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Legal Bulletin



Banking Law

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Prudential requirements applicable to credit institutions

NBR Regulation No. 5/2014 became effective on 30 December 2014. It supplements NBR Regulation No. 5/2013 in what concerns the additional prudential requirements for credit institutions, in relation to the following matters:

- Credit institutions' obligation to set forth risk management policies to define their approach to asset encumbrance and procedures ensuring an appropriate identification, monitoring and management of securities management risks and asset encumbrance risks;
- Credit institutions' obligation to properly understand the financing structure and the asset structure and to know all the key factors which may impact them in time, in order to identify all the significant types of liquidity risk concentration;
- The obligation of credit institutions operating in several countries and currencies to have access to various financing sources in each currency in which they hold significant positions;
- Credit institutions' obligation to have computer systems allowing them to disclose information on various asset encumbrance ratios, including contingent asset encumbrance;
- Credit institutions' obligation to include, in their contingency plans, crisis strategies to address contingent asset encumbrance.

The status of payment institutions and institutions issuing electronic currency

NBR Regulation No. 1/2015 amends the NBR regulations in force on payment institutions and institutions issuing electronic currency.

Similarly to the status of payment institutions and institutions issuing electronic currency, NBR Regulation No. 1/2015 brings the following amendments:

- Within the procedure for the authorization of payment institutions or, as the case may be, institutions issuing electronic currency, the applicants which did not provide the entire documentation or failed to comply with all the documentation-related conditions must submit the documents and information requested by NBR within no more than three months as of the date when they are informed on the deficiencies. Any information disclosed after such deadline will not be taken into account for the assessment of the authorization request and will be returned to the applicant. The authorization application may be rejected if the information and documents submitted within the aforementioned term do not meet the required conditions; and
- The interim rules provide that the applicants which submitted to NBR authorization applications concerning payment institutions that were not solved until 6 February 2015 and which were informed that they do not meet the authorization conditions may withdraw and re-submit their applications after having remedied the deficiencies. If the deficient applications are not withdrawn, the applicants must provide the documents and information indicated by NBR by 6 May 2015.

NBR Regulation No. 1/2015 became effective on 6 February 2015.

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Editors

Our lawyers specializing in **Banking and Finance Law** provide professional counselling in the regulatory and advisory fields, ranging from bank acquisitions and privatisations to structuring of bilateral, syndicated and other loan facility agreements, including the accessory transaction documentation. The group represents high-profile international and domestic commercial banks, investment banks, multilateral development banks, leasing companies, insurance companies, arrangers and other financial institutions with a presence in Romania or interested to invest in Romania.

Since many financings may be part of a larger business transaction, our banking and finance lawyers work closely with lawyers from other practice groups of Țuca Zbârcea & Asociații and are well versed in completing most any kind of transaction with a financing component, including banks privatisation, bankruptcy and restructuring of banks, collateral enforcement and debt recovery, counselling of financial institutions in mergers & acquisitions projects, portfolio transfers and restructuring and disposal of non-performing loans.



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