

ROMANIA

Ministry of Public Finance

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SIBOS 2010, Monday, 25 October 2010



✓ Registered SWIFT participant SWIFT BIC Code : TREZROBU	Since 2003
✓ MOF business over SWIFTNet: RTGS (ReGIS) and GSRs (SaFIR)	Since 2005
✓ Full member status	Since 2007
✓ SEPA & TARGET2 funds transfer over SWIFTNet	Under evaluation

From 2004 I was present @ Sibos visiting – it is time for me to really get to work !

Until now, no ‘events’ (global crisis starting, typhoons etc.), but the day is young !

Here we are again – a strange apparition @ Sibos – as far as I know we are the single governmental institution which performs its business using banking tools and being directly connected to SWIFT and financial market infrastructures.

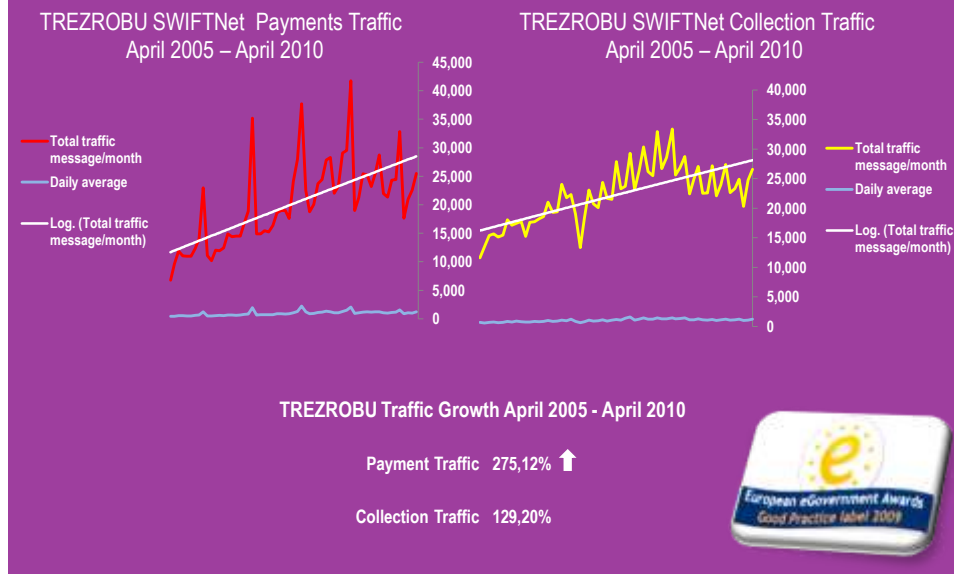
@ Sibos 2008 we spoke about ‘Public Institutions in SEPA Context’ in a special interest session which was rated as ‘successful’. Since then we have improved our payment system by implementing SEPA Credit Transfer and SEPA Direct Debit readiness. Additionally, we have started several projects which are under different maturity stages:

1. Correspondent account for cross border commercial payments (remittances, VAT, structural funds etc.) and public debt
2. Electronic auction system for Treasury Bills and Bonds
3. Payments centralization and consolidation for the Public Institutions

In my intervention, I will address two topics:

1. Regulation process and trends
2. Impact of the State Treasury operations on the safety of the business community

State Treasury Traffic and Regulatory Compliance



The State Treasury operations account for about 25% of Romania's payments volume, thus making it the most important player of the Romanian payment system.

This significant share implies important responsibilities to ensure the market's business fluency. Consequently, we undertook a thorough process of self regulation, along with the tight alignment to market standards.

To contain the operational risk we have developed and implemented a comprehensive system to control both the business as usual and the unplanned events in order to achieve business consistency and continuity. As a recognition of our accomplishment, we were granted the Good Practice Label in the framework of the 4th European e-Government Awards 2009.

The compliance with the market standards involves at least 2 conformity levels: legal and operational.

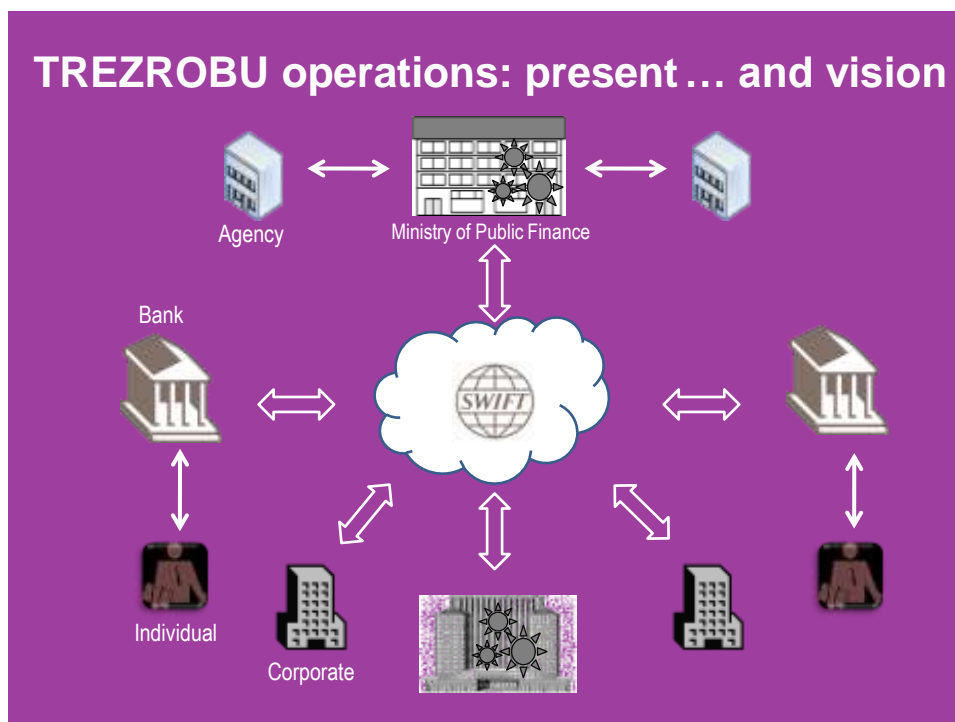
We closely observe the current debate on creating an unique European financial rulebook, while we fully comply with the EU legal frame as it is enforced by the EC directives. At the same time, having legal initiative prerogatives, we are active in aligning the Romanian laws EU legal frame. For example the State Treasury was instrumental to transpose the Payment Services Directive into the national legislation. The Directive provides the necessary legal foundation for adopting and implementing the Single Euro Payments Area provisions, laying the ground for fair competitiveness of the business environment.

Now, for the operational compliance.

I am proud to say that since 2007 we have upgraded our status to full SWIFT Member, able to perform a rich range of payments and treasury bills transactions - denominated in various currencies.

Strictly from the technical point of view, the State Treasury payment system is ready for both gross and net settlement on Euro, as regulated by the European Central Bank respectively the European Payments Council.

Thus we are able to ensure a smooth EURO convergence of our national business environment.



Today the State Treasury does direct business with the banking community in the country through SWIFTNet and the national electronic payment system, in the form depicted on screen.

My vision, as responsible also of the public debt operations, is to build a consistent end to end business integrated environment. I mean to do this by:

1. Consolidating the public administration financial business through one single channel, serviced by the State Treasury.
2. Provide an improved service to medium and large corporates, opening for them direct access, over SWIFT channel, to their financial resources management and reporting.
3. Unify the governmental payments to (such as wages, pensions and subventions) and collections from individuals (in example taxes and imposts), based for instance on SWIFT WR pacs, to improve the citizens experience with the service provided by the State Treasury.

While this vision might mean significant changes in our public administrations frame, to materialize it also requires to be complemented by transformations of SWIFT and of the commercial banks business rules and practice. To name only two, SWIFT should provide us the possibility to become a player into a 'country SCORE', while the commercial banks should adopt an unified format for the individuals income or for the tax payments.

What I mean to achieve by this extensions of the current State Treasury payment system (apart of the Good Samaritan deeds) is to improve the business community safety and save some expenses. In the end this will contribute to the Romanian financial community operations stability and liquidity, given the straight through operations flow.

Building end to end automation for the funds transfer operations will lead to costs savings, while shortening the time to credit the beneficiary account, improving the mutual trust and limiting the systemic risk.

Not least important from a treasurer perspective, it will enable my team to competitively manage the public liquidity and the public debt related transactions.

We have the technical scalability and business knowhow; we might need a few good luck to see these happen in the near future, not only to our profit but, if this model validated in practice, to larger group of sovereign treasurers.

State Treasury Awards



State Treasury Main Communications

- e-Finance Conference, May the 9th 2008
- Sibos 2008 Special Interest Session
'Public Institution in SEPA Context' 
- e-Finance Conference, March the 16th 2009
- e-Finance Conference, April the 29th 2009
- e-Finance Conference, November the 17th 2009
- Several articles published in financial magazines