWG members representing the banks agreed with all the items listed and added two more issues that they deem important in their relations with the Bailiff Office. The two items were:

- a. Lack of confidentiality from the Bailiff Officers.

There have been several instances where the Bank's position has been hindered due to information leakage from the bailiff officer to the debtor. This information brought in court has been used from the other party, often times, as a determining factor for the court decision.

- b. Lack of information management on the files of the debtors.

There are instances where the bailiff officers are not able to detect information already available to them through the files of the debtors and this causes unnecessary delays and longer processes for the banks. The Bailiff Officers should be liable to use all information to them available instead of claiming its inexistence.

Furthermore the MoJ representative, found this questionnaire very useful. The MoJ is very interested to receive the findings of the survey to be used as a reference point throughout their efforts to reform the Bailiff services.

The questionnaire will be distributed to all the Banks' legal departments through AAB Legal Committee.

IV. Note on international Bailiff Experience (Discussion and Approval)

The SPI presented the Note on International Bailiff Experience. The note is based on the information presented in the annexes of EURALIUS STUDY ON THE PRIVATISATION OF THE ENFORCEMENT SERVICE IN ALBANIA.

SPI Secretariat performed an analysis on the international experience on the bailiff service in some countries: Czech Republic, France, Greece, Holland, Hungary and Poland.

The WG members considered this note as an important benchmark to be taken into consideration and approved it.

V. Conclusions and distribution of Tasks

- **PWG Members will review the document with the aggregated amendment proposals in order to be ready to discuss all articles in the next meeting. SPI Secretariat will include in the document EURALIUS recommendations and the last MoJ accepted version of amendments. SPI Secretariat will provide relevant legal provisions from the Romanian legal framework.**
- **PMT will draft possible PWG proposals in order to facilitate consensus reaching during the next meeting.**
- **PM will provide some cases that were mentioned during the WG Meeting that illustrate the impact of the current situation on the banks' business.**
- **SPI Secretariat will distribute the questionnaire on Banks' difficulties in dealing with Bailiff Officers to all the Bank's Legal Departments through AAB and collect the results.**
- **SPI Secretariat will prepare summary of the main findings of the questionnaire and distribute it before the next meeting.**
- **SPI Secretariat will draft a note with PWG possible recommendations on the Bailiff Office, to be sent to MoJ**
- **SPI Secretariat and the PMT will participate in the MoJ Consultation Hearings on the Bailiff Office Liberalization and report to the WG.**

VI. Closing Remarks

Next Meeting is suggested to take place on Monday, September 8th, 2008.