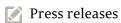




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## The Republic of Moldova continues the modernization of the financial sector with the support of the European Union

The European Union launches a major Twinning project to strengthen supervision, corporate governance and risk management in the financial sector of the Republic of Moldova.

The National Bank of Moldova (NBM) and the National Commission for Financial Markets (NCFM) will benefit in the next two years from support provided by the European Union to further develop and reform the financial sector in the Republic of Moldova.

The EU partner institutions, which will provide support to NBM and NCFM within the Twinning project, are the National Bank of Romania, the Central Bank of the Netherlands and the Central Bank of Lithuania, in collaboration with the Romanian Financial Supervisory Authority and the Romanian National Authority for Consumer Protection.

"Twinning is an excellent tool to help build institutional capacity and provide significant support in advancing reforms. I can say based on the previous Twinning project experience to strengthen the NBM's capacity in banking regulation and supervision, which was a successful project... This time, Twinning assistance will not only be limited to the banking system but will also include other key areas with a positive impact on the economy and the general population", the NBM Governor, Octavian Armaşu, highlighted in his opening speech.

In his turn, the President of the Parliament, Igor Grosu, declared: "A secure, stable, developed, transparent and qualitatively supervised financial system is absolutely indispensable for a healthy economy. Thus, any decision taken here, at the NBM or NCFM, has direct repercussions on all entrepreneurs and citizens. On behalf of the Parliament of the Republic of Moldova, we assure you that there is now political will for the necessary reforms in Moldova for the benefit of citizens and entrepreneurs ... I assure you of our and my personal firm commitment in promoting much needed and expected reforms in the financial sector."

The Twinning project aims, among other things, to strengthen and diversify macroprudential oversight instruments, improve the regulation and supervision of payment services and financial market infrastructures, as well as to ensure the necessary conditions for Moldova's accession to the Single Euro Payments Area (SEPA).

"The European Union is committed to support structural reforms that bring impactful benefits for the Republic of Moldova, its citizens and business communities. The country's financial sector was significantly affected by the 2014 banking fraud. This was caused by an insufficiently strong legal framework and governance of the sector, high-level corruption and vested interests. With the support of this EU Twinning project, Moldovan partner institutions will receive the assistance for properly managing financial sector aspects, including assessing of financial risks, combating anti-money laundering, and also taking steps towards joining the Single Euro Payment Area (SEPA). This will have a significant positive impact on the economic development of the country", mentioned Jānis Mažeiks, Ambassador, Head of the EU Delegation to the Republic of Moldova.

"The current Twinning project has a wide scope, not only for the banking sector, but also for the financial market in the Republic of Moldova. It aims to benefit both the National Bank of Moldova and the National Commission for Financial Markets of the Republic of Moldova, by strengthening institutional capacities and governance, as well as developing the regulatory framework, supervising the operational framework for enhanced functionality. On this occasion, I would like to express my full gratitude to our partners - De Nederlandsche Bank, Lietuvos Bankas, as well as the Romanian Financial Supervisory Authority and the Romanian National Authority for Consumer Protection", underlined the Governor of the National Bank of Romania, Mugur Isărescu.

In his speech, the Governor of the Central Bank of the Netherlands, Klaas Knot, stated "The intermediate aim of the project is to strengthen the capacity of the National Bank of Moldova and the National Commission for Financial Markets. And to align their functions and operations with EU regulations and international standards. But of course, the ultimate objective goes beyond this. That is to improve stability, functioning, and trust in the financial system. So that the people of Moldova can build their future, knowing that their money is safe, that they can pay without trouble, and that they can get credit to buy a house or to start up a business."

At the same time, the Governor of the Central Bank of Lithuania, Gediminas Šimkus, noted that "Together with experts from the central banks of Romania and the Netherlands, we are taking the lead in helping Moldova's central bank and supervisory authority to bring the financial sector structure and supervision closer to the EU standards and thus accelerate the path of Moldova's integration into the EU as well as achieve sustainable long-term economic growth."

The project assistance will be also provided to strengthen the capacity of insurance and non-bank lending organisations by aligning the national regulatory framework with that applicable in the European Union.

The Deputy Chairman of the NCFM Administrative Board, Vitalie Lemne, said that "during the implementation of the project, the European and Moldovan partners, supported by the EU, will work together to develop an efficient framework for regulating and supervising the financial market in line with the acquis and best practices of the European Union to ensure the proper application of the relevant legislation for the purpose of prudential monitoring and supervision of non-banking financial institutions and maintaining financial stability".

According to the project team's estimates, the successful implementation of the project will provide opportunities for local and foreign investors to participate in the sustainable development of the local financial market, with a high level of security, with quality financial products and services, to meet better the current needs of various categories of consumers and customers.

The Twinning project "Strengthening supervision, corporate governance and risk management in the financial sector", funded by the European Union, was launched today for a duration of two years.

For more information about the project, please send inquiries to:  $\underline{press@bnm.md}_{[1]}$ ;  $\underline{Twinning\_2021@bnm.md}_{[2]}$ ;  $\underline{twinning\_md@bnro.ro}_{[3]}$ .

## Note:

Twinning is an EU instrument for institutional cooperation between the authorities of EU Member States and authorities of beneficiary countries. The Twinning projects aim at developing the institutional capacities of the beneficiary authorities. In these projects, EU public sector experts are seconded to assist the beneficiary authorities in achieving specific objectives. Further information on the Twinning assistance instrument is available on the European Commission's website [4].

In 2015-2017, the NBM benefited from a Twinning project to strengthen its capacity in the field of banking regulation and supervision in the context of EU requirements and the NCFM benefited from a Twinning project to develop and strengthen its operational and institutional capacities in the field of regulation and prudential supervision of the capital market, investment funds, insurance companies, savings and loan associations and pension funds.

Twinning project launch event: "Strengthening supervision, corporate governance and risk management in the financial sector of the Republic of Moldova"



See also

Tags

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