PROJECT FACTSHEET

ევროკავშირი
საქართველოსთვის
The European Union for Georgia

Strengthening the National Bank of Georgia capacity in the field of Banking and Payment services in line with the EU Standards



Duration: 01.03.2019 - 31.05.2021

Countries:
Georgia

EU contribution: € 1 750 000

Implementer:
Polish Financial Supervision Authority - UKNF

Website(s): nbg.gov.ge/index.php?m=731&lng=eng ; knf.gov.pl/en/ABOUT_US/International_cooperation/EU/EU_funded_projects

Project description:
EU supported strengthening of vital institutions of Georgia to better meet requirements under the Association Agreement. This twinning project assisted the National Bank of Georgia (NBG) in improving overall financial supervisory mechanisms in line with the EU best practices to ensure stability and transparency of the financial sector.
Project experts worked together with the Georgian partner on improvement of an appropriate and effective regulatory, supervisory and enforcement framework within two components focused on approximation and implementation of Georgian legislation with Union acquis in the banking sector and in the area of payments.
The Project, implemented in partnership with Polish partners, envisages comprehensive consultancy and training activities in Georgia and remotely using online communication platforms.
The project contributed to:
- Gradual approximation the regulatory, supervisory and enforcement framework in line with the EU legislation and the requirements under the EU-Georgia Association Agreement;
- Strengthening supervisory functions and capacities of NBG in terms of regulating banking and payment services market in line with the EU acquis and best practices;
- Improving financial supervisory mechanisms to protect beneficiaries of the banking and payment services sector and encourage financial market development in Georgia.

Expected results:
- Revised and implemented banking legislation in accordance with CRD IV Package including Regulation on Capital Adequacy Requirements;
- Fit and proper legislative framework for administrators and shareholders with qualifying holding, leverage ratio, Net Stable Funding Ratio, large exposures, corporate governance, licensing and transfer of significant ownership, internal capital evaluation and disclosure requirements;
- Revision of legal and implementation framework on payment services in line with relevant directives and regulations, in accordance with inclusive and evidence-based approach including legislative amendments in place;
- Prudential supervision framework developed, rules on execution of payment operations amended and operational, amendments to the rule of registration and cancellation of registration of Payment System Operators at the National Bank of Georgia developed, requirements of the strong customer authentication and the requirements for common and secure open standards of communication developed;
- NBG staff trained and capable to apply new rules and regulations.