

ACTION PLAN ON TRANSPOSITION CALENDAR OF EU REQUIREMENTS PACKAGE TO THE LEGISLATION OF THE REPUBLIC OF MOLDOVA - CRD IV/CRR

Action	The estimate terms of completing and/or reporting to the National Bank of Romania/ De Nederlandshe Bank	The responsible body	General / Specific objectives	Expected result/ Performance indicators	Dependences /Timing factors
Stage 1. General assessment of existing shortcomings in the existing prudential regulation and supervision framework of the banks					
a) Initiating a dialogue and exchange of information with the banking sector	Q. IV 2015	NBM	General objective 1: To stablish primary and secondary legal framework relating to the credit institutions (banks) activity based on EU legal framework (CRD IV)	Identified ways of communicating with banks	
b) Assessment of existing shortcomings in the existing prudential regulation and supervision framework	Q. III 2015	NBM	General objective 1: To establish primary and secondary legal framework relating to the credit institutions (banks) activity based on EU legal framework (CRD IV)	Conducted assessment	Twinning Project
f) Assessment on the professional training necessity at the level of NBM	Q. IV 2015	NBM	General objective 2: To develop the institutional capacity and bank on-site /off-site supervision tools of the NBM in accordance with the new legal framework	Conducted assessment	Twinning Project
Stage 2. Conducting quantitative impact studies					
a) Conducting a quantitative impact study on CRD IV implementation effects regarding capital	Q. II 2016	NBM	General objective 2: To develop the institutional capacity and bank on-site /off-site supervision tools of the NBM in accordance with the new legal framework	Conducted impact study	Twinning Project

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requirements and own funds					
b) Conducting a quantitative impact study on new liquidity indicators implementation based on Basel III	Q. III-IV 2016	NBM	General objective 2: To develop the institutional capacity and bank on-site /off-site supervision tools of the NBM in accordance with the new legal framework	Conducted impact study	Twinning Project
c) Conducting a quantitative impact study on leverage ratio provided by Basel III	Q. IV 2016	NBM	General objective 2: To develop the institutional capacity and bank on-site /off-site supervision tools of the NBM in accordance with the new legal framework	Conducted impact study	Twinning Project
Stage 3. Transposing of CRD IV/CRR package, including the reporting COREP and FINREP framework, to the national legal and regulatory framework					
A. New bank law					
Law on Banking Activity	Q. I 2016 – initial project Q. II 2016 – project coordinated with the project partners Q. IV 2016 - the project is submitted to the public authorities of the RM for noticing Q. II 2017 – the project is submitted to the Government of the RM Q. III 2017 – the project is	NBM	General objective 1: To establish primary and secondary legal framework relating to the credit institutions (banks) activity based on EU legal framework (CRD IV) Specific objective 1.1.: To promote a new law on credit institutions activity (banks)	A draft law; the draft law is presented to the Parliament of the RM	Cooperation with NCFM Twinning Project

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	submitted to the Parliament for approval				
B. Regulations on law application					
1) Regulation on the licensing of banks and branches of banks from other states	Q. II 2016- initial project Q. IV 2016 - project coordinated with the project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
2) Regulation on bank shareholders	Q. II 2016- initial project Q. IV 2016 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
3) Regulation on banks' own funds and capital requirements	Q. I 2016- initial project Q. II 2016 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
4) Regulation on liquidity requirements for banks	Q. II 2016- initial project Q. III 2016 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project

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5) Regulation on banks activity' internal governance, ICAAP/ILAAP	Q. II 2016- initial project Q. III 2016 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
6) Regulation on the treatment of counterparty credit risk for banks	Q. III 2016- initial project Q. IV 2016 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
7) Regulation on the management body and key personnel	Q. II 2016- initial project Q. III 2016 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
8) Regulation on the treatment of credit risk for banks according to the standardized approach	Q. IV 2016 - initial project Q. I 2017 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
9) Regulation on the treatment of operational risk for banks according to the basic approach and the standardized approach	Q. III 2016- initial project Q. IV 2016 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
10) Regulation on market risk treatment for banks	Q. IV 2016 - initial project	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the	Twinning Project

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according to the standardized approach	Q. I 2017 - project coordinated with project partners			Executive Board of NBM	
11) Regulation on large exposures	Q. IV 2016 - initial project Q. I 2017 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
12) Regulation on leverage effect for banks	Q. IV 2016 - initial project Q. I 2017 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
13) Regulation on the supervision on a consolidated basis of banks	Q. IV 2016 - initial project Q. I 2017 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
14) Regulations on the credit risk mitigation techniques used by banks	Q. IV 2016 - initial project Q. I 2017 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
15) Regulation on disclosure by banks of information related to prudential requirements	Q. IV 2016 - initial project Q. I 2017 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project

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16) Regulation on the calculation by banks of general and specific adjustments for credit risk	Q. IV 2016 - initial project Q. I 2017 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
17) Regulation on the treatment of settlement risk and the risk of credit evaluation for banks	Q. IV 2016 - initial project Q. I 2017 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
18) Regulation on the capital buffers	Q. IV 2016 - initial project Q. II 2016 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
19) Regulation on credit risk treatment for banks according to the approach based on internal rating models	Q. IV 2016 - initial project Q. I 2017 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
20) Regulation on the treatment of operational risk for banks according to the advanced measurement approach	Q. II 2016 - initial project Q. III 2016 - project coordinated with project partners	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the Executive Board of NBM	Twinning Project
21) Regulation on the treatment of market risk	Q. IV 2016 - initial project	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Regulation approved by the	Twinning Project

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according to the approach based on internal models	Q. I 2017 - project coordinated with project partners			Executive Board of NBM	
22) Instruction on COREP reporting	Q. II 2017 - initial project Q. III 2017 - completed project	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Instruction approved by the Executive Board of NBM	
23) Instructions on FINREP reporting (individual and consolidated)	Q. I 2018 - initial amendment draft Q. III 2018 - updated project	NBM	Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law	Instructions approved by the Executive Board of NBM	
24) Regulation (for public) on the joint procedures and methodologies for the supervisory and evaluation process (SREP)	Approval after the entry into force of the new legislative framework	NBM	Specific objective 2.2: To implement bank on-site /off-site supervision tools of the NBM for complying to the new legal framework requirements	Regulation approved by the Executive Board of NBM	Twining Project

Note:

- 1) All projects listed in this section will be published on the interbanking portal for preview and prior consultation with the banking sector in June 2017, with the exception of the reporting instructions.
- 2) Instruction on COREP reporting will be published on the interbanking portal for preview and prior consultation with the banking sector between August-September 2017.
- 3) Guidelines on FINREP reporting (individual and consolidated) will be published on the official website for public consultation with the banking sector during Q. II 2018.
- 4) All draft normative acts developed at this stage will be submitted, after official public consultation, for approval to the Executive Board of the NBM following the adoption of the Law on the activity of banks by the Parliament of the Republic of Moldova.
- 5) The final designations of the draft legal acts elaborated at this stage, including the draft law, may be modified.

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Stage 4. Developing means for bank sector supervision under Basel III package and European standards					
1) Activities on training and specialization of supervision staff, including through an active involvement in the process of drafting and consolidation of the new legal framework transposing the Basel III package	During the year 2016/2017	NBM	Specific objective 2.2: To implement bank on-site /off-site supervision tools of the NBM for conforming to the new legal framework requirements	Trained and specialized staff	Twinning Project
2) Off-site activities on supervision: the NBM will examine the banks in the level of readiness for the Basel III package implementation	Q. III 2016 – during the year 2017	NBM	<p>General objective 3: To supervise and coordinate the implementation of the new legislative framework for credit institutions (banks) in Moldova by NBM</p> <p>Specific objective 3.1: NBM to request the development and submission by banks of the detailed plans for the implementation of the new requirements and to identify the necessary resources for this process as well as the NBM to oversee the implementation of these plans</p> <p>Specific objective 3.2: Using available supervision tools, to monitor the progress of the banking sector in the process of implementing of a new bank legislative framework before it shall get into force</p>	Off- site activities conducted	New regulation framework elaborated (draft)
3) The presentation by banks of detailed plans for implementing new requirements and identifying the resources needed for this process	Q. II 2017 - Q. III 2017	NBM	<p>General objective 3: NBM to supervise and coordinate the implementation of the new legislative framework for credit institutions (banks) in Moldova</p> <p>Specific objective 3.1: NBM to request the development and submission by banks of the detailed plans for the implementation of the new requirements and to identify the necessary resources for this process as well as the NBM to oversee the implementation of these plans</p> <p>Specific objective 3.2: Using available supervision tools, to monitor the progress of the banking sector in the process of implementing of a new bank legislative framework before it shall get into force</p>	Off- site activities conducted	New regulation framework elaborated (draft)

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4) On-site activities: missions to the credit institutions headquarters in order to inspect the level of readiness for Basel III package implementation	Q. I 2016 – during the year 2017	NBM	<p>General objective 3: NBM to supervise and coordinate the implementation of the new legislative framework for credit institutions (banks) in Moldova</p> <p>Specific objective 3.1: NBM to request the development and submission by banks of the detailed plans for the implementation of the new requirements and to identify the necessary resources for this process as well as the NBM to oversee the implementation of these plans</p> <p>Specific objective 3.2: Using available supervision tools, to monitor the progress of the banking sector in the process of implementing of a new bank legislative framework before it shall get into force</p>	Missions completed	New regulation framework elaborated (draft)
5) Resuming capital and liquidity impact studies and conducting stress tests to complete the secondary legislative framework, calibrate and establish the order of introducing prudential requirements, and establish transitional arrangements	Q. III 2017	NBM	<p>General objective 3: NBM to supervise and coordinate the implementation of the new legislative framework for credit institutions (banks) in Moldova</p> <p>Specific objective 3.1: NBM to request the development and submission by banks of the detailed plans for the implementation of the new requirements and to identify the necessary resources for this process as well as the NBM to oversee the implementation of these plans</p> <p>Specific objective 3.2: Using available supervision tools, to monitor the progress of the banking sector in the process of implementing of a new bank legislative framework before it shall get into force</p>	Impact studies and stress tests	New regulation framework elaborated (draft)
6) Development of employment, selection, motivation and training tools of NBM qualified staff with regard to the regulatory and supervisory function	Q. IV 2018	NBM	<p>General objective 2: To develop the institutional capacity of NBM and on-site and off-site banking supervision tools in line with the new banking legislative framework</p>	Tools developed	
Stage 5: Supervision and regulation of the banking sector in accordance with the New Capital Agreement – Basel III					

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1) Development by the banks of the first ICAAP report (Process of Internal Capital Adequacy Assessment)	June - July 2018	The banking sector in Moldova	<p>General objective 3: NBM to supervise and coordinate the implementation of the new legislative framework for credit institutions (banks) in Moldova</p> <p>Specific objective 3.2: Using available supervision tools, to monitor the progress of the banking sector in the process of implementing of a new bank legislative framework before it shall get into force</p>	ICAAP report submitted to NBM	New regulation framework approved and entered into force
2) Development by the banks of the first ILAAP report (Process of Internal Liquidity Adaptation Assessment)	Q. I 2019 - for the situation on 31.12.2018	The banking sector in Moldova	<p>General objective 3: NBM to supervise and coordinate the implementation of the new legislative framework for credit institutions (banks) in Moldova</p> <p>Specific objective 3.2: Using available supervision tools, to monitor the progress of the banking sector in the process of implementing of a new bank legislative framework before it shall get into force</p>	ILAAP report submitted to NBM	New regulation framework approved and entered into force
3) Development by the banks of the first SREP report (Supervisory Review and Evaluation Process) and the first on-site inspection based on the SREP manual	June - July 2018	The banking sector in Moldova	<p>General objective 3: NBM to supervise and coordinate the implementation of the new legislative framework for credit institutions (banks) in Moldova</p> <p>Specific objective 3.2: Using available supervision tools, to monitor the progress of the banking sector in the process of implementing of a new bank legislative framework before it shall get into force</p>	On-site control performed SREP report developed	Depending on the ICAAP reports received from banks under the new regulatory framework. Adopted and entered into force

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4) Submission by the banks of the COREP reports	During the year 2017 (see note below)	The banking sector in Moldova	<p>General objective 3: NBM to supervise and coordinate the implementation of the new legislative framework for credit institutions (banks) in Moldova</p> <p>Specific objective 3.2: Using available supervision tools, to monitor the progress of the banking sector in the process of implementing of a new bank legislative framework before it shall get into force</p>	Reports submitted to NBM (see note below)	New regulation framework approved and entered into force
5) NBM conducting thematic reviews to banks to verify the application of the provisions of the new legislative and regulatory framework.	Starting January 2018	NBM	<p>General objective 3: NBM to supervise and coordinate the implementation of the new legislative framework for credit institutions (banks) in Moldova</p> <p>Specific objective 3.2: Using available supervision tools, to monitor the progress of the banking sector in the process of implementing of a new bank legislative framework before it shall get into force</p>	Thematic control performed	New regulation framework approved and entered into force
<p>Note: Prudential requirements for own funds, capital requirements, including the impact of credit, market and operational risks on them, as well as the requirements for large exposures, will be applicable from the date of entry into force of the new legislative framework, but the first reporting based on the COREP to the NBM will be postponed to April 2018 for the situation on March 31st, 2018 and December 31st, 2017. Prudential requirements for current liquidity risk (CRL), financial leverage, settlement risk, capital requirements for credit assessment adjustment will be applicable within 6 months of the entry into force of the primary legal framework with appropriate reporting under COREP for the situation on June 30, 2018.</p>					
<p>Stage 6: Monitoring and updating the legislative and regulatory framework taking into account developments in international and EU standards in the field of prudential regulation and supervision</p>					

Action	The estimate terms of completing and/or reporting to the National Bank of Romania/ De Nederlandshe Bank	The responsible body	General / Specific objectives	Expected result/ Performance indicators	Dependences /Timing factors
1) Updating the FINREP reporting framework (individual and consolidated) taking into account changes made to it at EU level and with reference to the COREP reporting framework adopted by NBM	During the year 2018	NBM	<p>General objective 1: To establish primary and secondary legal framework relating to the credit institutions (banks) activity based on EU legal framework (CRD IV)</p> <p>Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law</p>	Updated instructions	
2) Supplementing the secondary legislative framework with securitization provisions and the net stable financing indicator (NSFR);	During the years 2018-2019	NBM	<p>General objective 1: To establish primary and secondary legal framework relating to the credit institutions (banks) activity based on EU legal framework (CRD IV)</p> <p>Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law</p>	Regulations approved by the Executive Board of NBM	The regulatory framework adopted at EU level
3) Monitoring and analyzing regulatory needs stemming from regulatory and implementation standards issued at EU level or the guidelines of the European Banking Authority approved after December 31, 2015	During the years 2018-2019	NBM	<p>General objective 1: To establish primary and secondary legal framework relating to the credit institutions (banks) activity based on EU legal framework (CRD IV)</p> <p>Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law</p>	Regulations approved by the Executive Board of NBM	The regulatory framework adopted at EU level

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4) In collaboration with the CNPF, monitoring and analyzing the regulatory needs deriving from the amendment of legislation in RM in adjacent areas such as the capital market, implying possible addenda to the primary and secondary legislative framework from a prudential viewpoint	During the years 2018-2019	NBM	<p>General objective 1: To establish primary and secondary legal framework relating to the credit institutions (banks) activity based on EU legal framework (CRD IV)</p> <p>Specific objective 1.2.: To approve a new secondary framework relating to the credit institutions (banks) activity in accordance with the new bank law</p>	Regulations approved by the Executive Board of NBM	The regulatory framework adopted at RM level