

**TWINNING** **FICHE**

**Project** **title:** Strengthening the National Bank of Georgia capacity in the field of Banking and Payment Services in line with the EU Standards

**Beneficiary** **administration:** National Bank of Georgia

**Twinning** **Reference:** GE 16 ENI FI 04 18

**Publication** **notice** **reference:** EuropeAid/161265/DD?ACT/GE

**EU** **funded** **project**

***TWINNING*** ***INSTRUMENT***

**List of Abbreviations:**

|  |  |
| --- | --- |
| AA | Association Agreement |
| ADB | Asian Development Bank |
| BA | Beneficiary Administration |
| BCBS | Basel Committee on Banking Supervision |
| BRRD | Banking Recovery and Resolution Directive |
| CSB | Civil Service Bureau |
| DCFTA | Deep and Comprehensive Free Trade Agreement |
| EBRD | European Bank of Reconstruction and Development |
| EC | European Community |
| EU | European Union |
| EUD | European Union Delegation |
| GAAP | General Accepted Accounting Principles |
| GIZ | German Corporation for International Cooperation |
| GoG | Government of Georgia |
| G4G | Governing for Growth in Georgia |
| IAS | International Accounting Standard |
| ICAAP | Internal Capital Adequacy Assessment Process |
| IMF | International Monetary Fund |
| IOSCO | International Organization of Securities Commissions |
| LCR | Liquidity Coverage Ratio |
| LOI | Letter of Intent |
| MEFP | Memorandum of Economic and Financial Policies |
| MoJ | Ministry of Justice of Georgia |
| MS | Member States of the EU |
| OSCE | Organization for Security and Co-operation in Europe |
| PAO | Programme Administration Office |
| PAR | Public Administration Reform |
| PL | Project Leader |
| PSC | Project Steering Committee |
| PSD | Second Payment Services Directive |
| PSP | Payment Service Providers |
| PSPS | Payment system and Payment service |
| RIA | Regulatory Impact Assessment |
| RTA | Resident Twinning Adviser |
| SREP | Supervisory Review and Evaluation Process |
| STE | Short Term Expert |
| TNA | Training Needs Analysis |
| WB | World Bank |

**1.** **Basic** **Information**

1.1 P**rogramme:** Technical Cooperation Facility II ENI/2016/039-337 / direct management

For British applicants: Please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible to participate) or be required to leave the project on the basis of Article 12.2 of the General Conditions to the grant agreement.

1.2 **Twinning Sector:** Finance, internal market and economic criteria

1.3 **EU funded budget:** 1,750.000 €

**2.** **Objectives**

**2.1** **Overall Objective(s)**:

The overall objective of the Twinning Project is to ensure stability and transparency of the financial sector by assisting National Bank of Georgia (NBG) to improve overall financial supervisory mechanisms in line with the EU best practices.

2.2 **Specific objective:**

The specific objective of the project is to strengthen NBG’s capacity in the field of banking and payment services as well as gradually approximate the regulatory, supervisory and enforcement framework in line with the EU legislation and the requirements under the EU-Georgia Association Agreement.

2.3 **The elements targeted in strategic documents i.e. National Development Plan/Cooperation agreement/Association Agreement/Sector reform strategy and related Action Plans**

This Twinning project is fully in line with the Government Platform 2016-2020 “Freedom, Rapid Development, Prosperity”, as well as with the obligations envisaged under the Association Agreement (AA) and contributes to the implementation of specific goals described in the relevant documents below:

* **The Association Agreement (AA)** sets out the principles of the regulatory framework for all financial services liberalized pursuant to different sections of the Agreement. With a view to considering further liberalization of trade in financial services, it recognizes the importance of the gradual approximation of the existing and future legislation of Georgia with the international best practices as well as to the list of the Union *acquis* included in Annex XV-A of the Agreement. Each Party shall make its best endeavours to ensure that internationally agreed standards for regulation and supervision in the financial services sector are implemented and applied in its territory. Such internationally agreed standards are, *inter alia*, the Basel Committee's ‘Core Principles for Effective Banking Supervision’;
* **The EU-Georgia Association Agenda for 2017-2020** envisages cooperation to support Georgia in establishing a fully functioning market economy and gradually approximating its policies to the policies of the EU in accordance with the guiding principles of macroeconomic stability, a robust financial system and sustainable balance of payments, by, *inter alia,* strengthening the independence of the NBG, including by reviewing the central bank legislation in line with the best EU practice. In addition, the Agenda foresees cooperation to prepare Georgia for the approximation of relevant legislation in the area of financial services with the Union *acquis* given in the relevant Annex of the AA and of the international standards listed in article 116 of the DCFTA. The preparatory measures include the improvement of the administrative capacity of supervisory authorities in accordance with the Union *acquis*; establishing contacts and exchanging information with the EU financial supervisors in line with the AA; providing timely, relevant and precise information about the state of play and development of the existing legislation in Georgia and its conformity with the Union *acquis* and exchanging in advance relevant information concerning necessary institution and capacity building relevant to the approximation;
* **The letter of Intent of the Government of Georgia (LoI)** outlines the strategic directions of the Government of Georgia (GoG). Strengthening monetary policy and enhancing the supervisory and regulatory framework and financial safety nets are named as the reform objectives of the central bank. The LoI reaffirms the commitment of the GoG to preserve macroeconomic and financial stability as pre-requisites for sustainable and more inclusive economic growth. In addition, the GoG binds itself to continue to consult with International Monetary Fund (IMF) on the adoption of measures, and in advance of any revisions to policies included in the LoI in accordance with the IMF’s policies on such consultation;
* **The Memorandum of Economic and Financial Policies (MEFP)** reports on recent economic developments and updates the economic and financial policy agenda of the NBG and the GoG to address Georgia’s medium-term economic challenges, in particular it reviews the recent progress and updates the agenda in the following policy directions: fiscal policy, monetary policy, financial sector policy and structural reforms. The objective is strengthening financial sector stability and financial regulation and supervision;
* **The Government Platform 2016-2020** places the macroeconomic stability as a cornerstone of economic development and emphasizes that maintaining the stability of the financial sector are key factors for long-term economic growth.

**3.** **Description**

3.1 Background and justification:

The mandate of the NBG is defined by the Constitution of Georgia, as well as the Organic Law of Georgia on the National Bank of Georgia. According to the Organic Law on the National Bank of Georgia, NBG acts as a central bank and has a sole authority to regulate and supervise the operation of financial sector representatives: commercial banks, non-bank depository institutions, brokerage companies, independent registrars of securities, asset managing companies, central depositories, specialized depositories, stock exchange, microfinance organizations, founders of non-state pension scheme, accountable companies, qualified credit institutions, money transfer agents, currency exchange points, payment service providers and payment system operators (excluding insurance) (hereinafter: financial institutions). NBG’s authority to regulation and supervision of financial sector representatives includes but is not limited to issuance relevant regulations and legal acts, issuance and revocation of licenses/registrations, conduct on-site and off-site inspections, request information necessary for effective supervision process, imposition of relevant economic ratios, restrictions and sanctions.

NBG seeks the assistance from the Twinning project primarily pertaining to the several directives covering banking and payment services envisaged by the AA.

The banking regulatory framework needs to be revised in line with the relevant EU-Georgia Association Agenda for 2017-2020 specifying Georgian authorities’ priorities, inter alia, strengthening NBG’s independence and regulatory powers and sharing EU experience on financial and banking sector regulation and supervision policies as well as the relevant GoG strategic document, namely the Memorandum of Economic and Financial Policies submitted under the Letter of Intent (LoI) stating specific challenges and priorities with regard to the financial sector policy, including strengthening financial regulation, supervision and financial safety nets.

Although NBG is in a continuous and stabile process of enhancing and developing its regulatory framework in line with the best international practices and EU legislation, the assistance from the Twinning Project will be a key advantage for NBG in gradually developing an effective regulatory, supervisory and enforcement framework.

Along with the commercial banks, non-bank payment service providers (PSP) play crucial role in the retail payments market of Georgia. The Law on Payment System and Payment Service (the PSPS law) was adopted in 2012 in order to facilitate safe and sound functioning of payment systems, safeguard consumer funds and protect the payment service consumers. The mentioned law is a combination of four EU directives: PSD 1, E-money Directive, Settlement Finality Directive and Financial Collateral Directive. The PSPS law introduced new regulated entities “PSPs” which are entitled to issue e-money as well as provide payment services listed in PSD1. After adoption of the PSPS law, NBG implemented three main pieces of secondary legislation that made supervision and regulatory framework more consistent with the EU Directives. The rule on Registration and Regulation of Payment Service Providers sets additional requirements for PSPs related to consumer protection involved in payments services, introduces providers’ liabilities while using agents, establishes safeguarding provisions for customer funds.

A separate Rule on Providing Necessary Information to the Customers while Providing Payment Services places requirements upon PSPs regarding what information they must provide to customers before a contract is concluded and before and after payment transactions occur. The rule on Payment Transaction Execution clarifies issues such as maximum execution time of payment order, the necessary information on the payers accompanying the transfers of funds, a form of notification of payment order acceptance, etc.

The proposed Twinning project is expected to support NBG to identify and review gaps between the Second Payment Services Directive (PSD 2), Settlement Finality Directive, Regulation on Cross-border Payments and Georgian legislation and to approximate local legislation with the new provisions of the PSD 2.

The project will address some of the reforms of the legal, regulatory and enforcement framework in order to deal with major issues associated with the payments service market in Georgia and bring them in compliance with the new PSD 2. In spite of the fact that the Georgian PSPS law and the rules implemented by NBG cover a broad range of requirements of the EU Directives, there still remain gaps. It is vital for the Georgian payments market to establish prudential supervision. Given that the payment service market is developing dramatically, support is urgently required in order to fill out the gaps and ensure the formation of a comprehensive, efficient and effective supervision system.

While the list of the Union *acquis* in financial services is provided in Annex XV-A of the AA, in view of the goal of dynamic approximation described in Art. 418 of the AA, the NBG takes into consideration the evolution of the EU law. Therefore, instead of approximating with the directives and regulations that are already repealed, the NBG is considering the updated *acquis*. However, while the principles from several new EU provisions may be sensible in our context, some specific requirements may need to be adapted. In addition, complying with the new EU directives and regulations will be a high burden for the market participants in the short term and consequently it is necessary to delay the approximation of some measures. Currently, the NBG is starting to negotiate the updated list of the *acquis* and the approximation deadlines. The list of the EU directives and regulations given in the present twinning fiche may change accordingly.

In all directions of approximation envisaged by this fiche, it is important that the project first identifies the gaps of the current legislation and then proposes the necessary amendments to effectively address the shortcomings identified by the gap analysis.

Specific attention will be paid to ensure that the legal approximation process supported under this Twinning project will be according to the national framework on policy and legislative development, national unified methodologies for regulatory impact assessment and legal approximation, and to the better regulation approach supported also at the EU level[[1]](#footnote-1). A better regulation approach requires that policies and legislation are prepared on the basis of the best available evidence (impact assessments) and according to an inclusive approach involving both internal and external stakeholders.

Furthermore, building on the lessons learnt and the Better Regulation agenda promoted at the EU level[[2]](#footnote-2), this Twinning project will contribute to the overall Public Administration Reform (PAR) in Georgia by ensuring the introduction of an inclusive and evidence-based approach to policy-making and legal drafting in the respective sector. It will also pay specific attention to accountability and reporting lines between concerned institutions (agencies and ministries).

3.2 **Ongoing reforms:**

NBG is in a continuous and stabile process of enhancing and developing its regulatory framework in line with the best international practices including implementing Pillar II of the capital adequacy framework based on Basel II/III and particular elements of Basel III that is one of the primary priorities of the NBG. Whereas the Georgian banking system maintains an adequate capitalization in terms of the capital adequacy framework based on Basel II, various activities have been already carried out towards enhancing and developing Basel III reforms. In particular, NBG implemented the Pillar 1 framework since 2013, the Pillar 2 framework including its buffers such as concentration buffers (name and sector concentrations), unhedged credit risk buffer and buffer based on Supervisory Review and Evaluation Process and Pillar 3 requirements were also introduced. The purpose of improving the quality of regulatory capital of systematically important banks “Regulation on Identification of Systematically Important Banks and Determining Systemic Buffer Requirements” was approved. In addition, NBG has enforced Basel III’s liquidity coverage ratio (LCR) and is actively working on developing Net Stable Funding Ratio (NSFR) requirements.

Apart from these reforms, the recent legislative amendments adopted by the Parliament in December 2017 further strengthen the supervisory functions of the NBG by providing effective and flexible mechanisms for the prompt identification of unstable representatives of the financial sector and the adoption of relevant measures.

With respect to the relevant EU directives, a legal gap analysis for further legal transposition purposes is already in progress (regulation drafting process on certain EU directives is already commenced). As a result of a primary analysis, the NBG has identified relevant gaps, including nonexistence of consolidated supervision framework, supplementary supervision framework conjointly with some gaps with respect to ICAAP framework for commercial banks within the frames of SREP and Basel III’s LCR, Transaction level regulatory stress test including countercyclical scenarios and integration with Basel III countercyclical buffer and pillar 2 as well as reporting framework. The proposed project will have a key importance while identifying and prioritizing existing gaps and planning relevant arrangements taking into account Georgian financial sector and its specifications.

NBG continues to work on the new draft amendments to the Law of Georgia on “Payments system and Payments Service” in order to make it closer to PSD1 and Settlement Finality Directive. Along with the Directive 2007/64/EC on payment services and Directive 98/26/EC on Settlement Finality, NBG is also developing and enhancing its regulatory framework in accordance with the Regulation (EU) 2015/847 on information accompanying transfers of funds. New draft Regulation is being prepared to establish requirements for provision of the necessary information on the payees (besides of the information on the payer) accompanying transfers of funds, for the purposes of preventing, detecting and investigating money laundering and terrorist financing, where at least one of the payment service providers is involved in the transfer of funds.

3.3 **Linked activities:**

The NBG has quite extensive experience working with donor community in different directions. In relation to Georgian Banking and Payment Services fields the following interventions have to be highlighted:

**Title: Letter of Intent (LoI) of the GoG;** Funded by: IMF; Duration: from November 17, 2017 (the duration is not defined);  **Description:** As already noted above, under the Letter of Intent (LoI) of the GoG the Georgian authorities, including NBG has undertaken to implement a wide range of institutional and policy reforms. Thus, the Memorandum of Economic and Financial Policies submitted under the LoI has addressed specific challenges and priorities regarding the financial sector policy such as strengthening financial regulation, supervision and financial safety nets as well as enhancing the effectiveness of financial sector policy for the sake of financial sector stability. Considering the major focus of the proposed Twinning Project to contribute to the enhancement of the effectiveness and sustainability of NBG’s institutional and regulatory capacities it will significantly contribute to orderly fulfilling the priorities envisaged by the named strategic document.

**Project Title**: Financial Sector Advisory Project: Duration: April - December 2018. Description: the project aims to assist NBG with self-assessment of RTGS System against CPMI-IOSCO Principles for Financial Market Infrastructure (for PFMI) through workshops, drafting report and reviewing it. The assistance is purely focused on preparation of the self-assessment report and doesn’t envisage actions related to the legal approximation issues.

**Related Programmes and Projects**

The reform of Public Administration (PAR) is of utmost importance for the country and the process is supported through donor community. The EU total contribution to the “Support to the Public Administration Reform in Georgia” 2016-2019, is EUR 30 000 000 euro. Out of which EUR 20 000 000 is budget support share and EUR 10 000 000 for complementary support. The objective of the programme is to improve the efficiency, accountability and transparency of the public administration of Georgia, in line with the key Principles of Public Administration that have been developed by OECD/SIGMA in close cooperation with the European Commission. It will have a particular focus on the improvement of the policy planning and coordination capacities and processes in the central public administration. The professionalization of the civil service (including the reform of the civil service training system) will also be supported through the programme.

**Project Title:** Facility for the implementation of the Association Agreement in Georgia; EU funded; Duration: 2015-2018; Description: the project provides policy advice and capacity building support to the Georgian Government in coordinating the implementation of the AA, strengthening the institutional capacities of the line ministries and other public institutions to carry out the required reforms, including on policy development and legal approximation processes.

**Project Title:**  Legislative Impact Assessment, Drafting and Representation; EU funded;

Duration: 2015-2018; Description: the project aims to improve the legal drafting process at the central level of government (through promoting better coordination among relevant entities, and introduction of the regulatory impact assessment of draft legislation) as well as the Government's international representation and reporting functions with special emphasis on the Ministry of Justice (MoJ).

These two projects: AA Facility and Legal drafting supported the elaboration of unified methodologies, and provided capacity building to key institutions (government and parliament) in the legal approximation and RIA processes. These methodologies are to be formally approved by the Government.

Two other projects, EU funded – implemented by GIZ, and USAID-funded ("G4G") also support LA and Regulatory Impact Assessment (RIA) but with focus on economic sphere.

**Policy and legislative process**

The National Policy Planning System Reform Strategy, adopted by the GoG in August 2015 recognises the current weak link between the policy planning process and legislation drafting, the absence of practice of legislative impact assessment and the weak institutional capacity of ministries in legal drafting. In the same line, the OSCE has published an assessment of the legislative process in Georgia in 2015, highlighting a number of weaknesses in the current (policy-making) and legislative process. The assessment specifically notes the reoccurring problem with implementation of laws, which can be attributed to the low quality of laws due to weaknesses in the law-making process. There is a pressure to complete numerous legal reforms in the shortest possible time: "This situation inevitably places enormous pressure on the combined law-making resources of the Government and the Parliament and leaves little time for essential elements of a well-ordered law-making process, such as regulatory impact assessments or proper consultation with civil society." Improvement of the legislative drafting process and quality of legislation is now a priority area of action for the Administration of Government under the Prime Minister (steering the policy-making process) and all line ministries. This primarily involves the Administration of Government, MoJ, and Ministry of Economy and Sustainable Development. The Government, with international support, is currently developing a uniform methodology for regulatory impact assessments, to be used by all legal drafters. Similar effort is being made with regards to developing a uniform approach to legal approximation.

To sustain the legal approximation process the MoJ with the support of the EU assistance (under above mentioned projects Association Agreement Facility and Legal Drafting projects) elaborated Legal Approximation Guidelines and a Manual. These documents provide key principles and techniques of approximation that will guide and orient legal drafters throughout the approximation process.

These documents should be used consistently, not only by MoJ, but also by all line ministries, and institutions tasked with the approximation exercise. Such proceedings will help to ensure the achievement of a steady and sustainable approximation path.

* 1. **List of applicable *Union* *acquis*/standards:**

Current legislation on banking and payment services should be amended or new legal acts should be adopted according to the following directives and regulations:

* Regulation 575/2013 on prudential requirements for credit institutions and investment firms;
* Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms;
* Directive 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (PSD 2)
* Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001
* Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems as amended by Regulation (EU) No 909/2014.

**3.5** **Results per component**

The expected results of the projects are the following:

**Component 1 – Approximation and implementation of Georgian legislation with Union *acquis* in the banking sector**

The amended banking legislation is expected to ensure strengthened resilience, better governance and more transparency in the banking sector in line with the Union *acquis.* Besides, there is a need to introduce legislative amendments to strengthen the effective supervision of financial conglomerates in Georgia with the overall goal to ensure financial stability and consumer protection. Support is required in order to ensure the completion of a comprehensive, efficient and effective supervision system. In addition, the project is expected to contribute to sharing the best EU practices in banking regulation. Capacity building is essential to comply with all the amendments and new legislative initiatives adopted in line with the requirements of the AA. Under the component it is expected to organize capacity building activities, including trainings, workshops and seminars for NBG employees in the areas targeted by the legislative amendments. It’d be also very important to have the opportunity for NBG relevant staff to get acquainted with practical aspects of the work to be done through study visit and/or internship to the MS countries.

**Result 1.1:** Contribution to the revision and implementation of the Banking legislation in accordance with CRD IV Package[[3]](#footnote-3)

Indicators of achievement:

* Number of amendments to the banking legislation (primary and secondary) and/or new regulations introduced in accordance with the CRD IV and CRR requirements in an inclusive process and evidence-based respecting unified LA methodology and approved by all relevant authorities within 15 months from the start of the project implementation including but not limited to:
  + Amended Regulation on Capital Adequacy Requirements for Commercial Banks in line with Regulation 575/2013 on prudential requirements for credit institutions and investment firms within 15 months from the start of the project implementation;
  + Amended fit and proper legislative framework for administrators and shareholders with qualifying holding of commercial banks in line with Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms within 5 months from the start of the project implementation;
  + Implemented leverage ratio requirement for commercial banks within 7 months from the start of the project implementation[[4]](#footnote-4);
  + Implemented NSFR (Net Stable Funding Ratio) for commercial banks within 8 months of the project implementation;
  + Implemented large exposures requirements for commercial banks in line with Basel and CRD/CRR requirements within 15 months from the start of the project implementation;
  + Enhanced corporate governance requirement including imposing principles on remuneration for commercial banks within 7 months from the start of the project implementation[[5]](#footnote-5).
* At least 50% of the staff of the relevant departments of the NBG trained and capable to apply in practice EBA FINREP taxonomy within 15 months from the start of project implementation;
* At least 50% of the staff of the relevant departments of the NBG prepared to apply in practice the technical aspects of XBRL standard and EBA Data Point model by the end of the project implementation;
* At least 40% female participation in activities organized by the project.

**Component 2 – Approximation and implementation of Georgian legislation with the Union *acquis* in the area of payments**

It is important to identify and review gaps between the Second Payment Services Directive (PSD 2), Settlement Finality Directive, Regulation on Cross-border Payments and Georgian legislation and to amend national regulatory framework in line with the requirements of the EU law. It is vital for the Georgian payments market to establish prudential supervision. Given that the payment service market is developing dramatically, support is urgently required in order to fill out the gaps and ensure the formation of a comprehensive, efficient and effective supervision system. In order to correctly implement the legislative changes in practice, it is important that the NBG staff is aware how the relevant directives and regulations work in the EU, e.g. it is important that the employees are trained and capable to conduct effective oversight of payment services (especially innovative payment instruments and channels like e-money, etc.) in line with relevant EU directives and regulations, therefor it would be also highly demanded to organize targeted study visit(s) and internship(s) in MS partner countries.

**Result 2.1:** Contribution to the revision of the legal and implementation framework on payment services in line with relevant directives and regulations and in accordance with an inclusive and evidence-based approach.

Indicators of achievement:

* Number of legislative amendments, primary as well as secondary, developed in line with Directive (EU) 2015/2366 and 98/26/EC and Regulation (EC) No 924/2009 in an inclusive and evidence-based process using LA methodology within 14 months from the start of the project implementation;
* Prudential supervision framework (capital and own fund requirements, financial reporting requirements) developed and applied by the end of the project implementation;
* Rules on execution of Payment operations amended and operational within 14 months from the start of the project implementation;
* Amendments to the rule of registration and cancellation of registration of Payment System Operators at the National Bank of Georgia within 14 months from the start of the project implementation.
* 50% of the staff of the relevant department of the NBG trained and capable to assess payment systems against Directive (EU) 2015/2366 and CPSS-IOSCO Principles for Financial Market Infrastructures within 8 month from the start of the project implementation;
* 50% of the staff of the relevant department of the NBG trained in regards to different types of payment services and capable to assess risks related to them. As well as, to develop registration (licensing) requirements for PSPs in terms of services provided by the end of the project implementation;
* The requirements of the strong customer authentication and the requirements for common and secure open standards of communication between account servicing payment service providers, payment initiation service providers, account information service providers, payers, payees and other payment service providers developed by the end of project implementation.
* At least 75% of Study visit participants satisfied by quality of exchange with the MS partner administration.

**3.6 Means/input from the EU MS Partner Administration(s):**

Member State(s) is/are kindly requested to develop activities in the submitted proposal which are needed in order to achieve the results stipulated in the fiche.

The MS Project Leader (PL) will be expected to devote a minimum of 3 days per month to the project in his/her home administration. In addition, he/she will coordinate from the MS side the work of the Project steering Committee (PSC). MS PL may participate in the project also as short-term expert (STE). In this case the MS PL should satisfy requirements stipulated in the fiche for both the PL and the relevant STE profile.

The RTA will be located in the premises of the NBG in the beneficiary country on a full time basis and will be responsible for the direct implementation of the project under the overall supervision of the MS PL.

The RTA will maintain day-to-day cooperation with the beneficiary administration (BA) and coordinate the work performed by the STEs. The RTA will have a key role in the coordination of the inputs required for the successful implementation of all the project activities.

Minimum two visibility events will be organized in the course of the implementation of the project; Kick-off meeting at the start of the implementation and the Final meeting at the end of the implementation of the project activities.

The required MS experts must either be civil/public servants of the relevant MS administration or be permanent staff of authorised mandated bodies. All experts must comply with the requirements set in the Twinning Manual 2017.

The RTA should be supported by a permanent RTA Assistant. The RTA assistant should be in close collaboration with the BA. The RTA assistant will perform general project duties and providing translation and interpretation services as necessary, practical arrangements for the project, such as organizational issues of expert missions, conferences, training, seminars, maintaining project records, etc. Until the RTA can select and hire an assistant, the BA makes a member of its staff available to support the RTA in his/her daily tasks.

A full-time language assistant should also be recruited. She/he should perform most of the required interpretation/translation services. She/he will provide day-to-day interpretation/translation to the RTA and project experts during missions.

Whenever required and needed for simultaneous interpretation during seminars and workshops, translation of large volume of documents additional interpretation may be procured and funded by the project.

Proposals shall include only the CVs of the proposed PL, of the RTA and of the Component Leaders

3.6.1 **Profile and tasks of the Project Leader:**

MS PL may participate in the project also as a STE. In this case the MS PL should satisfy requirements stipulated in the fiche for both the PL and the relevant STE profile.

*Profiles:*

* University degree in the field of economic, finance, business administration, accounting/auditing or law or any relevant field or equivalent professional experience in a related area of minimum 5 years;
* Minimum 3 years of practical experience in a central bank or supervisor working on banking regulation and supervision/ Payment service issues;
* A high ranking MS official or assimilated agent with a sufficient rank to ensure an operational dialogue at political level;
* Expertise and practical skills that enable him/her to efficiently fulfill the tasks of the PL;
* Specific experience in project management;
* Good command of written and spoken English;
* Strong leadership and management skills.

*Tasks:*

* Overall direction, supervision, guidance and monitoring of the project; ability to mobilise the necessary expertise in support of the efficient implementation of the project;
* Signature of project progress reports and the final report prepared with the support of RTA;
* Timely achievement of the project results;
* Co-Chairing of PSCs;
* Provision of legal and technical advice and analysis whenever needed;
* Participation in the planned meetings and visits envisaged by the outline.

3.6.2 **Profile and tasks of the RTA:**

*Profile:*

* University degree in the field of economic, finance, business administration, accounting/auditing or law or any relevant field or equivalent professional experience in a related area of minimum 5 years;
* At least 3 years of practical experience in a central bank or supervisor working on banking regulation and supervision/ Payment service issues;
* Specific professional experience and knowledge in Banking/ Payment services and specifically in EU Directives envisaged by the proposed project;
* Strong initiative, analytical and team working skills;
* Excellent communication skills;
* Fluent in written and spoken English;
* Good training, communication and advisory skills;
* Exceptional time management, organization, and prioritization skills;
* Excellent computer literacy;
* Previous experience in project management would be an asset.

*Tasks:*

* Overall coordination of project implementation and of all activities;
* Coordination of the activities of the team members in line with the agreed work plan to enable timely completion of project outputs;
* Provide technical input to the project whenever needed and provision of advice in his field of expertise;
* Liaise with MS and BC PLs and daily contacts with BC RTA counterpart;
* Preparation of the initial and subsequent work plan(s) and project progress reports, together with PL, to be submitted to the PSCs;
* Liaison with European Union Delegation (EUD) Project Manager and Programme Administration Office (PAO);
* Liaison with other relevant projects and relevant Georgian institutions.

3.6.3 **Profile and Tasks of the Component Leaders:**

**Component 1 – Approximation and implementation of Georgian legislation with Union *acquis* in the banking sector**

*Profile:*

* University degree in the field of economic, finance, business administration, accounting/auditing or law or equivalent professional experience in related field of minimum 5 years;
* Minimum 3 years of practical experience in a central bank or supervisory body working on banking regulation and supervision;
* Specific professional experience and knowledge in banking and specifically in EU Directives envisaged by the proposed project;
* Solid experience in legal drafting coordination process relevant to the project scope;
* Experience in organisation and delivering trainings and/or project management;
* Strong initiative, analytical and team working skills;
* Excellent communication skills;
* Fluency in written and spoken English.

*Tasks*:

* Component coordination, guidance and monitoring;
* Conducting analysis of the area relevant to the component;
* Preparing and conducting training programs;
* Timely proposals for any corrective measures;
* Liaise with MS and BC PLs, RTA, respective STEs and BC counterparts.

**Component 2 - Approximation and implementation of Georgian legislation with the Union *acquis* in the area of payments**

*Profile:*

* University degree in the field of economic, finance, business administration, accounting/auditing or law or equivalent professional experience in related field of minimum 5 years;
* Minimum 3 years of practical experience in payment services regulation and supervision;
* Specific professional experience and knowledge in payment services and specifically, in EU Directives envisaged by the proposed project;
* Solid experience in legal drafting coordination process relevant to the project scope;
* Experience in organisation and delivering trainings and/or project management;
* Strong initiative, analytical and team working skills;
* Excellent communication skills;
* Fluency in written and spoken English.

*Tasks*:

* Component coordination, guidance and monitoring;
* Conducting analysis of the area relevant to the component;
* Preparing and conducting training programs;
* Timely proposals for any corrective measures;
* Liaise with MS and BC PLs, RTA, respective STEs and BC counterparts.

3.6.4 **Profile and tasks of other short-term experts*:***

Specialist civil servants/staff of approved mandated bodies will be made available by the Twinning Partner (MS) to support the implementation of the activities and agreed with the BA. Specific and technical matters relevant to this Twinning project will be taken over by a pool of STEs. The detailed expert input shall be established when drawing up the Twinning work plan.

Below some indicative qualifications and tasks: (STEs CV should not be included in the MS proposal).

*Profiles:*

* University degree in an area relevant to the project or equivalent professional experience in related field of minimum 5 years;
* Working experience within departments/divisions/units related to the fields envisaged by the project outline and minimum 3 years of working experience in the specific field(s);
* Experience in analysing EU Directives and relevant legal acts and conducting legal gap analysis;
* Experience in drafting legal acts/regulations including fiscal and regulatory impact assessments, public consultations and inter-institutional coordination;
* Experience in organising stakeholder consultations, developing training programmes and implementing training sessions will be an advantage;
* Be fluent in English, both oral and written.

The STE delivering the training program in CPSS-IOSCO Principles for Financial Market Infrastructures must have an experience in payment system assessments against CPSS-IOSCO Principles for Financial Market Infrastructures.

*Tasks:*

* Contributing to the sustainability of the project by ensuring that aspects of the project related to their field of expertise are implemented timely;
* Supervision and on-site coordination of all activities related to their field of expertise and performed under this project;
* Timely proposals for any corrective measures;
* Assistance with drafting project related documents in accordance with the national rules for legislative development and preparation of trainings, study tours, workshops, seminars, etc.
* Liaise with RTA and BC counterparts.

**4.** **Budget**

Maximum Budget available for the Twinning - 1,750,000 €.

**5.** **Implementation** **Arrangements**

5.1

The EUD in Tbilisi, Georgia, will be responsible for the tendering, contracting, payments and financial reporting, and will work in close co-operation with the BA. The person in charge of this project at the EUD is:

Ms. Sirje Poder

Attache Programme Officer, Private Sector Development, Trade Facilitation

Delegation of the European Union to Georgia

38 Nino Chkheidze St, 0102 Tbilisi, Georgia

Tel: +995 32 2943 763

E-mail: [Sirje.PODER@eeas.europa.eu](mailto:Sirje.PODER@eeas.europa.eu)

5.2 **Institutional framework**

The main project beneficiary institution is the NBG that is the central bank and the sole supervisory authority for financial institutions.

The major associated departments with the respective project will be the following departments (see Annex 2):

* The Specialized Groups and Supervisory Policy Department consists of 5 divisions: Retail Credit Risks Division, Financial Risks and Macro Prudential Policy Division, Operational Risks and Information Processing Division, Corporate Governance and Supervisory Policy Division and Corporate and SME Credit Risk Division. The Department itself is responsible on assessment particular risk categories on the level of each commercial bank and system;
* The Banking Supervision Department consists of 4 divisions, namely, the First Division of Supervision, the Second Division of Supervision, the Third Division of Supervision and the Fourth Division of Supervision. The Department itself focuses on the assessment of all risk categories for each commercial bank;
* The Payment Systems Department consisting of Real Time Gross Settlement (RTGS) Systems Service Division, Payment Systems Regulation Division and Operation Division; and
* The Legal Department that consists of 2 divisions, namely, EU Directives Implementation and Legal Support Division and Legal Drafting and Litigation Division. The Department in the context of the proposed project has the role of the coordinator of EU Association issues and legislation approximation within the competence of the NBG.
* Money Laundering Inspection and Supervision Department, that consists of 2 divisions: Inspection Division and Methodology and Off-Site Supervision Division.

All stakeholder representatives will be evolved in the project implementation according to their mandate and responsibilities. Other involved parties include: Ministry of Economy and Sustainable Development, Ministry of Finance, Insurance State Supervision Service, Service for Accounting, Reporting and Auditing Supervision.

5.3 **Counterparts in the beneficiary administration:**

*The* *PL* *and* *RTA* *counterparts* *will* *be* *public* *servants* *of* *the BA* *and* *will* *be* *actively* *involved* *in* *the* *management* *and* *coordination* *of* *the* *project.*

5.3.1 Contact person:

Mr. Giorgi Dziguashvili,

Head of EU Directives Implementation and Legal Support Division of the Legal Department at the National Bank of Georgia

2 Sanapiro str. 0105, Tbilisi, Georgia

5.3.2 Project Leader counterpart:

Mr. Murtaz Kikoria

Member of the Board of the National Bank of Georgia, Vice-Governor

2 Sanapiro str. 0105, Tbilisi, Georgia

5.3.3 RTA counterpart:

Mr. Giorgi Dziguashvili

Head of EU Directives Implementation and Legal Support Division of the Legal Department at the National Bank of Georgia

2 Sanapiro str. 0105, Tbilisi, Georgia

**6. Duration** **of** **the** **project**

**Duration of the execution period**: 27 months: The execution period will end 3 months after the implementation period of the Action (work plan) which will take 24 months.

**7.** **Sustainability**

The BA is fully committed to ensuring a long term impact of the activities of this Twinning project. The project is expected to bring significant improvement in NBG’s regulatory, supervisory and enforcement framework. The results achieved will have the long-term impact on NBG’s further institutional and functional development as the project will largely enhance the quality of NBG’s long-run legal, administrative, supervisory and institutional capacities.

A continuous review and evaluation of key factors having effect on project sustainability will be provided over the project lifetime. The sustainability evaluation process will start from the beginning of the project implementation based on the interim results and achievements. The review itself will aim to support the sustainable outcomes of the project beyond the completion of the project.

In order to contribute to develop implementable legislation, the twinning project will support preparation of analytical prerequisites i.e. preparation of concept notes, impact assessments, estimation of implementation costs and will support NBG on conducting inter-institutional consultations.

It is expected that proposed project will highly enhance the understanding and competence of NBG staff in relevant fields especially in regulatory and supervisory proficiency. Smooth and effective functioning of the institution will be guaranteed by the relevant human and financial resources available within the NBG.

After project completion, the key elements of the system are expected to be in place and operational. This in its turn, is expected to have a positive impact on developments in the banking and financial sector, stimulating better implementation of relevant standards/practices in the field.

**8.** **Crosscutting** **issues** *(equal* *opportunity,* *environment,* *climate* *etc…)*

The fundamental principles and practice of equal opportunity will be guaranteed so as to ensure equality and combating discrimination during project implementation. The NBG will safeguard equal opportunities between male and female in the management and implementation of the project, including equal opportunities in trainings, site visits and participation in all project activities. The principle of equal opportunity and equal participation shall apply both to the NBG staff involved in the project and project members participating from other institutions concerned. Every effort will be made to ensure broad gender representation among all participants. Gender equality will be guaranteed throughout the whole project implementation process.

The principle of implementation of this Twinning project will be mostly based on paperless work environment. This means, in particular, minimising paper use during project implementation by the maximum feasible use of e-mails and project web-site and/or project electronic database for co-operation between partners.

**9.** **Conditionality** **and** **sequencing**

There is no special precondition for the start and implementation of the project. The beneficiary commits itself to provide the contributions stated in the Fiche. They include the following:

* Strong commitment and support of NBG management to the Project implementation phase;
* Strong involvement and commitment of NBG staff at all levels;
* Assigning dedicated staff to activities connected with the Project;
* Ensuring coordination between departments and institutions connected with the Project;
* Ensuring access to necessary information and documents especially in regards with the national regulatory framework;
* In time and strong coordination and acknowledgement with the beneficiary country’s EU-Georgia AA action plan.

The sequencing of the Twinning project components doesn’t depend on each other. The project activities will be prioritized in close coordination between the MS and BA counterparts and will work according to the Logical Framework. The most important tasks will be to timely conduct gap analysis of the relevant legal framework, make ordered timetable for alignment of legislation and prepare respective amendments. The ccapacity building activities will be gradually introduced to comply with all the amendments.

**10. Indicators for performance measurement**

The indicators for performance are described in Chapter 3.5 together with project results. They are also listed in the Logical Framework Matrix included in the annex 1.

The project MS and BC partners will ensure the smooth implementation of project activities and assess performance measurement in line with the logical framework. Through the project operation phase the project counterparts will meet regularly to ensure consistency of project implementation and achievement of the results.

The Quarterly Project Steering Committee meetings will also facilitate the coordination and monitoring of project development to assess project implementation against performance measurement and address any emerged issue.

Strong coordination with other stakeholder organizations, donors or interested parties related to the NBG field of operation will also safeguard successful performance of the Twinning project.

**11. Facilities available**

The BC commits itself to deliver the following facilities:

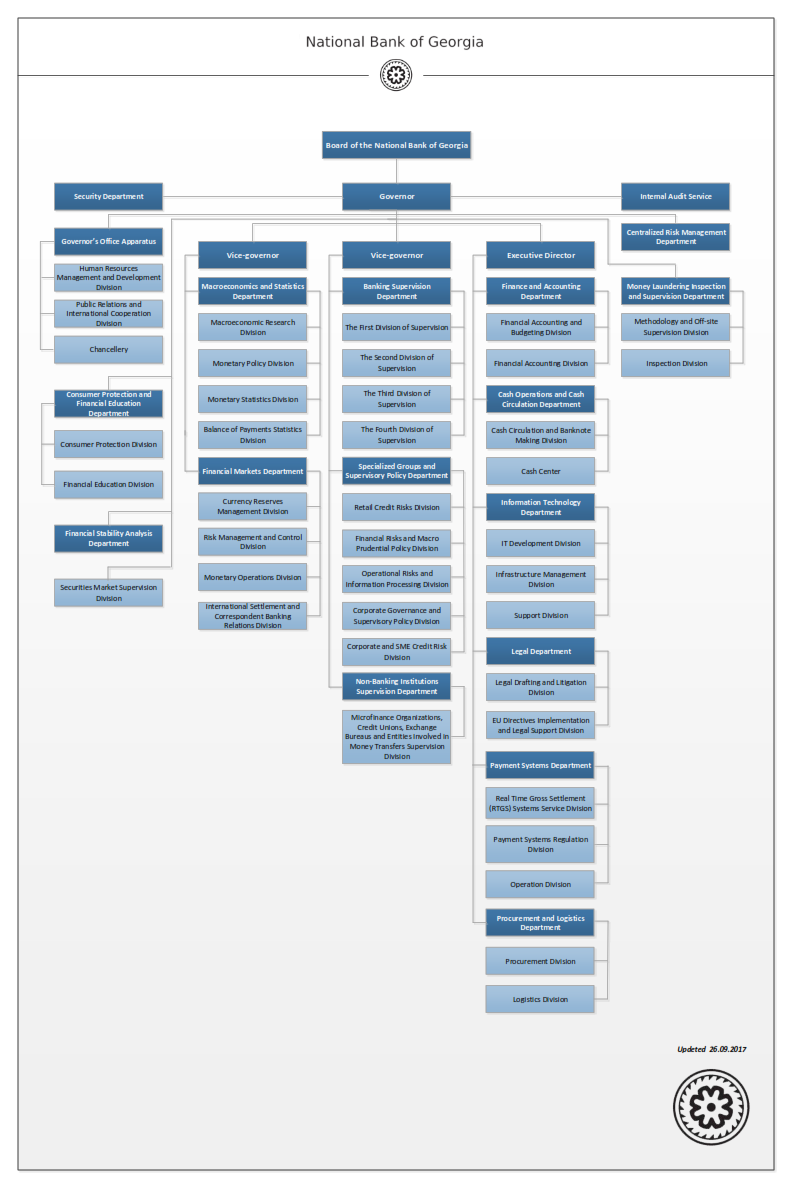
* Adequately equipped office space for the RTA and the RTA assistant(s) for the entire duration of their secondment.
* Supply of office room including access to computer, telephone, internet, printer, photocopier.
* Adequate conditions for the STEs to perform their work while on mission in the BC.
* Provide suitable venues for the training sessions and meetings that will be held under the Project.
* Security related issues will be assured according to the standards and practices applicable for all Georgian public institutions.

**ANNEXES** **TO** **ACTION** **DOCUMENT**

1. Logical framework matrix in standard format
2. Organizational Chart
3. List of relevant Laws and Regulations
4. Sector assessment reports of any kind including publically available reports from other International organisations (IMF, etc.)

|  |  |  |  |
| --- | --- | --- | --- |
| Strengthening the NBG capacity in the field of Banking and Payment Services in line with the EU Standards  **Annex 1. Logical framework matrix** | | Programme name and number | Technical Cooperation Facility II ENI/2016/039-337 |
| National Bank of Georgia | | Total budget: 1,750,000.00 EUR | Financing: 100%  1,750,000.00 EUR |
| **Overall objective**  **(impact)** | **Objectively Verifiable Indicators** | **Source of Verification** | **Assumptions** |
| The overall objective of the Twinning Project is to ensure stability and transparency of financial sector by assisting National Bank of Georgia (NBG) to improve overall financial supervisory mechanisms in line with the EU best practices | * Increased number of relevant legislation amended and approximated in accordance with the EU provisions; * All necessary Mechanisms for NBG supervisory function in place and operational. | * NBG annual reports; * IMF Reports/Evaluations; * Monitoring/assessment reports by international organisations; * Implementation reports of AA Action Plans; |  |
| **Specific Objective(s ) (outcome)** | **Objectively Verifiable Indicators** | **Source of Verification** | **Assumptions** |
| The specific objective of the project is to strengthen NBG’s capacity in the field of banking and payment services as well as gradually approximate regulatory, supervisory and enforcement framework in line with the EU legislation and requirements under the EU-Georgia Association Agreement. | * Legal amendments in banking and payment services prepared in accordance with an inclusive and evidence-based approach; * Institutional and human capacity of the NBG enhanced in line to the EU requirements in the field of banking and payment services. | * NBG’s annual reports; * IMF Reports/Evaluations; * Implementation reports of AA Action Plans; * Guidelines; * Amended Regulations; * Lists of participants from various meetings (workshops, trainings, discussions); * Project documentation (analysis reports, training programmes, materials, recommendations and etc.). * Project interim and final reports; | * Strong support and commitment from the senior management of NBG; * Strong support and commitment from the Government side regarding amendment of the relevant legislation; * Strong support and commitment from twinning partner(s); * Relevant staff of NBG available and involved in the process. |
| **Mandatory Results (outcomes)** | **Objectively Verifiable Indicators** | **Source of Verification** | **Assumption** |
| **Component 1 – Approximation and implementation of Georgian legislation with Union acquis in the banking sector**  **Result 1.1:** Contribution to the revision and implementation of the Banking legislation in accordance with CRD IV Package | * Number of amendments to the banking legislation (primary and secondary) and/or new regulations introduced in accordance with the CRD IV and CRR requirements developed in an inclusive process and evidence-based respecting unified LA methodology and approved by all relevant authorities within 15 months from the start of the project implementation including but not limited to:   + Amended Regulation on Capital Adequacy Requirements for Commercial Banks in line with Regulation 575/2013 on prudential requirements for credit institutions and investment firms within 15 months from the start of the project implementation;   + Amended fit and proper legislative framework for administrators and shareholders with qualifying holding of commercial banks in line with Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms within 5 months from the start of the project implementation;   + Implemented leverage ratio requirement for commercial banks within 7 months from the start of the project implementation[[6]](#footnote-6);   + Implemented NSFR (Net Stable Funding Ratio) for commercial banks within 8 months of the project implementation;   + Implemented large exposures requirements for commercial banks in line with Basel and CRD/CRR requirements within 15 months from the start of the project implementation;   + Enhanced corporate governance requirement including imposing principles on remuneration for commercial banks within 7 months from the start of the project implementation[[7]](#footnote-7). * At least 50% of the staff of the relevant departments of the NBG capable to apply in practice EBA FINREP taxonomy within 15 months from the start of project implementation; * At least 50% of the staff of the relevant departments of the NBG prepared to apply in practice the technical aspects of XBRL standard and EBA Data Point model by the end of the project implementation; * At least 40% female participation in activities organized by the project; | * Gap Analysis; * Updated and developed legal acts (primary as well as secondary legislation) in line with Union *acquis*; * Reports prepared by the IMF and other institutions, including FSAP Reports; * Banks’ ICAAPs analyzed and assessed by NBG; * Amended Regulations: * Project documentation, interim and final reports, training reports and materials, etc.; * Project activity reports (consultations, discussion); * STE mission reports; * Assessment reports; | * Political commitment of the government to support legal changes; * Close cooperation of the Twinning team with NBG relevant departments; * All necessary documentation available; * Strong support and commitment from the senior management of NBG; * Twinning MS partner commitment; * Availability of local staff; * Good communication between the Beneficiary and other relevant stakeholders. |
| **Component 2 – Approximation and implementation of Georgian legislation with the Union *acquis* in the area of payments**  **Result 2.1:** Contribution to the revision of the legal and implementation framework on payment services in line with relevant directives and regulations and in accordance with an inclusive and evidence-based approach. | * Number of legislative amendments, primary as well as secondary, developed in line with Directive (EU) 2015/2366 and 98/26/EC and Regulation (EC) No 924/2009 in an inclusive and evidence-based process using LA methodology within 14 months from the start of the project implementation; * Prudential supervision framework (capital and own fund requirements, financial reporting requirements) developed and applied by the end of the project implementation; * Rules on execution of Payment operations amended and operational within 14 months from the start of the project implementation; * Amendments to the rule of registration and cancellation of registration of Payment System Operators at the National Bank of Georgia within 14 months from the start of the project implementation. * 50% of the staff of the relevant department of the NBG trained and capable to assess payment systems against Directive (EU) 2015/2366 and CPSS-IOSCO Principles for Financial Market Infrastructures within 8 month from the start of the project implementation; * 50% of the staff of the relevant department of the NBG trained in regards to different types of payment services and capable to assess risks related to them. As well as, to develop registration (licensing) requirements for PSPs in terms of services provided by the end of the project implementation; * The requirements of the strong customer authentication and the requirements for common and secure open standards of communication between account servicing payment service providers, payment initiation service providers, account information service providers, payers, payees and other payment service providers developed by the end of project implementation; * At least 75% of Study visit participants satisfied by quality of exchange with the MS partner administration. | * Gap Analysis; * Updated and developed legal acts (primary as well as secondary legislation) in line with Union *acquis*; * Reports prepared by the IMF and other institutions, including FSAP Reports; * Amended Regulations; * Project documentation, interim and final reports, training reports and materials, etc.; * Project activity reports (consultations, discussion); * STE mission reports; * Assessment reports; | * Political commitment of the government to support legal changes; * Close cooperation of the Twinning team with NBG relevant departments; * All necessary documentation available; * Strong support and commitment from the senior management of NBG; * Twinning MS partner commitment; * Availability of local staff; * Good communication between the Beneficiary and other relevant stakeholders. |
| **Activities** | **Means** | **Specification of Costs** |  |
| ***Member State(s) is kindly requested to develop activities in the submitted proposal which are needed in order to achieve the results stipulated in the fiche*** | Consultations, analyses, preparation of documentation, trainings, workshops, study visits, internships | Twinning budget:  1.750.000,00 € | In line with the assumptions specified |
|  |  |  |  |

**Annex 2. Organizational Chart**

***Also available at:*** [***https://www.nbg.gov.ge/uploads/structure/2014/2017/f/struktura\_eng.pdf***](https://www.nbg.gov.ge/uploads/structure/2014/2017/f/struktura_eng.pdf)

**Annex 3.** List of relevant Laws and Regulations

1. Organic Law of Georgia on the National Bank of Georgia;
2. Law of Georgia on Activities of Commercial Banks;
3. Regulation on Capital Adequacy Requirements for Commercial Banks;
4. Rule on General Risk Assessment Program (GRAPE);
5. Regulation on Establishing the Status of a Reliable Bank According to the List of Competent International Rating Organizations and Levels of Ratings Assigned by these Organizations
6. Regulation on Conducting External Audit of Commercial Banks;
7. Regulation on Internal Audit Requirements for Commercial Banks;
8. Regulation On Fit and Proper Criteria for Administrators of Commercial Banks;
9. Regulation on Defining Minimum Regulatory Capital Requirements for Commercial Banks;
10. Regulation on Licensing of Banking Institutions;
11. Regulation for Establishing a Branch, a Representative Office and other Subdivisions by Commercial Banks;
12. Regulation on Receipt and Redemption of Loans by Receiverships from the National Bank of Georgia;
13. Regulation on Assets Classification and the Creation and Use of Reserves for Losses by Commercial Banks;
14. Regulation on Supervision and Regulation of the Activities of Commercial Banks;
15. Regulation on the Management of the Conflict of Interests;
16. Regulation Setting, Calculating and Maintaining Overall Open Foreign Exchange Position Limit of Commercial Banks;
17. Regulation on Announcing a Commercial Bank Insolvent and Bankrupt;
18. Regulation on the Liquidation of Commercial Banks;
19. Banks’ Onsite Inspection Methodic Manual Concerning the Prevention of Illicit Income Legalization;
20. Regulation on Credit Concentration and Large Risks in Commercial Banks;
21. Regulation on Risk Management in Commercial Banks;
22. Regulation on Determining and Imposing Pecuniary Penalties on Commercial Banks;
23. Methodology of On-Site Auditing of Banks on the Issues of Fight Against Money Laundering;
24. Law of Georgia on Payment Systems and Payment Services;
25. Rule on Execution of Payment operations;
26. Regulation on Payment Cards;
27. Rule of registration and regulation of Payment Service Provider;
28. Rule of registration and Cancellation of Registration of Payment System Operator in the National Bank of Georgia;
29. Rule on provision of necessary information to the customer while providing payment services;
30. Law of Georgia on Securities Market;
31. Law of Georgia on Collective Investment Undertakings;
32. Decree on Licensing, Minimum Capital Requirements and Reporting Obligations of Brokerage Companies;
33. Decree on Terms and Conditions for Registrations of Investment Funds in the National Bank of Georgia;
34. Decree on Licensing, Minimum Capital Requirements and Reporting Obligations of Central Securities Depository;
35. Decree on Licensing of Specialized Depositories;
36. Decree on Minimum Authorized Capital Requirements for Asset Management Companies;
37. Decree on Conflict of Interests between Asset Management Companies and Specialized Depositaries;
38. Decree on Procedure Agreement Conclusion with Asset Management Companies;
39. Decree on Minimum Authorized Capital Requirements for Specialized Depositary.

**Annex 4.** Sector assessment reports of any kind including publically available reports from other International organisations (IMF, etc.)

<https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Georgia-Financial-Sector-Assessment-Program-Stress-Testing-the-Banking-Sector-Technical-Note-42586>

<https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Georgia-Financial-Sector-Assessment-Program-Safety-Nets-Bank-Resolution-and-Crisis-42587>

<https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Georgia-Financial-Sector-Assessment-Program-Macroprudential-Policy-Framework-Technical-Note-42588>

<https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Georgia-Financial-Sector-Assessment-Program-Detailed-Assessment-of-Observance-of-the-Basel-42589>

<https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Georgia-Financial-System-Stability-Assessment-42545>

1. <http://ec.europa.eu/info/strategy/better-regulation-why-and-how_en> [↑](#footnote-ref-1)
2. <http://ec.europa.eu/info/files/better-regulation-better-results-eu-agenda-0_en> [↑](#footnote-ref-2)
3. For the purposes of this fiche the CRD IV Package consists of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and Regulation 575/2013 on prudential requirements for credit institutions and investment firms and if necessary their supplementary Regulatory Technical Standards. [↑](#footnote-ref-3)
4. NBG is working on this issue due to the tight deadline (August 2018) and as soon as the Twinning project implementation starts it is important that the MS experts review already drafted legislation; provide recommendations and propose amendments for enhancing. [↑](#footnote-ref-4)
5. .NBG is working on this issue due to the tight deadline (August 2018) and as soon as the Twinning project implementation starts it is important that the MS experts review already drafted legislation; provide recommendations and propose amendments for enhancing. [↑](#footnote-ref-5)
6. NBG is working on this issue due to the tight deadline (August 2018) and as soon as the Twinning project implementation starts it is important that the MS experts review already drafted legislation; provide recommendations and propose amendments for enhancing. [↑](#footnote-ref-6)
7. .NBG is working on this issue due to the tight deadline (August 2018) and as soon as the Twinning project implementation starts it is important that the MS experts review already drafted legislation; provide recommendations and propose amendments for enhancing. [↑](#footnote-ref-7)