

Convergence Romania Financial Sector Modernization

Special Projects Initiative Public-Private Steering Committee



SPI Project: Amendment of the AML law

Project Objective

To draft amendment proposals of the AML law in line with the EU Third Directive provisions, which will address both banks' concerns for cost-effectiveness of reporting and avoidance of reputational and legal risks, and authorities' concerns for maintaining high standards about AML.

Project Management Team

Project Owner (PO): Petre Bunescu (RBA Vice President)

Project Manager (PM): Doru Bebe Bulata (Director, BCR)

Deputy Project Manager (DPM): Paula Lavric (State Secretary, AML Office)

Alis Avramescu (Deputy Director, NBR)

Minutes

Seventh Meeting

February 13th, 2007 – RBI Premises

Participants:

Doru Bulata, PM

Paula Lavric, DM

Liana Teodorescu, member

Constantin Jumuga, member

Eugen Neidoni, BRD

Sergiu Bogeia, member

Victoria Preoteasa, member

Other banks' representatives members of the RBA Compliance Technical Commission

SPI Secretariat: Ramona Bratu, SPI Director for Bank Products and

Services, Oana Nedelescu, SPI Director for Analytics and Policy

Minutes

- I. Discussions on the amendment proposals in order to identify solutions suitable to both AML Office and banks

Participants discussed on the four issues remained open:

1. ***non-disclosure of the reporting entity's identity*** – as the proposal addressed the banks' concern on the possible information leaking to third parties and not to the courts, AML Office' and banks' representatives agreed that the desired confidentiality could be solved by attributing the reporting banks some codes to be mentioned on the Suspicious Transaction Report (STR). This codification issue could be subject of a protocol/minutes concluded between RBA and the AML Office;
2. ***bi-annual information to be made by the AML Office to all the reporting entities and supervision authorities*** – the AML Office's obligation to inform is already provided by the law, but a bi-annual frequency exceeds its institutional capacity. Banks' and AML Office' representatives agreed that the bi-annual frequency could be also mentioned in a protocol/ minutes to be concluded between the two parties;
3. ***giving feedback on the reported suspicious transactions within 6 month after reporting*** – the AML Office doesn't have the institutional capacity to analyze all the STRs received within 6 months or to give feedback on a case by case basis to all reporting entities. AML Office is aware that a solution has to be found in order to meet this obligation provided by the Third Directive provisions. The issue has been discussed in the AML Office Board, but a final proposal could only be released by the end of this week, following consultations between the AML Office and other FIUs, and EU bodies;
4. ***agreeing the report format with the banks***– AML Office considers that by stipulating this in the law, the other reporting entities could be discriminated. At the same time the dialogue remains open on this issue and they would like to consider a proposal on the reporting format coming from banks. Banks will work to present to the AML Office a proposal on this matter.

Banks representatives in the PWG will meet on February 14th in order to provide and discuss data for RIA.

Also, all the members of the PWG will meet in the week February 19 – 23 for the final approval of the proposed law amendments, after AML Office will formulate its proposal on the feedback issue.