



SPI Albania Monthly Activity Report October 2008

I. SPI Activity Highlights

October 2008 was another intensive month for SPI Albania. Most important achievements are as follows:

- **IFRS:** a) SPI Secretariat and Project Management Team (PMT) met with the Deputy Minister of Finance Mr. Florjon Mima, and Mr. Ylber Beizo, Head of Accounting Department in the General Directory of Taxes; b) Project Working Group (PWG) approved the final PWG Recommendations document marking the conclusion of the first SPI Albania Project.
- **Auction Procedures:** a) Project Management Team participated in the hearing session of the Parliamentary Commission for Legal Affairs, Public Administration and Human Rights on the amendment proposals to the Civil Procedure Code. This invitation came as a response to the package of proposals on the Draft Law on Bailiff Services Liberalization and on Civil Procedure Code (CPC) sent by, SPI Committee member and Albanian Association of Banks (AAB) Chairman, Mr. Edvin Libohova. This action was generated by Council of Minister's decision to promote the above mentioned legislative proposals, and was based on the up-to-date documentation sent by SPI Project Owner.
- Special thanks for important contributions to IFRS Project Management Team and Project Working Group Members for the timely and effective conclusion of the project.

II. Project Activities

1. Improving Auction Procedures for Immovable Collateral under Foreclosure

The Project Progress for October has marked the following achievements:

- As a response to the decision of the Council of Ministers to forward to the parliament legislative initiatives on contract enforcement, SPI Project Owner of the project on Auction Procedures forwarded on October 3 to SPI Committee members the up-to-date documents prepared by PWG for further actions and support.
- SPI Committee member and Albanian Association of Banks (AAB) Chairman, Mr. Edvin Libohova, sent on October 6 the package on Auction Procedures to the Albanian Legal Parliamentary Commission to consider changes on the Draft Law on Bailiff Services Liberalization and on the Civil Procedure Code. The SPI Project Manager sent the same documents to Ministry of Justice for consideration.
- SPI Secretariat and the PMT discussed the proposals of the PWG on the CPC with Mr. Pal Metaj, Director of Foreclosure Department, and Mr. Enid Minarolli, Adviser to the Minister of Justice. The representatives from Ministry of Justice agreed to include the largest part of the PWG recommendations in the package to be forwarded to the Legal Parliamentary Commission.
- SPI Secretariat has met with the Delegation of European Commission in Albania. As a follow up to Auction Procedures Project Owner's correspondence to several institutions to map all related activities in this field, SPI Secretariat met with Mr. Anel Sing, Head of Justice and Home Affairs Section and Ms. Ledia Muco, Economic and Trade Adviser.
- The 4th Project Working Group meeting was held on September 28th. PWG approved the CPC PWG recommendations and the Bailiff Improvement PWG recommendations drafted by SPI Secretariat.
- SPI Secretariat finalized the questionnaire for impact assessment and delivered it to the all the banks after approval by the Project Management Team.

2. Impact of IFRS Implementation on Banking Regulations

With the 4th Project Working Group meeting held on October 29th the IFRS Project is concluded. In their last meeting, after covering all the issues for the regulations included in the second group (Regulations that will be

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moderately affected by the implementation of IFRS), the PWG approved the [PWG Recommendations](#). The document was forwarded to the [SPI Committee](#) for endorsement. Other project activities during October include:

- In response to the question raised from the PWG during the third PWG meeting, National Accounting Council (NAC) reported through SPI Secretariat that they are the institution responsible for the translation of the IFRS updates. These updates will be released in Albanian and posted on their page before the end of the year.
- The SPI Secretariat in collaboration with Bank of Albania sent a request to the PWG members representing the banks for contributing through their reconciliation tables that identify the differences between the entries as per IFRS versus Bank Accounting Manual standards, as well as the specific references to these differences.

3. Reducing Cash Transactions

The Project Progress for October has marked the following achievements:

- The Project Manager forwarded the proposal to perform a national scale study for measuring the costs of cash volume in Albania and the reasons for the current cash usage, to AAB for approval. The Draft [note](#) includes an analysis of the offers received as well as the draft PWG recommendations to AAB.
- SPI Secretariat has finalized the [Note](#) on International Experience after the PWG revision.
- SPI Secretariat met with the cash/payments managers from Raiffeisen Bank, and Union Bank to validate the [cost-benefit questionnaire](#) for the banks before final approval.

4. Reviewing the Capital Adequacy Regulation

SPI Secretariat delivered the official invitation letters to the short listed potential Technical Anchors after obtaining Project Owner's approval. The first PWG meeting will take place during November 2008. ([Terms of Reference](#))

III. Other SPI Activities

- The SPI Secretariat has met with Ms. Anila Jani, Director of Market Surveillance in the Ministry of Economy, Trade and Energy, to discuss the participation of the Ministry in the quality of Permanent Observer to the [SPI Committee](#) and their participation in the SPI Albania Projects.

IV. Highlights of Expected November Activities

- [Cash Transactions](#): Regulatory impact assessment for banks.
- [Capital Adequacy](#): First Project Working Group meeting.