

## **Prospects of crediting were rated by the Interregional Banking Council**

Insufficient regulation of such important aspects of crediting as pledge, bankruptcy, jurisdiction, bad debts and toxic assets influences negatively on the whole process of lending, said Anatoly Aksakov in his speech during the session of the Interregional Banking Council in the Federation Council.

Anatoly Aksakov dedicated his report to the challenges of lawmaking. He complained that during the crisis there were many absolutely populist draft laws introduced to the State Duma. Those populist laws at the best made the illusion of problem solution and at the worst caused new problems.

At the same time Anatoly Aksakov gave a positive mark to the prospects of real sector crediting. He believes that voice of banking community is heard in the State Duma and it allows to influence on the quality of lawmaking.

Also Anatoly Aksakov as the head of the delegation of bankers said some words about the results of their visit to the USA. He said that under the guarantee of the Russian government the World Bank is ready to allocate 1 billion dollars to support lending of Russian real sector. This shows that western financial experts see the prospects of Russian economy and banking sector.

## **Condition of the banking sector and regulatory perspectives were discussed in Ulyanovsk**

Vice-President of the Association of Regional Banks of Russia Oleg Ivanov attended a meeting of Russian-German Working Group "Banks / Financial Services ", which was held in the Main Office of the Central Bank of Russia in Ulyanovsk region. One of the topics for discussion was the current state of the banking sectors of Russia and Germany, as well as prospects of regulation and supervision in the field of financial services.

In his speech, Oleg Ivanov emphasized the importance and significance of German experience when an institute of banking ombudsman is establishing in the Russian Federation. He believes that one of the priorities of the banking community in the retail market is to improve the reputation of credit institutions and to reduce the legal and judicial risks, and that the problem will be solved through creating of the institution of Russian banking ombudsman. In its turn, increasing of customers' trust due to establishment of this institution should have a positive impact on stability of credit institutions.

## **The Association has held a roundtable on the management of toxic and non-core assets of credit institutions**

The roundtable on the management of toxic and non-core assets of credit institutions took place in the World Trade Centre in Moscow.

According to the Vice-President of the Association "Russia" Oleg Ivanov, close share investment funds can help to divest non-core assets from banks' balance sheets. In his report, Oleg Ivanov spoke about the peculiarities of managing of such assets.

Non-core assets, accumulated on the balance sheets of banks and banking groups, can be estimated at trillions rubles. Russian economy loses all these recourses as they can not be given as loans. The Central Bank of Russia and the government have already made it clear to the banking community that the Bank of Bad Debts won't be established federally. However, the Central Bank is ready to provide guidance in addressing the issue of bad debts.

For its part, the Association of Regional Banks of Russia in accordance with the agreement signed with the International Finance Corporation (IFC), is implementing a program of credit organizations consulting on bad debt management. According to Oleg Ivanov, all the work

should be based on a detailed analysis of the balance structure and the balance sheets clearance from the toxic assets.

### **Anatoly Aksakov: non-cash payments should be stimulated**

The law "On national payment system" should not retard the progress that is constantly creating new forms of payments. But this legislation should contain specific rules to stimulate the development of payment system and to preserve the competition, said Anatoly Aksakov, speaking at the conference "Development of Russian national system of plastic cards and the provision of public services electronically".

"We need to stimulate non-cash payments and to reduce the share of cash in circulation. This, after all, increases the transparency of financial turnover, and the economy as a whole, and thus increases tax revenues in the budget ", - said the head of the Association "Russia".

### **Establishing of the banking ombudsman office was discussed in Moscow**

A meeting of the Commission on legislation on credit institutions and financial markets of the Association of Russian Lawyers was held in Moscow. During the meeting, participants discussed the best international practices of resolving disputes between credit institutions and their customers.

Vice-President of the Association of Regional Banks of Russia, expert of the State Duma Committee on Financial Markets, Oleg Ivanov made the report "The role of Financial Ombudsman in protection of consumer rights in financial market". He reported on the institution of financial ombudsman and the plans of the Association of Regional Banks of Russia to establish the ombudsman office.

Chairman of the Board of the International Confederation of Consumer Societies (КОНФОП) Dmitry Yanin reported on the role of financial ombudsman in protection of consumer rights in financial market.

The Partner of PricewaterhouseCoopers Sergei Kostrikov in his report explained in detail to the meeting participants the main provisions of the draft "three by three", and reported on the joint activities of the Association of Regional Banks of Russia, the International Confederation of Consumer Societies (КОНФОП) and the Russian Association of Lawyers for the synthesis of international experience in the work of the Financial Ombudsman Service and in development of methods of introduction of this institution in Russia.

### **German experience in Russian housing programs**

Association of Regional Banks sent a letter to the Deputy Head of Presidential Administration Vladislav Surkov and to the coordinator of the project of Skolkovo Viktor Vekselberg, which draws attention to the application of international best practices in the housing and industrial construction.

Association "Russia" calls attention to the practical application of IT-technology monitoring in construction projects, used by European companies and banks. Association "Russia" suggests to consider the experience of the HIPMIT company - a nonprofit organization that brings together practitioners of IT-technologies in the field of project management for industrial and residential construction.

"We bring to the Russian market the hard-won experience of the German chemical industry, as well as the methods and results of major investments in innovative technology, - says member of the Board of Directors HIPMIT Dietmar Gamm. - This system proved to be excellent for reconstruction and construction of chemical industry objects, and it can also operate without failures in other sectors and industries which do not impose such stringent requirements for the technology."

Within the Russian industrial construction, this experience will be extremely useful in the construction of Olympic objects in Sochi, believes the president of Association "Russia" Anatoly Aksakov.

### **Regulation of personal bankruptcy can not be discussed under a separate law**

The Vice-President of the Association "Russia" Oleg Ivanov suggested to evaluate the economic efficiency of personal bankruptcy regulating, speaking at the First All-Russian Conference "Judicial restructuring of debt. The Institute of personal bankruptcy in Russia ", where the draft law " On rehabilitation procedures in respect of a debtor" was discussed.

If we compare Russia with developed markets, the need to regulate this procedure occurs when the ratio of debt of citizens to GDP reaches 30 per cent. In America the debt load of citizens is 150 percent of GDP, in Germany – 80, in Russia - less than 10.

"Today no one in Russia knows the statistics of enforcement proceedings. The most common situation is when the bank is the only lender. So we don't need the law which collects lenders and inquires who gets the debt in less time and at what expense. At the same time in the scheme - one lender - one debtor – is going to be added the judge and the bankruptcy trustee. Economic efficiency of this approach is questionable", - said Oleg Ivanov.