



## SPI Albania Monthly Activity Report July 2008

### I. SPI Secretariat Activity Highlights

July 2008 was an intensive working month for SPI Albania. The most important outcomes of July are accounted for by the following:

- Five Project Working Group Meetings for three different projects;
- Presentation of the Italian Association of Banks in Anti-Cash Measures;
- Official interpretation from the National Accounting Council of the decree issued by the Ministry of Finance on the implementation of IFRS;
- Survey on the Banks' Readiness to implement IFRS.

### II. Project Activities

#### **1. Improving Auction Procedures for Immovable Collateral under Foreclosure**

The Project Working Group held two meetings on the 4<sup>th</sup> and 30<sup>th</sup> of July. The project progress during July is as follows:

- 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. SPI Secretariat has followed up accordingly and has organized meetings with most of the institutions.
- SPI Secretariat has provided the WG with the current legislative proposal and the European Council Recommendation on bailiff activities.
- Working Group Members representing banks have formulated their amendment proposals on the Civil Code Procedure. The proposals have been aggregated by the SPI Secretariat and incorporated in a comparative table containing the current version of each article and the alternatives suggested by Euralius and by the banks. In addition the information was enriched with some extracts from the Romanian Civil Procedure
- After the letter sent to the Ministry of Justice 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 appointment of Mr. Petrit Qarri in the quality of PWG member for the project.
- SPI Secretariat and the PMT were invited to participate in the MoJ Consultation Hearings on the Bailiff Office Liberalization to be held on August 13<sup>th</sup>, 2008.

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- PWG Members have approved the questionnaire drafted by SPI Secretariat on Bank's difficulties in Dealing with Bailiff's officers. The questionnaire will be delivered to all the banks through AAB Legal Committee

## 2. The Impact of the Banking Regulations of the IFRS Implementation

The Project Working Group has already held two meetings (3<sup>rd</sup> and 29<sup>th</sup> of July) with the following deliverables:

- The SPI Secretariat has prepared and run a questionnaire for assessing the banks readiness on implementing IFRS. The main findings were delivered to the PWG and to all the Banking Community.
- After the PWG request during the first PWG meeting and in collaboration with Bank of Albania, SPI Albania managed to obtain an official interpretation from the National Accounting Council of the decree issued by the Ministry of Finance on the implementation of IFRS. SPI Secretariat assisted NAC in their interpretation through
  - organizing a meeting with the Project Management Team and NAC representatives
  - drafting a Note on the European experience in implementing IFRS
  - sending the document on the main findings for the survey on Banks' Readiness to Implement IFRS.
- Together with the PMT, SPI Secretariat compiled a draft list of all the BoA Supervision regulations that may be impacted by the IFRS implementation. The regulations are divided in 3 categories:
  1. Regulations that will be substantially affected by IFRS implementation (High Priority)
  2. Regulations that will be moderately affected by IFRS implementation (Moderate Priority)
  3. Regulations that will not be affected by IFRS implementation (Low Priority)

## 3. Reducing Cash Transactions

Together with the first Project Working Group meeting for the Project on Reducing Cash Transactions, SPI Secretariat in collaboration with AAB organized a presentation by the Italian Association of Banks (ABI) on their Initiative in Reducing Cash Transactions. Through AAB, representatives from all the banks were invited to participate. The presentation was held by Mr. Oscar Occhipinti, ABI Expert for Electronic Payments. This was a motivating start for the Project Working Group Members on their first meeting. They expressed a particular interest in the process of how the war on cash was conducted in Italy, with regards to the identification and quantification of the costs and their impact in the economy as a whole.

The main deliverables of the PWG first meeting were:

- Decision on the enlargement of the PWG with important stakeholders such as: Credit/Debit Card Companies, Mobile Operators, Ministry of Finance, and other Public Utility Institutions' representatives.

- Decision to assess the possibility of running a national scale study for the quantification of the current costs of cash usage for consumers and companies and the causes of the high volume of cash in Albania
- PMG, with the assistance of SPI Secretariat, will seek for the banking community's approval for the above mentioned study.

### III. Other SPI Activities

- The SPI Secretariat has been working intensively to finalize the content of the website and insert all the relevant documents produced up to date. The website will be public within August but continuous improvements will take place in order for it to be fully functional by September.
- During 07 – 11 July, 2008 Ms. Elona Bollano, Director of Analytics and Policy, SPI Albania, undertook a study tour to Bucharest, Milan and Rome in order to benefit and transfer the gained theoretical and empirical expertise in the SPI operations and in RIA performing in the respective countries.
- Ms. Ramona Bratu, SPI Regional Operations Director has been continuously present during this initial working phase of SPI Albania. She has supported SPI Secretariat through two weekly visits (1-4 and 28-31 July), as well as her full-time online presence.
- Throughout the month, SPI Secretariat has conducted meetings with representatives from the following institutions: IMF, EBRD, WB, IFC, Ministry of Economy, etc.