



# Bank of Albania's Communication

Transparency vs. Confidentiality

# Content



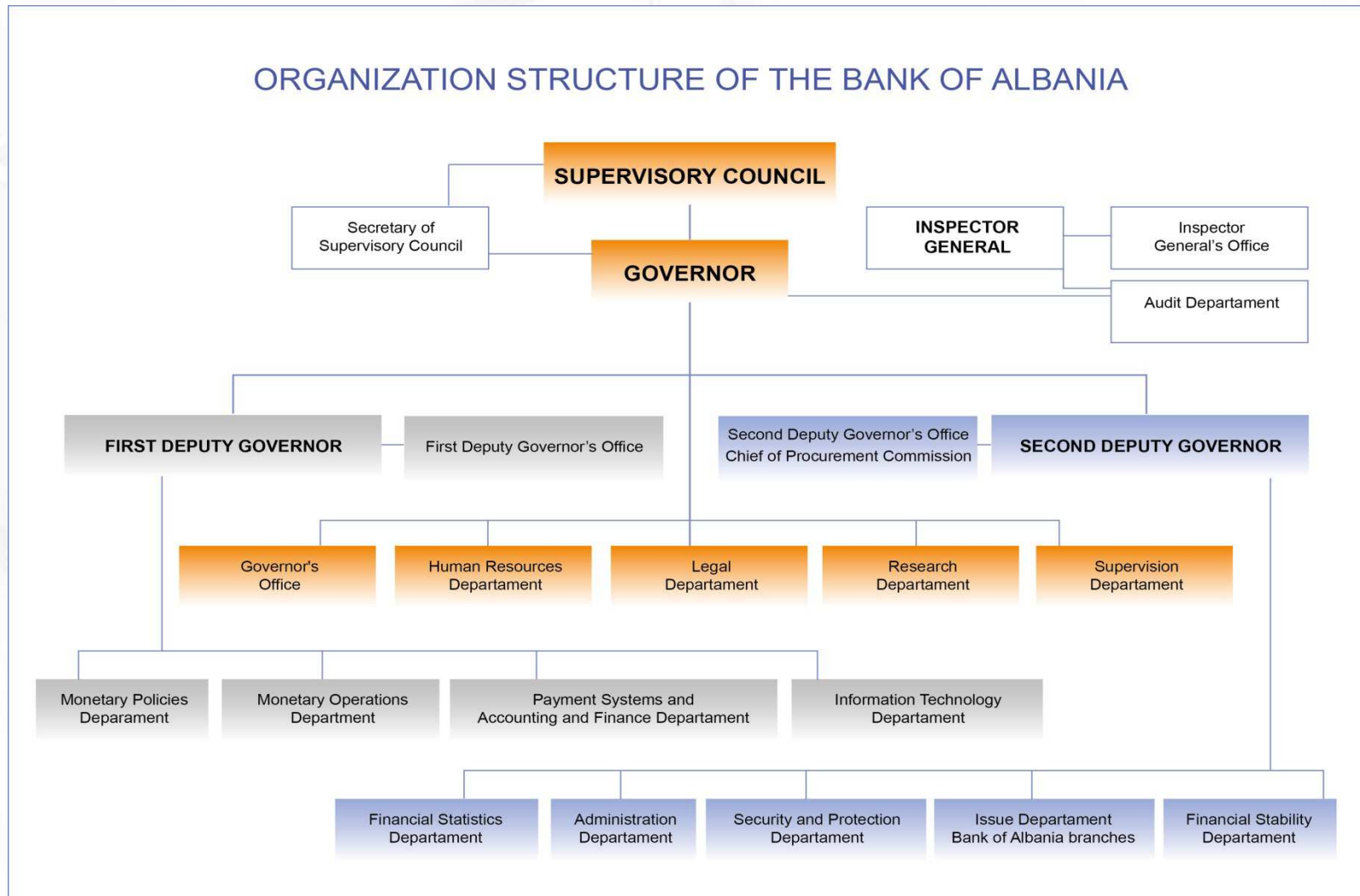
- ❑ Institutional and policy framework
- ❑ Transparency
- ❑ Transparency vs. Confidentiality
- ❑ Final remarks

# Institutional and policy framework



- ❑ Supervisory Council – 9 members
- ❑ Governor, 2 deputy governors and 6 external members
- ❑ Mandate: 7 years
- ❑ Accountability to the parliament
- ❑ Inflation targeting regime (implicit)
- ❑ Main objective: price stability
- ❑ Inflation target: 3%
- ❑ Free floating exchange regime

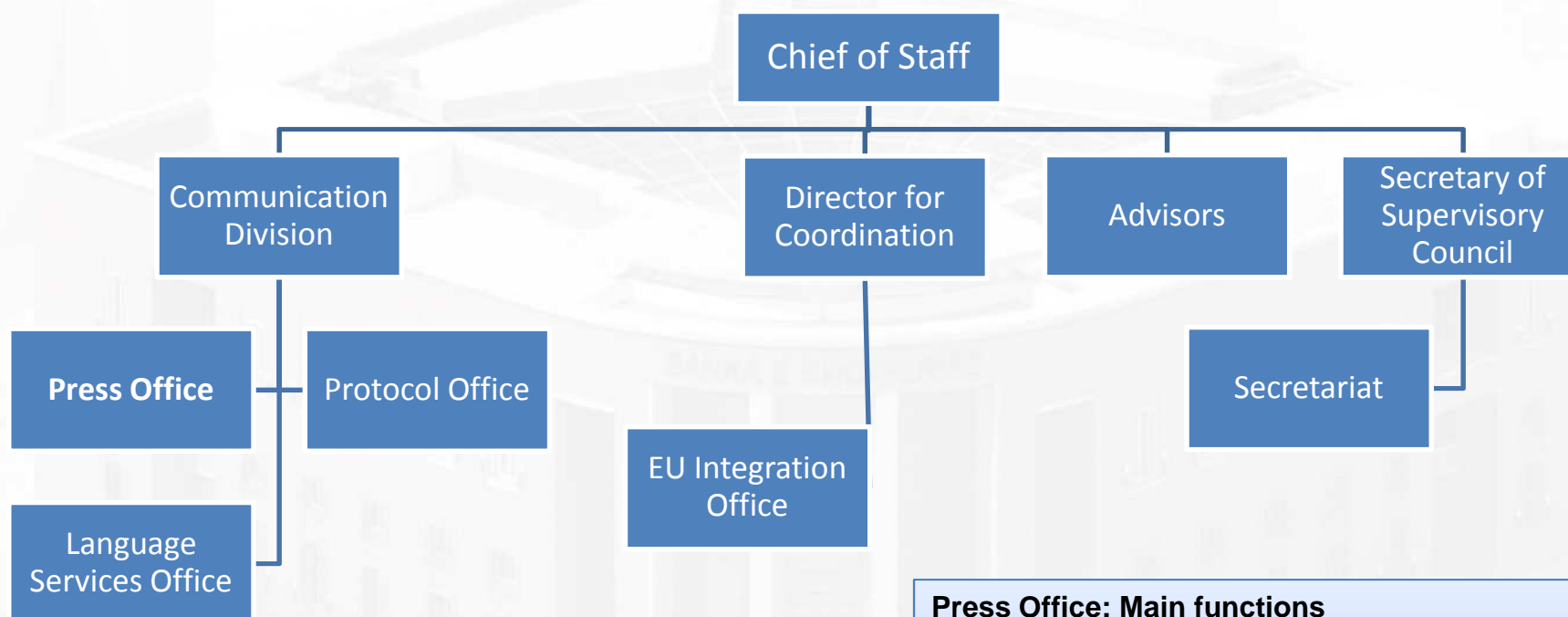
# BoA organisaton structure





BANK OF ALBANIA

# Governor's Office



- Press Office: Main functions**
- Media monitoring
  - Media relations
  - Organizing press conferences
  - Website management
  - Public information coordination
  - In house video recording/ photographing

# Transparency

**Before '90s**  
Information was sealed

**Nowadays..**  
Communication is crucial



# Why transparency?

- ❑ **Accountable**

*Independence ⇒ need for transparency/accountability towards public*

- ❑ **Credibility**

*High transparency ⇒ High credibility in BoA's actions ⇒ bigger impact on the real economy*

- ❑ **Predictable**

*BoA publishes the monetary policy strategy and the result of economic development assessment ⇒ BoA approach more simple for the market*  
***(Forward Guidance)***

- ❑ **Effective**

*... Impacts in monetary policy effectiveness.*

# Transparency in practice

Types of communication:

- Verbal
- Written
- Electronic





# Transparency in practice



## Supervisory Council

- Annual meetings calendar published on the website at the beginning of the year, as well as monetary policy decisions.
- Press release on decisions (immediately) after each Supervisory Council meeting
- Press conference of the Governor on the monetary policy decisions (after the meeting)
- Official Bulletin - publication of the Supervisory Council decisions (within the confidentiality limits)
- No minutes/votes recording*



# Transparency in practice

## Monetary policy

### Publications

1. Quarterly reports
2. MP Document
3. MP instruments publication

### Press conference

1. Governor press release on MP decision at 16:00 of the same day
2. Quarterly MP report presentation for economic journalists

## Financial stability

### Publications

1. Fin. stability report
2. Fin. stability statement
3. FSAG press release

### Presentation

1. Presentation of Financial Stability report for economic journalists (twice a year)

## Supervision

### Publications

1. Annual Supervision report

### Presentation

1. Presentation of Supervision report for economic journalists

# Transparency in practice



## Other publications

- Annual Report
- Supervision report
- Monthly statistical report
- Surveys (confidence, bank lending)
- Analysis (e.g.: BoP, Trends in lending)
- Research papers
- Educational publications
- Conference proceedings

# Website



The screenshot displays the Bank of Albania website. At the top, there is a navigation bar with links for Home, Shqip, Feedback, Subscribe, Contacts, and Site MAP. Below this is a main menu with categories such as About us, Monetary policy, Statistics, Financial Stability, Currency, Legislation, Supervision, Payment System, Education, Publications, and Press Center. A search bar is located on the right side of the main menu.

The main content area is divided into several sections:

- Latest news:** A list of recent news items, including Governor Sejko attending forums and seminars, and the Bank's interventions in the money market.
- For the reader:** A section with links for Banker, Analyst, Business; Journalist; Student; and Student and Teacher.
- Financial Stability:** A section with a link to learn more about the central bank's role in maintaining and promoting financial stability.
- Latest publications:** A list of recent publications, including the Statistical Report - November 2016, Bank Lending Survey Results for 2016 Q4, and the Analysis of developments in the external sector of the economy, November 2016.
- Commissions and interest rates:** A section with a link to learn more about banking products and services.
- Book your visit!:** A section with a link to visit the Museum of the Bank of Albania.
- National Payment System Committee:** A section with a link to learn more about the committee.

At the bottom of the page, there is a footer with the Bank of Albania logo and the text 'BANK OF ALBANIA'.

# What is confidentiality?



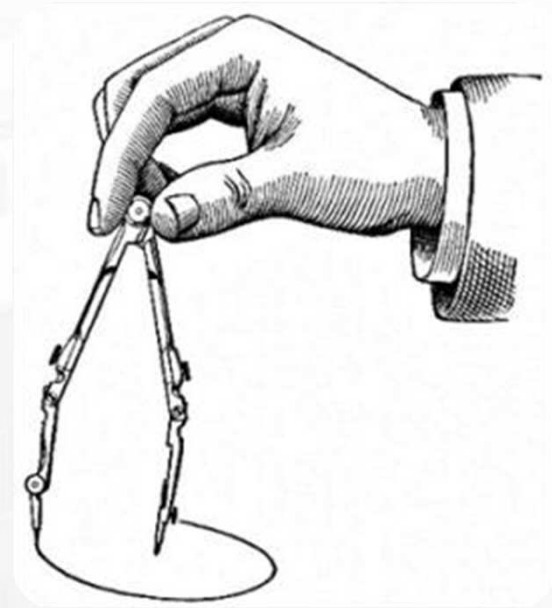
Guarding the information, whose publication may cause a certain level of damage.



The kind of damage and its size are the criteria of information classification.

# Transparency vs. Confidentiality

- ❑ Legal framework:
  - Law on the Bank of Albania
  - Law on national secret
  - Regulation on transparency and confidentiality
  - Instructions on “Rules for usage and classification of non-public information at the Bank of Albania”



# Transparency: Law on the Bank of Albania



## Article 2

*... the Bank of Albania shall deliver to the Council of Ministers and the Assembly of the Republic of Albania a policy statement on achieving and maintaining price stability, an assessment of the monetary, credit and exchange rate policies and a description on the future of these policies.*

## Article 24

- *BoA shall prepare periodical analyses on economic and monetary matters, publish the outcome and submit proposals and measures to the Government of the Republic of Albania.*
- *BoA shall provide information as requested from time to time, by Ministries and other governmental entities with respect to monetary and financial matters, and such entities shall provide information to the BoA from time to time, concerning macroeconomics, monetary and financial matters, as per BoA request.*
- *BoA shall define the information required, the form in which such information is to be provided, the persons in charge to provide such information and the confidentiality of the information.*

## Confidentiality: Law on the national secret



**National secret** - unauthorized disclosure of this information may put in danger the national security (*independence, territorial integrity, constitutional order and foreign affairs of the Republic of Albania*).

Classification:

- a) **“Top secret”**
- b) **“Secret”**
- c) **“Confidential”**
- d) **“Restricted”**





# Confidentiality: Regulation on transparency and confidentiality



## Classification of information in BoA:

1. Public
2. Nonpublic
  - a) National secret
    - i. Top secret
    - ii. Secret
    - iii. Confidential
    - iv. Restricted
  - b) Banking secret
    - i. Top reserved
    - ii. Reserved

# Confidentiality: Regulation on transparency and confidentiality



## Banking secret

- Top reserved:** When unauthorized release of information may cause serious damage, especially to the banking and financial sector.
  
- Reserved:** when unauthorized release may cause damage:
  - In one or more banks;
  - In one or more national/international financial institutions;
  - To banks clients or financial institutions;
  - To BoAs employees;

# Final remarks

- ❑ Central banks have to consider carefully what they communicate and how they communicate it, so that the public is aware of the information without causing any damage.
- ❑ An effective communication is crucial for the central bank, as it contributes considerably to the efficiency of its policies, especially for their monetary policy framework.
- ❑ Communication is not just about transparency. It is also about education, guidance and steering in the right direction.



**BANK OF ALBANIA**

**Thank you!**