



**Project:** Assessing the impact of IFRS implementation on the regulatory framework

**Time:** Monday, 22 September, 2008, 11:00 am

**Location:** Albanian Association of Banks

## Third Working Group Meeting

### AGENDA

1. Project Activity Brief
2. Discussion on:
  - The grouping of the regulations accordingly to their priority
  - Specific issues of each regulation affected by the IFRS implementation and the sense of the changes.
3. Scoping of the problem document ( Discussion and Agreement)
4. Conclusions and distribution of tasks
5. Closing Remarks

#### SPI Albania Secretariat

Mrs. Anuela Ristani, Director of Operations, [anuela.ristani@spi-albania.eu](mailto:anuela.ristani@spi-albania.eu)

Ms. Elona Bollano, Director of Analytics and Policy, [elona.bollano@spi-albania.eu](mailto:elona.bollano@spi-albania.eu)

Address: Twin Tower I, Kati 6, Apt. A3. Tirana, Albania. Tel. +355 42 280 359; Fax. + 355 42 280 371

[www.spi-albania.eu](http://www.spi-albania.eu)



## SPI Albania Project: Assessing the impact of IFRS implementation on the Banking regulatory framework

### Inventar i Rregulloreve Bankare të Grupuara sipas Shkallës së Ndikimit dhe Rëndësisë së Ndryshimit, të Miratuara nga Grupi i Punës.

<b>Klasifikimi I Rregulloreve nga Grupi I Punes</b>	
<b>Grupi 1</b>	
1	Rregullore "Për administrimin e rrezikut të kredisë"
2	Rregullore "Për madhësinë dhe plotësimin e "kapitalit fillestar minimal" për veprimtaritë e lejuara për bankat e degët e bankave të huaja të licencuara"
3	Rregullore "Për pozicionet e hapura valutore"
4	Udhëzim "Mbi administrimin e rrezikut të normës së interesit"
5	Bank Accounting Manual
<b>Grupi 2</b>	
1	Rregullorja "Për administrimin e rrezikut nga ekspozimet e mëdha të Bankave"
2	Rregullore "Për raportin e mjaftueshmërisë së kapitalit"
3	Udhëzim "Për kapitalin rregullator të bankës"
4	Udhëzim metodik "Për rreziqet nga këmbimet valutore"
5	Rregullore për mbikëqyrjen e konsoliduar
6	Rregullore "Për ekspertët kontabël të autorizuar"
7	Rregullore "Mbi rreziqet e tregut"
8	Udhëzim "Për çertifikatat e depozitave"
<b>Grupi 3</b>	
1	Rregullore "Për funksionimin e Regjistrimit të Kredive në Bankën e Shqipërisë"
2	Rregullore "Për përdorimin e teknologjisë së informacionit dhe komunikimit në subjektet e licencuara nga Banka e Shqipërisë"
3	Rregullore "Për parandalimin e pastrimit të parave"
4	Udhëzim "Mbi kujdestarinë dhe likuidimin e bankave"
5	Udhëzim "Për raportimin e veprimeve të këmbimeve valutore"
6	Udhëzimi "Për procedurën e nxjerrjes së raportit mbi kredimarrësin dhe rishikimin e të dhënave që mbahen në Regjistrin e Kredive"
	Rregullore "Për administrimin e rrezikut në veprimtarinë e degëve të bankave të huaja"
	Rregullore "Për investimet nga bankat në kapitalin e shoqërive tregtare"
	Rregullore "Për veprimtarinë valutore"
	Rregullore "Për Sistemin e Kontrollit të Brendshëm në Bankat dhe Degët e Bankave të Huaja"
	Rregullore "Për administratorët e bankave dhe të degëve të bankave të huaja"
	Udhëzim "Për raportimin e veprimeve të këmbimeve valutore"
	Udhëzim "Për likuiditetin e bankave"
	Manuali i veprimeve korrigjuese ndaj bankave dhe degëve të bankave të huaja në Republikën e Shqipërisë

## **APENDIX**

### **SPI Albania Project: The Impact on the Banking Regulations of IFRS Implementation**

#### **Group I – High priority regulations**

- 1. Regulation on Credit Risk Administration**
- 2. Regulation “On the amount and fill in the “initial minimal capital” on allowed activities for banks and foreign branches”**
- 3. Regulation on Foreign Open Position**
- 4. Regulation on Interest rate risk administration**
- 5. Bank Accounting Manual**

#### **1. Regulation on Credit Risk Administration**

- Substantial differences in loan provisioning policy  
Under the current framework, loans are classified in 5 categories – standard loans, special attention loan, substandard loans, doubtful loans and lost loans (art.7). Among many characteristics, the days past due serve as the pivotal characteristic that rules the classification of the loan during its maturation process. To cover for potential losses from default, the bank has to create allowances, provisions, weighting periodically its expenses, respectively to the category the provisions are 1%, 5%, 20%, 50% and 100% (art.15).

Under IFRS, in accordance with IAS 39 the loan portfolio should be registered at amortized cost and subject to impairment measurement if there is an objective evidence of impairment as result of events that occurred after initial recognition of the asset and that loss event (or events) has an impact on the estimated future cash flows of the loan portfolio (financial asset) that can be reliably estimated.

The bank first has to assess whether exist objective evidence of impairment on individual or collective financial assets<sup>1</sup>.

- If for an individually assessed asset is determined that no objective evidence of impairment exists the asset is included in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

---

<sup>1</sup> The assessment is done individually or collectively based on their significance.

- If for an individually assessed asset is determined that an impairment loss is or continues to be recognized the asset is not included in a collective assessment of impairment.

To make sound assessments on objective evidence of impairment of given financial assets requires experience in credit judgment, sound estimate techniques and comprehensive information data set systems with historical information on financial assets and groups.

- Different treatment of the calculated interest on problematic loans  
Under the current framework, the calculated interests of the substandard, doubtful and loss loans are not recorded on books, in order not to burden the financial statements with interests that have a low possibility of recovery (art.13).

Under IFRS, in accordance with IAS 39 – AG 39, when an financial asset is removed as result of a lost from devaluation, the revenues from the interests are recognized, using the interest rate that is used to discount future cash flows of the monetary assets in order to measure the devaluation lost.

## **2. Regulation “On the amount and fill in the “initial minimal capital” on allowed activities for banks and foreign branches”**

Under the current framework, if the minimal paid in capital is in foreign currency, the bank has to revalue the capital with the current / spot exchange rate, creating a “revaluation difference” (art.4.2.1)

Under IFRS, in accordance with IASXX, capital is considered as “non-monetary” item and consequently is recorded in books with historical value. The capital is converted with the exchange rate in the date of transaction, eliminating the need to record revaluation differences.

The selected approach to convert the capital, in addition to the minimal paid in capital, affects the regulatory capital and consequently the capital adequacy ratio.

The profits calculated according to IFRS differs from the amount of profits calculated according BoA’s requirements (general IFRS earning > statutory earnings). The discrepancy will be reflected in the “dividend policy”.

- According to IFRS’s calculations the bank might have a substantial level of profit to distribute dividends and to preserve a satisfactory level of the capital requirements; but
- According to statutory accounting calculations the bank might not have enough profits as to distribute and to preserve capital requirements.
- The extreme case: According to IFRS standards the bank is in profits and according to BoA standards the bank is in loss

### **3. Regulation on Foreign Open Position**

Under the current framework, banks have the power to interpret regarding the out-of-balance-sheet items expressed in foreign currencies. It has to be specified which items has to be included in the process of valuating the foreign open position and it has to be specified as well the methodology (statutory or IFRS) to be used to calculate the underlying items.

### **4. Regulation on Interest rate risk administration**

The same rationale as for the regulation on Foreign open position lies behind the regulation on Interest rate risk, regulation on Market risk and directive on Risks for foreign exchange.

#### ***The European experience with Interest rate risk management***

The new international standards, as they apply to overall interest rate risk management in the banking sector, and IAS 39 in particular, initially gave rise to fears that sweeping changes would be required in the implementation procedures for asset-liability management (ALM) if no alterations were made to adjust the new principles to the context of macro-hedge accounting. Then, the application of IAS 37 on Provisions, Contingent Liabilities and Contingent Assets led to the calculation of a provision to cover the risk of the exercise of options embedded in home savings schemes.

#### **Adoption of IAS 39 with the transitional carve-out solution.**

The discussions preceding the European Commission's adoption of IAS 39 on 19 November 2004 focused on ALM. The most difficult aspects were the following ones:

- The impossibility of hedging a net position or dynamic management of hedged items and hedging instruments;
- The risk of instruments being disqualified from hedge accounting in the event of a shortfall in the hedge or the associated underlyings;
- Recognition of sight deposits, when the IASB deems that the fair value is equal to the nominal value, whereas, with regard to balance sheet management, such deposits obey runoff rules that ought to reflect their statistical stability.

IAS 39 was finally adopted on 19 November 2004, after major adjustments. The European Commission adopted only part of IAS 39 after carving out some of its provisions.

The carve-out concerns the following macro-hedge accounting principles:

- Looser requirements for hedge effectiveness to avoid disqualification in the event of a shortfall in the hedge or the underlyings;
- Lifting the ban on including sight deposits in hedged items.

This means that the version that was ultimately approved by the European Commission has had, in practice, only a limited impact on overall interest rate risk management.



Document prepared by  
Elona Bollano, SPI Director for Analytics and Policy

## “Scoping of Problem” Document

### Project: Assessing the impact of IFRS implementation on the Banking regulatory framework

#### Section 1 Project information

PUBLIC-PRIVATE FINANCIAL SECTOR MODERNIZATION MATRIX					
Italian Banking Association CRITERIA	European Central Bank CRITERIA				
	<i>Asymmetric information reduction</i>	<i>Completeness of the market</i>	<i>Increased opportunities to engage in financial transactions</i>	<i>Reduced transaction costs</i>	<i>Increased competition</i>
Business development					
Industry competitiveness	X				
Industry reputation					

**Short description of the context** [from project matrix]: In May 2008, the Ministry of Finances issued a decree that made obligatory the application of International Accounting Standards and International Financial Reporting Standards since January 1<sup>st</sup> 2008. Banks, as business entities, have to start with the application and implementation of the new standards.

In order to facilitate the transition process, Bank of Albania, as the banking system supervisory authority, has to adjust the banking legislative framework and align it with the new accounting and reporting standards.

**Stakeholder proposing the project: Bank of Albania**

**Other Stakeholders involved (sponsors): AAB and Banking community, Ministry of Finance, Financial Supervision Authority, National Council of Accountants and Auditing Companies.**

**Project objectives:**

- To interpret the Decision of the Ministry of Finance on the timing of the full application of IFRS standards.**
- To assess the impact of IFRS implementation in banking regulatory framework by preparing a list / identifying the affected laws, bylaws, regulations and guidelines.**
- To assess the main areas of impact and the general sense of the changes to be brought to the regulations.**

**Description of the project contribution toward financial modernization:**

By reaching the project's objectives, BoA would identify more accurately the main areas of impact and the general need for change on the banking regulations as consequence of IFRS implementation. Consequently, the existing regulatory framework would be adopted to reflect the new international accounting and reporting standards and would address with more efficacy all users needs.

**Project Working Group:**

Bank of Albania (Project Owner & Project Manager)

Banka Popullore (Deputy Project Manager)

Raiffeisen Bank (member)

First Investment Bank (member)

Banka Kombetare Tregtare (member)

Emporiki Bank (member)

Alpha Bank (member)

International Commercial Bank (member)

American Bank of Albania (member)

Ministry of Finance (member)

National Accounting Council (member)

FSA (member)

KPMG (member)

Deloitte (member)

PWC (member)

Ernst & Jounq (member)

<b>The EU Better Regulation Approach</b>	
<b>Steps</b>	<b>Purpose</b>
<b>Scoping of problem</b>	
1. Problem identification	To understand if a market/regulatory failure creates the case for regulatory intervention.
2. Definition of policy objectives	To identify the effects of the market /regulatory failure to the regulatory objectives.
3. “Do nothing” option	To identify and state the status quo.
4. Alternative policy options	To identify and state alternative policies (among them the “market solution”).

<h2 style="margin: 0;">Section 1: Scoping the problem</h2>
----------------------------------------------------------------

<h3 style="margin: 0;">1.1. Problem identification</h3>
<p>[Background section from ToRs]</p>
<p>In May 2008, the Albanian Ministry of Finance issued a decree making obligatory the application of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) since January 1<sup>st</sup> 2008. Banks, as business entities, have to start with the application and implementation of the new standards.</p> <p>In order to facilitate the transition process, Bank of Albania, as the banking system supervisory authority, has to adjust the banking regulatory framework and align it with the new accounting and reporting standards.</p> <p>IFRS are considered a "principles-based" set of standards in that they establish broad rules as well as dictating specific treatments.</p> <p>International Financial Reporting Standards comprise:</p> <ul style="list-style-type: none"> <li>• <i>International Financial Reporting Standards (IFRS)</i> - standards issued after 2001</li> <li>• <i>International Accounting Standards (IAS)</i> - standards issued before 2001</li> <li>• <i>Interpretations originated from the International Financial Reporting Interpretations Committee (IFRIC)-issued after 2001</i></li> <li>• <i>Standing Interpretations Committee (SIC)</i> - issued before 2001</li> </ul> <p>There is also a <i>Framework for the Preparation and Presentation of Financial Statements</i> which describes some of the principles underlying IFRS.</p> <p>The framework states that the objective of financial statements is to provide information about the financial position, performance and changes in the financial position of an entity that is useful to a wide range of users in making economic decisions.</p> <p>The underlying assumptions used in IFRS are:</p> <ul style="list-style-type: none"> <li>• <b>Accrual basis</b> - the effect of transactions and other events are recognized when they occur, not as cash is received or paid;</li> </ul>

- **Going concern** - the financial statements are prepared on the basis that an entity is a going concern and will continue in operation for the foreseeable future.

The Framework describes the qualitative characteristics of financial statements as being

- Understandable,
- Relevant,
- Reliable, *and*
- Comparable.

IFRS are used in many parts of the world, including the **European Union, Hong Kong, Australia, Pakistan, India, GCC countries, Russia, South Africa, Singapore** and **Turkey**. As of March 28, 2008, about 75 countries require the use of IFRS, or some form of modified IFRS.

All listed EU companies (including banks and insurance companies) have been required to use IFRS since 2005.

## 1.2. Market/regulatory failure analysis (nature and evidence)

According to art. 72 law “On banks”, the supervision function of BoA, among others, is based on: The regulative framework; and The financial analysis of the data periodically reported by the banks.

The current banking regulatory framework and the periodical reports are based on national accounting standards and principles. The application of new international principles and standards in accounting requires that the Regulatory Authority adapts the banking regulatory framework accordingly. The identified regulatory failure is in this case “Regulation wrongly prescribed for the market”.

## 1.3. Policy Goal(s) threatened by the failure [e.g. financial stability, market integrity, market confidence, consumer protection, facilitating innovation, enhancing competition]

The regulatory failure described above generates uncertainty and confusion among the market participants, delays innovations and integration with the international markets.

Furthermore, according to the Law “On banks” art. 73.3, the balance sheet and financial reports of banks are prepared in accordance to the Law “On accounting and financial statements” and to the international accounting standards. Despite BoA’s powers to define format, type, methodology and content of the financial reports (Law “On Banks”, art. 47.4 On financial reports), BoA has also the legal obligation to accept, recognize and use the financial information generated by the international accounting standards, adjusted with the prudential concerns.

In addition, the financial stability policy goal could also be affected in case BoA cannot fulfill properly its supervisory functions.

## 1.4. “Do nothing” option

**1.4.1 Possible medium-term (max 2 years) self – corrective market actions** (e.g. mechanisms through which the “Do Nothing” option would address the market/regulatory failure).

The non-revision of all banking regulations with the international accounting principles would make banks to maintain two evidences of their activity: one based on national accounting standards, in order to comply with banking regulatory provisions, and one based on international standards, in order to comply with the general legal requirements. This situation would involve additional costs for banks and confusion among the market participants.

**1.4.2. Impact of the “Do Nothing” option to the various stakeholders  
(to be filled only if the “Do Nothing” option could be taken into further consideration)**

**Impact on regulated firms/ banks:**

-

**Impact on consumers:**

-

## 1.5. Alternative policy option(s)

**1.5.1. Broad description of the regulatory or self-regulatory action(s) needed to remedy the market or regulatory failure and hence achieve the policy goal(s)**

The banking regulations must not be conflicting with the general legal provisions, therefore the discrepancies between the general and the specific regulations have to be corrected in order to allow BoA to **supervise the banking activity** and to ensure the banking system stability.

**1.5.2. Possible operational regulatory or self-regulatory actions to achieve the policy goal**

- to identify the regulations affected by the change in the general legal provisions.
- to perform a banking survey in order to assess banks’ readiness to implement IFRS.
- to set up the implementation process of the regulatory changes.

**1.5.3. General description of various Options**

Option 1: To modify the specifics of banking regulations, and

Option 2: To issue a general decree stating that references to national accounting standards are replaced with references to IFRS.

**1.5.3.1 Detailed description of Option 1:**

To modify the all affected banking regulations in order to correctly reflect all the changes brought by IFRS implementation. In order to get the package of banking regulations to be amended, PWG will browse through all banking regulatory framework and will prepare a list

of all the regulations related to the regulation and supervision of the banking activity. The list will be analyzed and regulations will be arranged according to 3 categories: regulations that need important changes, regulations that require slight changes and regulations not affected by IFRS implementation. For the heavily impacted regulations, specific changes will be indicated, while for the less affected only the general sense of the changes. The banking survey will indicate banks' readiness to implement IFRS or, in other words, the time needed for full implementation of IFRS provisions, to be used as indication for BoA regulatory further actions.

**1.5.3.2 Detailed description of Option 2**

To issue a provisional regulation that will state that all the references to the national standards will be replaced with the international standards, having as legal ground the Decree on IFRS. The PWG will set up an implementation timeline for the regulatory changes.

<b>Summary Problem Scoping</b>			
<b>Auction procedures under foreclosure for immovable collateral</b>			
<b>Market failure</b>			
Asymmetric information	Market power	Positive externalities	Negative externalities
<b>(Existing) Regulatory failure</b>			
Regulation wrongly prescribed for the market	Regulations succeeded in addressing the failure; a different market failure (e.g. side effect)	Regulation made it worse	Regulation so far has failed to work; maybe in due course
X			



## **SPI Project on the impact of IFRS implementation on the Banking regulatory framework**

### **Project Objectives**

- To interpret the Decision of the Ministry of Finance for the timing of the application of IFRS standards.
- To assess the impact of IFRS implementation in banking regulatory framework by preparing a list / identifying the affected laws, bylaws, regulations and guidelines.
- To assess the main areas of impact and the general sense of the changes to be brought to the regulations.

### **Project Management Team**

**Project Owner (PO):** Indrit Banka, Supervision Director, BoA

**Project Manager (PM):** Miranda Ramaj, Supervision Deputy Director, BoA

**Deputy Project Manger (DPM):** Armand Muharremi, Head of Finance Department, Banka Popullore

## **Minutes**

### **Third meeting**

September 22, 2008—AAB premises

**Attendees:** Miranda Ramaj, BoA (PM)  
Armand Muharremi, Banka Popullore (DPM)  
Ilir Pustina, BoA (member)  
Julia Manushi, Raiffeisen Bank (member)  
Lirola Keri, National Accounting Council (member)

### **SPI Albania Secretariat**

Mrs. Anuela Ristani, Director of Operations, [anuela.ristani@spi-albania.eu](mailto:anuela.ristani@spi-albania.eu)

Ms. Elona Bollano, Director of Analytics and Policy, [elona.bollano@spi-albania.eu](mailto:elona.bollano@spi-albania.eu)

Address: Twin Tower I, Kati 6, Apt. A3. Tirana, Albania. Tel. +355 42 280 359; Fax. + 355 42 280 371

Lyela Rama, AMF (member)  
Romira Hoxha, KPMG (member)  
Florian Dervishi, FIB (member)  
Skender Emini, BKT (member)  
Zinaida Cako, BNT (member)  
Lindita Kopica, BNT (alternate member)  
Adela Xhemali, ABA (member)  
Silvana Osmani, ABA (alternate member)  
Adela Leka, ProCredit (member)  
Rezarta Kocollari, NBG (alternate member)  
Elona Bollano, SPI Albania, Director of Analysis and Policy  
Anuela Ristani, SPI Albania, Director of Operations

## **I. Project Activity Brief**

- SPI Secretariat has forwarded to the banking community the findings of the survey on banks' readiness to implement IFRS together with NAC interpretation.
- The SPI Secretariat presented an overview of the contributions received on the accuracy of classification (if the regulations are properly grouped accordingly to the grouping criteria) and the suggestions on specific items of each regulation affected by the IFRS implementation and the sense of the changes.

## **II. Discussion on:**

- The grouping of the regulations accordingly to their priority

The SPI Secretariat introduced the list of regulations whose classification was subject of change due to PWG members' suggestions. These non-classified regulations together with the respective comments were considered one by one.

The interpretation of IFRS 7 and its peculiar disclaimers was subject of discussion for several regulations classified in the third group in the initial proposal.

After all the comments and arguments for the re-classification of regulations were exhausted, the final classification of the regulations was consensual and satisfactory for all the present PWG members.

- Specific issues of each regulation affected by the IFRS implementation and the sense of the changes.

The PWG managed to cover all the issues for the regulations included in the first group: Regulations that will be highly affected by the implementation of IFRS. (Please refer to

the APPENDIX: SPI Albania IFRS Project Group I Regulations Statutory vs IFRS changes Draft)

The PWG members representing the banks and their external auditors expressed their concern in the differences that will appear between IFRS reporting and SRU reporting for Bank of Albania. When banks were reporting in local and IFRS, this was acceptable but since the law provides for IFRS only, this discrepancy should not be ignored. Some of the suggestions to Bank of Albania were instead of loan loss provisioning to use the capital adequacy as a prudential instrument to control lending risk. Another suggestion coming from the PWG members representing the banks was for BoA to introduce a set of instructions that would lead the banks through the transitory period and guide them through a standard path of IFRS application.

However the PWG members representing BoA stressed once more the fact that they acknowledge the distortions that will be introduced in the beginning, and that the differences in the level of provisions compared to the current reporting are too significant to be ignored. In addition, there are no assurances that the banks would have the capabilities of reporting correctly through IFRS even for the banks that have experience in this kind of reports. The difference between reporting to the mother bank and reporting by law will be significant, therefore BoA insists in having a transitory period of prudence in order to allow banks to consolidate their experience and improve the reliability of their reporting for supervision purposes.

Bank of Albania will start adopting one by one all the elements of IFRS reporting that may be implemented within the prudential approach. There is no foreign experience of immediate implementation of IFRS standards from the Central banks.

The PWG members representing banks and auditors raised the issue of dividend distribution due to the differences in profit between the IFRS and SRU reporting. The banks and auditors suggested that BoA should consider specifying in the Capital Adequacy regulation the criteria of profit evaluation from the external auditor with a reference on the dividends. BoA is under continuous revision of many regulations and the Capital Adequacy in particular which will be the focus of the next SPI project proposed by Bank of Albania.

BoA is currently working on transforming the Bank Accounting Manual into a document outlining the methodologies of regulation applications for the banks. The references to the IFRS instead of the local standards will be the main focus of the changes.

BoA requested from the banks to share their database of discrepancies in the current manual in order for the revisions to be efficient and accurate. SPI Secretariat will assist in the collection of these contributions from the Banks.

While many issues are also related to tax-authorities, the PWG members and the PM suggested establishing contacts with the Tax Office and consulting with them on the issues raised by the banks. SPI secretariat and PMT will follow up on establishing these contacts.

### **III. Scoping of the problem (Discussion and Agreement)**

The SPI Secretariat presented the Scoping of the Problem Document, part of the Regulatory Impact Assessment methodology of the EU Better Regulation approach.

In May 2008, the Ministry of Finances issued a decree that made obligatory the application of International Accounting Standards and International Financial Reporting Standards since January 1<sup>st</sup> 2008. Banks, as business entities, have to start with the application and implementation of the new standards.

In order to facilitate the transition process, Bank of Albania, as the banking system supervisory authority, has to adjust the banking legislative framework and align it with the new accounting and reporting standards.

The PWG approved the document without any objections.

### **VI. Conclusions and distribution of tasks**

- The SPI secretariat together with the PMT will follow up on establishing contacts with the Tax Authorities in order to clarify the tax reporting changes after IFRS implementation.
- The SPI Secretariat will send the revised classification of the regulations and the summary of the suggestions made during the meeting for the First Group.
- The PWG Members will consult the regulations of the Second Group (medium level changes) and will make their suggestions/ comments with regards to the specific changes needed as a consequence of IFRS implementation.
- The SPI Secretariat will send a request to the PWG members representing the banks for contributing through their reconciliation tables that identify the differences between the entries as per IFRS versus Bank Accounting Manual standards, as well as the specific references to these differences.

### **VII. Closing Remarks**

**Next PWG meeting is preliminary scheduled to take place mid October 2008.**