

Ardian Fullani: Electronic data transmission enhancements in Albania

Speech by Mr Ardian Fullani, Governor of the Bank of Albania, at the launch of the electronic data transmission project which relates to the execution of primary market auctions of the Government securities, Tirana, 13 March 2008.

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Dear participants,

The Bank of Albania, the Ministry of Finance and the REUTERS have successfully finalized today after a year of close cooperation the electronic data transmission project, which relates to the execution of primary market auctions for the sale of the Albanian Government securities.

This project minimizes the time from the submission of commercial banks' requests to participate in the auction until the announcement of the results to the market players. Otherwise said, the physical delivery of documentation is coming to an end.

The Bank of Albania as the auction agent and the Ministry of Finance as the securities issuer have considered the more developed countries' standards. These two institutions have had a collaborative endeavour to be close to the market by establishing a partner relationship in order to meet the mutual demands.

However the achievement of success cannot be understood without the information technology support. In this respect the REUTERS has played a key role.

The auction process goes through the following phases.

First phase: Commercial banks' bids are made electronically, not physically. This way of data transmission avoids the manual entry of bids, reduces the time for their entry, increases the safety and accuracy of entries by providing at end-process the minimization of operational risk and the required time to process the information.

Second phase: Following the preliminary processing of data sent by the participants in the primary market the Ministry of Finance may be provided with the data electronically as well. The provision of electronic data reduces the time required for the Ministry of Finance to be informed of through the physically sent documents.

Third phase: After the decision is taken the Ministry of Finance may transmit this decision electronically, contributing further to the reduction of time in informing the market related with the auction result.

The entire process described in these three phases required about 5 to 6 hours but upon the implementation of this project it will be reduced to 1 hour.

Fourth phase: The Bank of Albania transmits this result to commercial banks through the REUTERS. At the moment the commercial banks are the main market participants.

The transmission of this information in a shorter time allows commercial banks to administer their free funds more efficiently.

The enhancement of this efficiency is a step further in establishing the preconditions for developing the money market and the securities market.

Dear participants,

In conclusion I would like to underline that this project provides to the market an important infrastructural element. Starting from today, the securities market will speak in the language of electronics.

However, the Bank of Albania will introduce in April a full package of improvements which will focus on the development of the financial market and stability.

Hoping that you will be using the new system efficiently,
Thank you.