



## SPI Romania 2008 Program

The project proposals and recommended selection results from multiple consultation sessions with stakeholders and benchmarking with EU priorities and EU members' experience conducted in the June-December 2007 period.

SPI Secretariat gathered 33 project proposals and pre-selected for SPI Committee approval five high priority project proposals. It has established a further priority list of nine project proposals, from which two additional projects could be launched in the second half of 2008. SPI Committee members are invited to browse the eighteen possible projects, in case any of them meets current priorities.

The 2008 Program would consist of maximum nine to eleven projects, including two projects started in 2007.

The pre-selected projects reflect the preferences stated by stakeholders, the new institutional financial and staff arrangements.

It is important to note that the 2008 arrangements require an adjustment in the program composition. The Convergence Program management and technical support allowed SPI Secretariat to produce substantive analytical documents with limited use of international experts that helped trigger project working group discussions<sup>1</sup>. SPI Secretariat will need to rely on PWG expertise to accomplish most of the 2008 projects, supplemented as needed by experts with full support from RBI resources. This mode of activity was practiced already in some 2007 projects<sup>2</sup>.

This notwithstanding, the SPI Secretariat will make an important contribution to Romania financial sector modernization.

In the course of 2008, the SPI Committee will have the opportunity to assess if the pace and results of the public-private discussions are affected by the new arrangements.

The need to strengthen SPI Romania with full RBI support to deliver the 2008 program is already evident.

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<sup>1</sup> As for example in the projects on positive credit information sharing, bank ombudsman, rural lending, provisioning under IFRS

<sup>2</sup> Examples of such projects are electronic processing of debit instruments and law on safety.

		<b>European Central Bank CRITERIA</b>				
<b>Italian Banking Association CRITERIA</b>	<b>Asymmetric information</b>	<b>Completeness of the market</b>	<b>Increased opportunities to engage in financial transactions</b>	<b>Reduced transaction costs</b>	<b>Increased competition</b>	
<b>Business development</b>		<p>3. Increasing bank lending under PPPs</p> <p>8. Modernizing T-bill regulatory framework</p> <p>11. Promoting refinancing through securitization</p> <p>18. T-bills OTC market organization</p> <p>19. BSE Listing T-bills</p> <p>21. Environmental Lending</p>	<p>1. Loan-loss &amp; Mortgage Loan Databases (2007)</p> <p>4. Co-financing with EU structural funds</p> <p>9. Development of Interbank Direct Debit</p> <p>10. Standard repo transactions</p> <p>17. Supporting thermal rehabilitation of houses</p> <p>20. Securing down payments made by individuals for real estate projects</p> <p>22. Developing lending to municipalities</p>			
<b>Industry competitiveness</b>	<p>23. Database for risk rating the corporate clients</p> <p>25. Centralized database for AML purposes</p>		<p>2. Law on bank LGs (2007)</p> <p>6. Improving access to and availability of the basic banking products</p> <p>26. Electronic employment register and services</p>	<p>5. The banks' future contributions to RDGF</p> <p>12. Account stopping regulation</p> <p>13. Reducing the paper-based documents</p> <p>14. Centralized tax roll</p> <p>15. Improving NACP –RBA cooperation framework for consumer protection</p> <p>27. Reviewing bad debts recovery procedures</p>	<p>24. Various EU – related payment initiatives</p>	
<b>Industry reputation</b>	<p>35. Better information on saving products</p>	<p>16. Bank Ethics Code</p> <p>29. Expanding Banking Mediator</p> <p>31. Ombudsman knowledge transfer</p>	<p>7. Basic Bank Products Info</p> <p>34. Basic Bank Products Advice</p> <p>32. Enhancing Corporate Social Responsibility in the Banking Industry</p>	<p>33. Improving the quality of the education and professional training in the banking field</p>	<p>28. Responsible borrowing</p> <p>30. Enhancing financial consumer's protection</p>	
	<b>3</b>	<b>9</b>	<b>13</b>	<b>7</b>	<b>3</b>	

**Legend:** High priority projects; Additional projects; Other projects

# I. Pre-selected Project Proposals for SPI Committee Endorsement

## A. Proposed high priority projects

No.	Project	Description	Objective	Type of intervention		Benefits		Proposed completion date
				Regulatory	Self regulatory	Public	Private	
<b>Business Development</b>								
1.	<b>Lending databases (2007)</b>				X			April 2008
2.	<b>Law on bank guarantees (2007)</b>							April 2008
3.	<b>Increasing bank lending under PPPs</b>	PPP is a viable method of introducing private management, know – how and resources in public services, through long term contracts. Although the national legislation has been recently amended in order to be better aligned with EU Directives and the institutional framework has been completed by establishing a special unit in MEF, banks appreciate that additional measures have to be taken in order to reach a better level of risk sharing among the public and private partners and to clarify legal aspects.	To prepare a document underlining the main provisions of the regulations on PPPs, providing clarifying details on the interpretation of the legal provisions and the identified solutions for a better legal and institutional framework in order to facilitate lending under PPPs	X		The result of an increased banks' involvement in financing PPPs would facilitate the accomplishment of a better infrastructure and would also contribute to the improvement in the absorption rate for structural funds.	PPP is the most used way of approaching large value infrastructure projects that represent an important business opportunity for banks. Structural lending often involves PPPs.	June 2008

No.	Project	Description	Objective	Type of intervention		Benefits		Proposed completion date
				Regulatory	Self regulatory	Public	Private	
4.	<b>Co-financing with EU structural funds</b>	Beneficiaries of structural funds will have to co-finance projects by 50 percent and will often use loans to cover this share. Banks that should ensure these loans are reluctant to get involved in this kind of lending because of the unclear regulations and guides for implementing the structural programs.	To prepare a document presenting the proposed solutions for facilitating structural funds absorption under the infrastructure program, based on a comprehensive assessment of the roadblocks perceived by the users and co-financing institutions.	X		Increasing the absorption rate for structural funds and boost economic development	Co-financing with structural funds is a high potential business for the Romanian banking sector in a relatively short period of time.	June 2008
<b>Industry competitiveness</b>								
5.	<b>RDGF contribution</b>	Project approved in 2007						September 2008
6.	<b>Improving access to and availability of basic banking products</b>	One of EC priorities refers to the accessibility and affordability of the basic banking products and services such as current accounts, ATM and credits. Industry representatives appreciate that basic banking services are accessible and affordable to Romanian consumers. However, although some of the banks do not charge any fees for opening a current account or for issuing a credit card, these products bear costs such as management fee and transaction charges that could be considerable as compared to their income. A comparison with the level of average charges/monthly salary in other countries could show if the industry assessment on the basic bank products is correct. The design of a	A study on the accessibility and affordability of basic bank products, containing also the proposed basket of bank products and services, that could serve as a benchmark for banks and for authorities		X	This initiative would contribute to improve the affordability and accessibility of the basic bank products and, on this basis, the financial intermediation rate.	Banks could have a real image on the impact of their charges on ones monthly budget and could assess their readiness to compete with European banks in the integrated market. At the same time, they could save costs with designing a simplified basket to be offered to consumers.	December 2008

No.	Project	Description	Objective	Type of intervention		Benefits		Proposed completion date
				Regulatory	Self regulatory	Public	Private	
		simplified basket of bank products and services with a fair level of charges would improve consumers' access to them.						
<b>Industry reputation</b>								
7.	<b>Basic bank products information</b>	In respect of financial services, consumers complaint on the lack of knowledge and/or information or of clarity of the contractual terms. The terminology used by the financial industry should be simpler and understandable for all consumers.	A document containing the information considered to be necessary, relevant and enough for each bank product/service, with details on the content.		X	Better information could enable consumers to make better choices.	Standard information to customers could decrease banks' costs with solving unsatisfied clients' complaints and could enhance competition.	December 2008

**B. Additional possible projects. Please choose another two projects (to be undertaken in the second half of 2008)**

No.	Project	Description	Objective	Type of intervention		Benefits	
				Regulatory	Self regulatory	Public	Private
<b>Business Development</b>							
8.	<b>Modernizing Tbills regulatory framework</b>	Currently, the Tbills market is under NBR supervision, but authorities' intentions are to transfer this responsibility to the issuer – MEF. This involves the revision of the regulatory framework. MEF intends also to revise the access criteria for dealers.	To prepare a document presenting the necessary regulatory amendments and their impact on the industry and authorities	X		MEF would benefit of the industry's input on the regulatory framework. At the same time, the decrease in the compliance costs could generate more taxable income.	Banks and other capital market players could be involved in the process of revising the existing regulatory framework and in improving it; thus compliance costs could be decreased.
9.	<b>Development of Interbank Direct Debit</b>	In Romania, compared to other European countries, Inter-bank Direct Debit is not a very popular bank product. The utilization of the IDD is low not only because of the low demand, but also because of some unclear aspects in the specific regulations that make banks reluctant in offering this product (i.e. the closing date for receiving complaints, the validation of the subscription code and invoice number, etc.). By non-offering this product, Romanian banks will be disadvantaged in the single European market context.	To prepare a document presenting the necessary regulatory amendments and the impact of increased use of DD on the banks and consumers.	X		The wide use of DD for companies providing utilities or loans would decrease their collection costs, allowing them to reduce the fees charged from consumers.	By improving the legal framework banks could be more comfortable with DD and include it in their product portfolios. Also, DD would reduce costs and errors generated by manual processing, as well as the cash used for payments and ATM withdrawals, with the attached costs.

No.	Project	Description	Objective	Type of intervention		Benefits	
				Regulatory	Self regulatory	Public	Private
10.	<b>Standard repo transactions</b>	Repos and derivative transactions are subject to bilateral agreements signed by the involved parties. Such agreements are highly recommended and, in some cases, enforced by national regulations, because of the complexity and risks involved. International professional associations (such as ISMA-International Securities Market Association) have transposed the members' experience and know-how into standardized contracts which are increasingly used globally. Repo transactions, widely used in developed markets, are registering very low volumes in Romania.	To prepare a document centered on the standard contract/s and on the benefits arising from its utilization.		X	The standardization of the contractual framework could facilitate the development of the secondary market for securities issued by the Romanian government. At the same time, it could facilitate the development of more efficient risk management techniques for banking industry.	Repo transactions are improving the liquidity management of banks and are reducing the risks. The standardization of their contractual framework would increase the volume of transactions and would result in costs reduction.
11.	<b>Promoting refinancing through securitization</b>	The Securitization Law was enacted in 2006 and banks worked on creating homogeneous evaluation rules for several types of buildings, but there are no signs that the market is functioning. One reason could be that banks prefer loans for abroad instead of getting new financing sources by refinancing their mortgage loans. Due to the RMO regime, the cost of final loans financed from foreign sources is high. Another reason is that the norms implementing the law provide that only mortgage banks and commercial banks can issue	A document listing the roadblocks in implementing securitization and the possible ways to remove them, sustained by a comparison of the current mortgage lending interest rate with the projected level under securitization			Consumers could have access to mortgage loans with better cost terms.	Banks could improve their profitability by decreasing their costs of their liabilities. The bonds issued on the basis of the mortgage securities could be a good placement for the pension and investment fund

No.	Project	Description	Objective	Type of intervention		Benefits	
				Regulatory	Self regulatory	Public	Private
		mortgage securities.					
<b>Industry competitiveness</b>							
12.	<b>Account stopping regulations</b>	The current regulations on debt recovery don't provide, on the account stopping procedure, exhaustive details on the circuit of documents and on the banks' obligations under it. Therefore, banks are exposed to the risk of being penalized for not observing the legal requirements. At the same time, the account stopping processing and management requires dedicated infrastructure from the banks and is time consuming.	A document to serve as a guiding blueprint for drafting the revised regulations on account stopping procedures	X		The decrease in the banks' costs with penalties and account stopping processing	Through a better regulation, banks would be able to better observe the law requirements and thus reduce the costs with legal penalties. At the same time, cost with the account stopping processing could be reduced.
13.	<b>Reducing the paper-based documents</b>	There are areas where the paper-based documents could be eliminated, such as cross-border outgoing & incoming payments, account statement, by modifying the respective regulations.	A document identifying all areas where paper usage could be diminished and the necessary regulatory amendments	X		Improving reporting process in relation with banks and companies and increase the propensity towards automation/dematerialization.	Reduce costs for banks and companies to trace and collect such documents Improve reconciliation process for both banks and companies
14.	<b>Centralized tax roll</b>	For recovering bad loans, banks have, in certain circumstances, the right to foreclose upon all the debtor's assets. For this purpose they have to identify the assets. Banks can ask information in this respect from the local tax registers. There are cases in which banks are not aware of the possible assets belonging to the debtor and the jurisdictions where these are placed. Therefore, theoretically, banks have to inquire all	A document on the most suitable solution and its implementation plan	X		Authorities could also redeem easier the debts and could decrease their expenses. Consumers could benefit of a reduction in the banks' charges.	Access to a centralized tax register would decrease banks costs with the identification of the assets and would facilitate a more rapid recovery.

No.	Project	Description	Objective	Type of intervention		Benefits	
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		the local authorities in Romania. The situation could be similar when the public authorities are trying to recover debts.					
<b>Industry reputation</b>							
15.	<b>Bank Ethics Code</b>	The Banking Ombudsman should rely on the industry Code of Ethics when solving the consumers' complaints. RBA has on its agenda the preparation of the Code for some time, but the current problems and emergencies to be solved prevented an approach of this issue. The Code of Ethics should be also a benchmark for the consumer protection and a reference for consumer education areas.	A recommendation to the bank community to adopt the content of the Code of Conduct.		X	The Code of Conduct would be a very useful tool for consumer education and would enhance the consumer position in relation with the industry.	The existence of a Code of Conduct would enhance the industry reputation and would be a benchmark for improving the quality of the bank service.
16.	<b>Improving NACP-RBA cooperation framework for consumer protection</b>	NACP is the authority that regulates the consumer protection issues, covering also consumer loans, and that supervises the application of the regulatory provisions by the market operators, including banks. A protocol of cooperation between RBA and NACP would create a platform for a structured and continuous dialogue for better regulations and for a proper implementation of the regulatory provisions.	A document outlining the common interest and the benefits arising from the cooperation of the two institutions and proposing the text of the protocol to be signed.		X	Through this cooperation framework NACP could improve their understanding on implementation issues.	Such a way of cooperation would decrease banks' compliance costs.

## II. Other projects

No.	Project	Description	Objective	Type of intervention		Benefits	
				Regula-tory	Self regulatory	Public	Private
<b>Business Development</b>							
17.	<b>Supporting thermal rehabilitation of houses</b>	A governmental project for thermal rehabilitation of house has been launched recently. The program provides that the thermal rehabilitation projects will be financially sustained by the State Budget (34% of the total costs), local budgets (33% of the total costs) and the rest by banks. Banks seem reluctant to enter into such loans because of the loan contracting party would be the tenants' associations and they see a legal problem in that. Banks would feel more comfortable to deal with companies specialized in administrating properties.	A document presenting the proposed financing schemes and the solutions addressing banks' concern		X	The program is meant to improve the quality of life and to diminish the current expenses with heating.	Loans for the thermal rehabilitation of houses would bring additional revenues to banks
18.	<b>T-bills listing on BSE</b>	Treasury bills are not currently listed on BSE depriving the market of the fixed income securities and of a higher liquidity. In order to solve the issue, the applicable regulations have to be modified in order to bring clarifications and the IT systems used by SaFIR, Central Depository and BSE have to become	A document on the necessary amendments to the regulations and on the ways to ensure the technical compatibility among different involved	X		Public would find on BSE better placement options in terms of risk, income and liquidity.	BSE would benefit from an increased number of transactions and from an alternative investment to stocks that would bring more stability in the market. Banks, investment and pension funds would benefit of a more liquid

No.	Project	Description	Objective	Type of intervention		Benefits	
				Regulatory	Self regulatory	Public	Private
		compatible.	institutions with an action plan for their implementation				and transparent market and of the possibility to have a balanced portfolio.
19.	<b>Developing T-bills OTC market</b>	Currently banks are transacting T-bills on the secondary market by phone or by other means, without using a common platform	A document recommending the technical platform that would optimize the costs-benefits ratio		X	State budget could benefit of an increased income due to the growth of the transactions volume and of the efficiency.	Developing a common platform for T-bills transactions on the secondary market would allow an increase in the volume of transactions and in the transparency and efficiency of the market.
20.	<b>Securing down payments made by individuals for real estate projects</b>	One factor potentially preventing the development of the mortgage market in Romania is the potential buyers' lack of confidence in making advance payments to real estate developers, in lack of some security.	A document presenting the proposed instruments for increasing buyers' protection within the real estate contracts and the needed implementing measures		X	Increased confidence of individuals in the legal framework could contribute to the development of the real estate market. By securing the down payments, the level of consumers' protection would be improved.	Lack of trust in the real estate contractual framework could be one of the factors preventing the expansion of the real estate loans/mortgage loans. the development of the hampers the development of the economic system and negatively affects the households' behavior, eventually resulting in a potential adverse impact on the banking activity in many regards.
21.	<b>Environmental lending</b>	The issues related to environment protection and global heating are concerning a growing part of the population and companies and many	A document describing the benefits of green products and a		X	Potential environmental benefits in terms of reducing air	The green banking products could increase the market share and generate profits, while

No.	Project	Description	Objective	Type of intervention		Benefits	
				Regulatory	Self regulatory	Public	Private
		of them would like to support actions for reducing pollution. Banks could provide their clients with options to invest in environmentally friendly banking products through the development of „green products”: energy efficiency mortgages, green car loans (preferential rates for hybrids and other low-emitting vehicle types), alternative energy venture capital, green credit cards (offering donations to NGO for every purchase), flexible financing for fuel efficient technologies, green loans for new condominium construction (energy and resources-efficient projects), etc.	description of these ones to be included in the banks’ offers			pollution and GHG emissions. Potential to generate environmental awareness and action among clients.	improving brand recognition and enhancing reputation.
<b>22.</b>	<b>Developing lending to municipalities</b>	Local public authorities have to undertake municipal projects on infrastructure, transportation and other, and one of the eligible financing sources are the bank loans. Banks see some constraints in lending to municipalities as the legal framework still has unclear issues such as municipalities’ bankruptcy or some provisions difficult to apply (such as the compulsoriness for credit rating) or poorly applied (such as public access to municipalities’	A document identifying the existing problems, their solutions and implementation plans	X		Improved access to financing of the municipalities would facilitate the projects for the benefit of the communities.	By removing the obstacles in lending to municipalities, banks’ appetite for this type of lending would increase, and their long term placements would increase considerably.

No.	Project	Description	Objective	Type of intervention		Benefits	
				Regulatory	Self regulatory	Public	Private
		budgets and to execution of budgets for assessing the indebtedness level					
<b>Industry competitiveness</b>							
23.	<b>Database for risk rating the corporate clients</b>	At present banks use their own or their mother-banks' databases in order to risk rate their clients for credit scoring. The National Institute for Statistics offers poor information on the performance of the companies by sector and no information by industry; therefore, the accuracy of the credit rating based on that is low. At the same time, databases from other countries are not very relevant in the Romanian companies' case. In order to improve the risk rating, a database could be created in order to provide the industry/ sector benchmark. The database could also allow the release of the sector studies that would help banks to improve their portfolio and to better manage the credit risk. The database could also be extended in order to provide risk rating per company/ industry, rating that should be compliant with local and international risk management principles and widely recognized by the market.	A document on the opportunity and feasibility of the database		X	By decreasing the banks' losses and costs, a room for reducing the prices of the bank products and services would be created. The higher quality of the loan portfolios is addressing also the concerns on the financial stability and the database could offer an efficient tool for monitoring financial stability	The existence of a national benchmark for risk rating for companies would allow banks to have a higher quality credit portfolio and thus to diminish the losses generated by the lending activity or the costs with recovering bad debts

No.	Project	Description	Objective	Type of intervention		Benefits	
				Regulatory	Self regulatory	Public	Private
24.	<b>Various EU-related payment initiatives</b>	Currently, there are three EU projects in respect of payments: implementation of the PSD, integration in TARGET 2 and integration in SEPA. The Romanian industry has taken steps in order to raise awareness on the three European initiatives. A structured, coordinated and coherent approach would facilitate the smooth implementation and integration.	A document describing the impact of the three European initiatives and proposing a coordinated, structured and coherent Romanian approach, i.e. the establishment of a National Payments Committee as a permanent body and of a National Plan.	X		The structured approach would facilitate NBR's responsibilities in regulating, supervising and ensuring the stability of the Romanian payment system. Public would be kept informed on the changes and the way their concerns are addressed.	With a coordinated approach at the banking community level, banks could decrease their individual costs with the implementation and integration. This would enable banks to clarify their strategies.
25.	<b>Centralized database for AML purposes</b>	In order to comply with provisions of AML regulations, banks have to create and maintain updated lists with suspect persons and PEPs. Instead of this situation, banks could join forces in creating and maintaining an unique database at the system level that could be easily accessed by all the participating banks and by NBR.	A document outlining a possible solution for creating and managing the database, estimated net effects and the implementation plan.		X	The creation of a single database would enhance the tools for monitoring banking stability. The decrease in the operational costs could have positive effects on the price of banks products and services.	By sharing the costs of creating and maintaining the database, banks could reduce their operational costs. At the same time, an correct and updated database has the potential to improve the quality of the portfolio of clients.

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26.	<b>Electronic employment register</b>	According to the Labor Code, employers have to maintain electronic registers with data on their employees and to send them to Labor Inspection Authorities. For individual loan applications, banks are asking for employment evidence and are verifying data usually by phone. The lack of a better checking modality caused in some cases losses for banks that were defrauded (through false documents and confirmations). The existence of a centralized electronic register to which banks can have access would decrease the fraud risk.	A document evidencing the benefits for all stakeholders and defining the co-operation framework between the major stakeholders		X	Consumers and state budget could benefit from lowering banks' losses. Consumers could spend less time in gathering documents for loan applications.	This initiative would decrease banks losses from frauds
27.	<b>Reviewing bad debts recovery procedures</b>	Although the loan contracts are executory titles, the procedures of taking into possession the debtors' goods are long and costly. In order to speed up the recovery procedures some amendments to the respective legal framework (Law no. 99/1999 and Civil Code) should be brought.	A document emphasizing the disadvantages brought by the existing situation and proposing the necessary law amendments	X		Consumers and state budget could benefit from the decrease in banks' losses	By improving the regulatory framework for debt recovery, banks' costs would diminish.

No.	Project	Description	Objective	Type of intervention		Benefits	
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<b>Industry reputation</b>							
28.	<b>Responsible borrowing</b>	The indebtedness level of consumers is an EC and Romanian authorities concern. In order to prevent financial crisis and unpleasant situations, consumers should be more aware on the consequences of their borrowing on their family budgets. They should get more support in terms of financial education in order to make better financial planning.	A document presenting the information to be provided to consumers in an accessible language together with an action plan for disseminating the information.		X	This initiative has the potential to improve financial stability and to prevent the occurrence of social cases resulting from financial crisis.	By supporting an education campaign on better financial planning and on the costs of borrowing, banks could register lower bad debts ratio and could decrease their costs with debts recovering
29.	<b>Expanding Banking Mediator</b>	By next year the Banking Ombudsman will be established and functioning. It is designed to cover disputes of banks with individual customers on the banking services and products provided. The projected Payment Services Directive (PSD) provides that member states should have alternative dispute resolution concerning payments and it covers not only individuals, but also SMEs. An opportunity study would be necessary in order to determine whether a separate and specialized body should be organized or the coverage of the Banking Mediator should be extended.	A recommendation to the banking system in respect of the opportunity of enlarging the Banking Mediator or creating a separate and specialized institution to solve disputes related to payments.		X	The PSD implementation is meant to enhance the consumers' and SME's protection in respect of payment services. The solution of including the SMEs complaints in the already existing institution would facilitate NBR's mission in the PSD implementation.	By complying with the PSD requirements, the banking industry would be ensured the same level paying field as their competitors from the EU.

No.	Project	Description	Objective	Type of intervention		Benefits	
				Regulatory	Self regulatory	Public	Private
30.	<b>Enhancing financial consumer's protection</b>	Banks have the possibility of changing unilaterally the terms under which they provide the services, sometimes without being obliged to notify the modifications to their clients (as for example by charging a new type of charge. A solution preventing such abusive measures would be highly desirable.	A document presenting a balanced and well founded solution acceptable for all involved parties.	X	X	A solution preventing unilateral abusing measures would improve the consumers' protection in relation with banks.	Banking community would improve its image in the public eyes and the costs with solving the consumers' complaints.
31.	<b>Ombudsman knowledge transfer</b>	SPI Romania has the experience of researching and formulating recommendations and of preparing the documentary framework for establishing the Banking Ombudsman. There are financial areas that would also need ADR schemes to deal with consumers' complaints and for which supporting packages could be provided on request.	A document presenting the package for knowledge transfer in establishing ADR in other financial sectors.		X	ADR schemes would improve consumer protection and would decrease consumers' costs with disputes related to financial products.	By having an off-the-shelf solution for establishing ADR schemes, financial institutions could save resources.
32.	<b>Enhancing corporate Social Responsibility in the Banking Industry</b>	Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. CSR refers to the way companies manage the business processes to produce an overall positive impact on society. In the	A policy statement endorsed by the entire banking community and a national strategy to be implemented under the coordination of a permanent body.		X	Consumers' confidence in the banking system would increase.	A coordinated and coherent approach at the banking industry level would contribute to the improvement of the banking industry's image and would strengthen its position within the society

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		Romanian banking industry, there are individual initiatives of some banks in this respect, but there are no common policies and initiatives at the community level.					
33.	<b>Improving the quality of the education and professional training in the banking field</b>	Banks are rapidly expanding their activities and their demand for staff is increasing. They are complaining on the inappropriate level of expertise of the human resources on the market. Because of the high pace of their expansion, banks can afford only short training periods whose consequence is the increase in the operational risk. Other institutions that have interferences with the banking system may feel the need to increase their expertise in the area. The formulation of an aggregate demand for expertise in the next 5 years would help universities, consultants and other institutions to adjust their curricula and programs (especially universities).	A document representing the medium-term aggregate demand for education and professional training in the banking field and identifying possible incentives for adjusting the offer.		X	Consumers would benefit from a higher quality of the banking service. NBR and other public institutions would see their needs for training better met.	A proper response of the educational offer would facilitate the expansion of their business. They would see also their training costs reduced and a decrease in their exposure to operational risks.
34.	<b>Basic Bank Products advice</b>	MiFID provides specific requirements on financial intermediaries in respect of advice to customers. EC intends to review all directives on the retail financial services in order to insert this kind of requirements; therefore the future	A document containing the standard content of the advice to consumers on selected bank products and		X	By benefiting of standardized advice, consumers could better understand, compare and choose between	The use of a standard content of the advice to customers could decrease banks' costs with providing advice on request and with monitoring/controlling

No.	Project	Description	Objective	Type of intervention		Benefits	
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		need for compliance with the legal requirements is easily predictable. The advice to consumers should be tailored to the client level of financial literacy and should be borne by the industry but endorsed by the regulatory authority	services.			different offers. At the same time, the decrease in the banks' costs has the potential to reduce costs of bank products and services. The supervising authority could have established a benchmark for supervising activities in this area, thus decreasing its costs.	advice provision. The regulating authority's endorsement could establish a level playing field and could be also the base for supervision in this area.
35.	<b>Better information on saving products</b>	Banks have to provide clear information on lending costs to consumers: all the costs related to loans have to be expressed in terms of annual interest rate. This allows better information of the public and creates the possibility for comparing offers and facilitates the decision making. The existence of similar information on deposits would have the same effects in respect of investment options.	A document on the advantages coming from better information and presenting the standard for the calculation of the net income for savings products.		X	Consumers' will have access to more clear information and will be able to make better investment.	Banking industry would improve its reputation by being more transparent in the information on saving products.