

Federal Law No. 65-FZ of April 26, 1995 reworded the present Law

**FEDERAL LAW**  
**NO. 394-1 OF DECEMBER 2, 1990**  
**ON THE CENTRAL BANK OF THE RUSSIAN FEDERATION**  
**(THE BANK OF RUSSIA)**  
**(with the Amendments of December 27, 1995, June 20, 1996,**  
**February 27, April 28, 1997, March 4, July 31, 1998, July 8, 1999)**

Chapter I. General Provisions

**Article 1.** The status, objectives, functions, powers and principles of the organization and activity of the Central Bank of the Russian Federation (the Bank of Russia) shall be determined by the Constitution of the Russian Federation, the present Federal Law and other federal laws.

The seat of the Central Bodies of the Bank of Russia shall be the city of Moscow.

**Article 2.** The authorized capital and any other property of the Bank of Russia shall be the federal ownership. In accordance with the objectives and in the procedure which are established by the present Federal Law, the Bank of Russia shall exercise the powers to own, use and dispose of the property of the Bank of Russia. Any seizure or encumbrance with obligations of the property of the Bank of Russia without the agreement thereof shall not be permissible.

The Bank of Russia shall incur its expenses for account of its own revenue.

The Bank of Russia shall not be registered in the tax bodies.

The Bank of Russia shall be a juridical person. The Bank of Russia shall have a seal with the image of the State Emblem of the Russian Federation and with its name.

The State shall not be responsible for the obligations of the Bank of Russia, and the Bank of Russia for the obligations of the State, unless they assume such obligations or unless otherwise is provided for by the federal laws.

**Article 3.** The basic objectives of the activity of the Bank of Russia shall be: the protection and ensurance of the stability of the rouble, including its purchasing capacity and the rate of exchange with respect to foreign currencies;

the development and strengthening of the banking system of the Russian Federation;

the ensurance of an efficient and uninterrupted functioning of the settlement system.

Profit making shall not be an objective of the activity of the Bank of Russia.

**Article 4.** The Bank of Russia shall perform the following functions:

1) in interaction with the Government of the Russian Federation shall elaborate and carry out a single State monetary-credit policy aimed at protecting and ensuring the stability of the rouble;

2) shall monopolistically carry out the issuance of money in cash and shall organize its circulation;

3) shall be a creditor of the last instance for the credit organizations, and shall organize a system of refinancing;

4) shall establish the rules for carrying out the settlements in the Russian Federation;

5) shall establish the rules of carrying out the banking operations, bookkeeping and accounting for the banking system;

6) shall conduct the State registration of the credit organizations; and shall issue and recall the licenses of the credit organizations and auditing organizations;

On Revocation of the license for banking operation of the banks and other credit institution in

the Russian Federation see [Order](#) of the Central Bank of the Russian Federation No. 02-78 of April 2, 1996

- 7) shall supervise the activity of the credit organizations;
- 8) shall register the issuance of securities by the credit organizations in accordance with the federal laws;
- 9) shall carry out on its own or by the order of the Government of the Russian Federation all types of banking operations necessary for the fulfilment of the basic tasks of the Bank of Russia;
- 10) shall carry out the currency regulation, including the operations on the purchase and sale of foreign currency; and shall determine the procedure for making settlements with foreign States;

See [Regulations](#) of the Central Bank of Russia No. 55-P of September 1, 1998 on Foreign Exchange Settlements Conducted by Residents of the Russian Federation Against Export and Import Contracts;

[Regulations](#) of the Central Bank of Russia No. 93-P of October 14, 1999 on the Procedure for Accomplishing Specific Currency Transactions

11) shall organize and exercise the currency control both indirectly and through the authorized banks in accordance with the legislation of the Russian Federation;

12) shall take part in the elaboration of the forecast of the balance of payments of the Russian Federation and shall organize the making of the balance of payments of the Russian Federation;

13) in order to perform the said functions, shall analyze and forecast the condition of the economy of the Russian Federation on the whole and by the regions, and first of all the monetary credit, currency-and-financial and price relations; and shall publish the relevant materials and the statistical data;

14) shall perform any other functions in accordance with the federal legislation.

**Article 5.** The Bank of Russia shall be accountable to the State Duma of the Federal Assembly of the Russian Federation. The accountability of the Bank of Russia to the State Duma shall mean:

the appointment to and relief of the post of the Chairman of the Bank of Russia by the State Duma on the presentation by the President of the Russian Federation;

the appointment to and relief of the post by the State Duma of the members of the Board of Directors of the Bank of Russia (hereinafter referred to as the Board of Directors);

the submission by the Bank of Russia to the State Duma for consideration of the annual report, and also of the auditing opinion;

the appointment by the State Duma of an auditing firm for conducting an auditing check of the Bank of Russia;

the conduct of parliamentary hearings on the activity of the Bank of Russia with the participation of its representatives;

the reports of the Chairman of the Bank of Russia to the State Duma on the activity of the Bank of Russia (two times a year: when submitting the annual report and the basic lines of the single State monetary-credit policy).

The Bank of Russia, within the limits of the powers granted to it by the [Constitution](#) of the Russian Federation and by the federal laws, shall be independent in its activity. The federal bodies of State power, the bodies of State power of the entities of the Russian Federation and the bodies of local self-government shall have no right to interfere in the activity of the Bank of Russia in the realization of its legislatively fixed functions and powers, or to take decisions contrary to the present Federal Law.

The Bank of Russia shall submit to the State Duma and to the President of the Russian Federation information in the procedure established by the federal laws.

In case of interference in its activity, the Bank of Russia shall inform thereof the State Duma and the President of the Russian Federation.

The Bank of Russia shall have the right of application to courts with actions for invalidating the legal acts of the federal bodies of State power, the bodies of State power of the entities of the Russian Federation and the bodies of local self-government.

**Article 6.** The Bank of Russia - on the questions referred to its competence by the present Federal Law and any other federal laws - shall issue normative acts obligatory for the federal bodies of State power, the bodies of State power of the entities of the Russian Federation and the bodies of local self-government, and also for all juridical and natural persons.

The normative acts of the Bank of Russia may not be contrary to the federal laws.

The normative acts of the Bank of Russia shall enter into force as from the day of their official promulgation in the official publication of the Bank of Russia ("Vestnik Banka Rossii" - "Bulletin of the Bank of Russia"), with the exception of the cases established by the Board of Directors. The normative acts of the Bank of Russia shall not have a retroactive force.

The normative acts of the Bank of Russia, directly affecting the rights, freedoms or duties of citizens, must be registered at the Ministry of Justice of the Russian Federation in the procedure established for the registration of the acts of the federal ministries and departments.

The normative acts of the Bank of Russia shall in the full volume be sent in the necessary cases to all the registered credit organizations by the postal service or any other medium communication.

The normative acts of the Bank of Russia may be appealed against in the established procedure.

The draft federal laws, and also the draft normative acts of the federal bodies of executive power concerning the performance by the Bank of Russia of its functions, shall be sent for an opinion of the Bank of Russia.

Federal Law No. 65-FZ of April 26, 1995 established that Article 7 of this Law shall be put into effect as from January 1, 1996 with respect to Russian banks, and as from January 1, 2000 with respect to credit organizations with the participation of the Bank of Russia created in the territory of foreign States

Federal Law No. 34-FZ of March 4, 1998 amended Article 7 of this Federal Law  
See the previous text of the Article

**Article 7.** The Bank of Russia may not participate in the capitals of credit organizations, unless otherwise established by the federal laws.

Part 1 of the present article shall not extend to the participation of the Bank of Russia in the capitals of Savings Bank of the Russian Federation (Sberbank of Russia), Bank for Foreign Trade (Vneshtorgbank) as well as the following credit organizations set up on the territory of foreign states: Donau Bank AG, Vienna; East-West United Bank, Luxembourg; Commercial Bank for Northern Europe - Eurobank, Paris; Moscow People's Bank Ltd., London; Ost-West Handelsbank AG, Frankfurt am Main. The Bank of Russia shall provide its stake in the capitals of Savings Bank of Russia, Bank for Foreign Trade, Commercial Bank for Northern Europe - Eurobank, Moscow People's Bank Ltd., Ost-West Handelsbank AG in the amount of 50 per cent plus one voting share. The stake of the Bank of Russia in the said credit organizations may be reduced below the said level only in the event when a special federal law is adopted to this effect. The Bank of Russia shall alienate the shares of Donau Bank AG and East-West United Bank at its own discretion after serving a notification to the State Duma.

The Bank of Russia may not participate in the capitals of any other organizations, if they do not ensure the activity of the Bank of Russia, its ins, organizations and employees, with the exception of the cases established by the federal laws.

[Article 8.](#) The Bank of Russia may participate in the capitals and activity of international organizations which deal in the development of cooperation in the monetary-credit, currency and banking spheres, including between the central banks of foreign States.

The relations of the Bank of Russia with credit organizations of foreign States shall be carried out in conformity with the international treaties of the Russian Federation, the federal laws and also the interbank agreements.

## [Chapter II. The Capital of the Bank of Russia](#)

[Article 9.](#) The Bank of Russia shall have the authorized capital in the amount of 3 milliard roubles.

[Federal Law No. 34-FZ of March 4, 1998 amended Article 10 of this Federal Law](#) [See the previous text of the Article](#)

[Article 10.](#) The balance sheet profit of the Bank of Russia shall be determined as the difference between the incomes from the transactions stipulated under Article 45 of this Federal Law and also earnings from the stakes in the capitals of credit organizations and the expenditures associated with the exercise by the Bank of Russia of its functions stated under [Article 4](#) of this Federal law.

## [Chapter III. The Management Bodies of the Bank of Russia](#)

[Article 11.](#) The supreme body of the Bank of Russia shall be the Board of Directors as a collegiate authority determining the basic directions of the activity of the Bank of Russia and carrying out the leadership and management of the Bank of Russia.

The Board of Directors shall comprise the Chairman of the Bank of Russia and 12 members of the Board of Directors.

The members of the Board of Directors shall work on a permanent basis in the Bank of Russia.

[Article 12.](#) The Chairman of the Bank of Russia shall be appointed to the post by the State Duma for a term of four years by a majority vote from the total number of the deputies.

The candidature for the appointment to the post of the Chairman of the Bank of Russia shall be submitted by the President of the Russian Federation not later than three months before the expiry of the powers of the Chairman of the Bank of Russia.

In case the Chairman of the Bank of Russia is relieved of the post before the expiry of the term, the President of the Russian Federation shall submit a candidature for this post within two weeks from the moment of such relief.

In case of rejection of the candidature proposed for the post of the Chairman of the Central Bank of Russia, the President of the Russian Federation shall submit a new candidature within two weeks. One and the same candidature may not be submitted more than two times.

One and the same person may not hold the post of the Chairman of the Bank of Russia more than three times in succession.

The State Duma shall have the right to relieve of the post of the Chairman of the Bank of Russia on the presentation of the President of the Russian Federation.

The Chairman of the Bank of Russia may be relieved of the post only in the following cases:

- 1) the expiry of the term of powers;
- 2) the impossibility to perform the official duties, confirmed by an opinion of the State medical commission;
- 3) a personal application for resignation;
- 4) commission of a criminally punishable act established by a court sentence that has taken legal effect;
- 5) violation of the federal laws governing the matters connected with the activity of the Bank of Russia.

**Article 13.** The members of the Board of Directors shall be appointed to the post for a period of four years by the State Duma on the presentation of the Chairman of the Bank of Russia, agreed upon with the President of the Russian Federation.

The members of the Board of Directors shall be relieved of the post:

on the expiry of the term of powers indicated in the present Article - by the Chairman of the Bank of Russia;

before the expiry of the term of powers indicated in the present Article - by the State Duma on the presentation of the Chairman of the Bank of Russia.

**Article 14.** The meetings of the Board of Directors shall be presided by the Chairman of the Bank of Russia, and in the case of his absence - by his substitute from among the members of the Board of Directors.

The decisions of the Board of Directors shall be adopted by a majority vote from the number of the attending members Board of Directors with a quorum of seven persons and with the obligatory presence of the Chairman of the Bank of Russia or his substitute. The minutes of a meeting of the Board of Directors shall be signed by the presiding person and one of the members of the Board of Directors. Where the Board of Directors is making decisions on the monetarycredit policy, the opinion of the minority members of the Board of Directors shall at their request be entered in the minutes.

The heads of the territorial institutions of the Bank of Russia may be invited to participate in the meetings of the Board of Directors.

**Article 15.** The Board of Directors shall meet at least one a month.

The meetings of the Board of Directors shall be fixed by the Chairman of the Bank of Russia or his substitute, or at the request of at least three members of the Board of Directors.

The members of the Board of Directors shall duly be notified about the fixing of a meeting of the Board of Directors.

**Article 16.** The Board of Directors shall perform the following functions:

- 1) in cooperation with the Government of the Russian Federation shall elaborate and ensure the performance of the basic directions of the single State monetary-credit policy;
- 2) shall approve the annual report of the Bank of Russia and shall submit it to the State Duma;
- 3) shall consider and approve the estimate of the expenses of the Bank of Russia for the forthcoming year not later than December 31 of the preceding year, and also the incurred expenses not stipulated in the estimate;
- 4) shall determine the structure of the Bank of Russia;
- 5) shall establish the form and rates of the remuneration of labour of the Chairman of the Bank of Russia, the members of the Board of Directors, the deputy chairman of the Bank of Russia and other employees of the Bank of Russia;
- 6) shall make decisions:
  - on the creation and liquidation of the institutions and organizations of the Bank of Russia;
  - on the establishment of the obligatory norms for the credit organizations in accordance with [Article 61](#) of the present Federal Law;
  - on the magnitude of the reserve requirements;
  - on changing the interest rates of the Bank of Russia;

- on determining the limits of the operations on the open market;
  - on the participation in international organizations;
  - on the participation in the capitals of the organizations ensuring the activity of the Bank of Russia, its institutions, organizations and employees;
  - on the purchase and sale of immovables for ensuring the activity of the Bank of Russia, its institutions, organizations and employees;
  - on the application of direct quantitative restrictions;
  - on the issuance and withdrawal of banknotes and coins from circulation, and on the total volume of the issue of cash;
  - on the procedure for forming the reserves by the credit organizations.
- 7) shall submit to the State Duma the proposals for changing the authorized capital of the Bank of Russia;
  - 8) shall approve the procedure for the work of Board of Directors;
  - 9) shall appoint the Chief Auditor of the Bank of Russia;
  - 10) shall approve the internal structure of the Bank of Russia, the regulations on the subdivisions of the Bank of Russia, the statutes of the organizations of the Bank of Russia, and the procedure for the appointment of the heads of the subdivisions, institutions and organizations of the Bank of Russia;
  - 11) shall determine the conditions of the access for foreign capital to the banking system of the Russian Federation in conformity with the federal laws;
  - 12) shall perform any other functions referred by the present Federal Law to the jurisdiction of the Board of Directors of the Bank of Russia.

**Article 17.** The members of the Board of Directors may not be deputies of the State Duma and members (deputies) of the Federation Council, deputies of the legislative (representative) bodies of the entities of the Russian Federation, the bodies of local self-government, and also members of the Government of the Russian Federation.

The renunciation of the deputy powers or the resignation of a member of the Government of the Russian Federation must be effected within a month from the moment of the appointment to the post of a member of the Board of Directors, after which the newly appointed member of the Board of Directors shall enter upon his official duties.

The members of the Board of Directors may not belong to political parties or hold offices in socio-political and religious organizations.

The members of the Board of Directors shall be subject to the restrictions established by [Article 90](#) of the present Federal Law.

**Article 18.** The Chairman of the Bank of Russia shall:

- 1) act on behalf of the Bank of Russia and represent without a proxy its interests in the relations with the bodies of State power, credit organizations, organizations of foreign States or international organizations, and any other institutions and organizations;
- 2) preside at the meetings of the Board of Directors. In the case of the equally divided votes, the voice of the Chairman of the Bank of Russia shall be the casting one;
- 3) sign the normative acts of the Bank of Russia, the decisions of the Board of Directors, the minutes of the meetings of the Board of Directors, and the agreements concluded by the Bank of Russia;
- 4) appoint to and relieve from the post of deputy chairman of the Bank of Russia and allocate the duties among them;
- 5) sign the orders and give directions obligatory for all the employees of the Bank of Russia, its enterprises, institutions and organizations;
- 6) bear the full responsibility for the activity of the Bank of Russia;
- 7) ensure the realization of the functions of the Bank of Russia in conformity with the present Federal Law.



#### Chapter IV. Relations of the Bank of Russia with the Bodies of State Power and the Bodies of Local Self-Administration

**Article 19.** To realize the incumbent functions, the Bank of Russia shall participate in the elaboration of the economic policy of the Government of the Russian Federation. The Chairman of the Bank of Russia or, by his order, one of the deputy chairman shall participate in the meetings of the Government of the Russian Federation.

The Minister of Finance of the Russian Federation and the Minister of Economics of the Russian Federation or, by their order, a deputy minister of each of the said ministries shall participate in the meetings of the Board of Directors with the right of a deliberative voice.

The Bank of Russia and the Government of the Russian Federation shall inform each other about the intended acts having a national importance, shall coordinate their policy and carry out regular consultations.

The Bank of Russia shall consult the Ministry of Finance of the Russian Federation on the questions of the schedule for the issuance of the government securities and the settlement of the national debt, taking into account their effect on the condition of the banking system and the priority of the single State monetary-credit policy.

**Article 20.** In order to improve the monetary-credit system of the Russian Federation, under the Bank of Russia there shall be created a National Banking Council, consisting of the representatives of the houses of the Federal Assembly of the Russian Federation, the President of the Russian Federation, the Government of the Russian Federation, the Bank of Russia, the credit organizations, and also of experts.

The Chairman of the National Banking Council shall be the Chairman of the Bank of Russia. The National Banking Council shall comprise two representatives from each house of the Federal Assembly of the Russian Federation, one representative from both the President of the Russian Federation and the Government of the Russian Federation, and also the Minister of Finance of the Russian Federation and the Minister of Economics of the Russian Federation. The other members of the National Banking Council shall be appointed by the State Duma on the presentation of the Chairman of the Bank of Russia. The number of the National Banking Council shall not exceed 15 persons.

The meetings of the National Banking Council shall be held at least once every three months.

**Article 21.** The National Banking Council shall perform the following functions:

- shall consider the concept of improving the banking system of the Russian Federation;
- shall consider the drafts of the basic directions of the single State monetary-credit policy, the policy of the currency regulation and the currency control, shall give opinions thereon and shall analyze the results of their fulfilment;
- shall conduct the expert examination of the draft legislative and any other normative acts in the field of banking;
- shall consider the most important matters of regulating the activity of the credit organizations;
- shall participate in the elaboration of the basic principles of organizing the system of settlements in the Russian Federation.

**Article 22.** The Bank of Russia shall not have the right to give credits to the Government of the Russian Federation for financing the budget deficit, to buy the government securities in their initial placement, with the exception of those cases when that is stipulated by the federal law on the federal budget.

The Bank of Russia shall not have the right to give credits for financing the deficits of the budgets of the entities of the Russian Federation, the local budgets and the budgets of the State nonbudgetary funds.

**Article 23.** The resources of the federal budget and of the State nonbudgetary funds shall be

kept in the Bank of Russia, unless otherwise provided for by the federal laws.

The Bank of Russia shall, without charging a commission rate, carry out operations with the federal budget and the State nonbudgetary funds, with the budgets of the entities of the Russian Federation and the local budgets, and also operations for servicing the State debt and operations with the gold and currency reserves of the Russian Federation.

The powers of the Bank of Russia for servicing the State debt shall be determined by the federal laws.

The Bank of Russia and the Ministry of Finance of the Russian Federation shall where necessary conclude agreements on carrying out such operations by the order of the Government of the Russian Federation.

## Chapter V. Accounting of the Bank of Russia

**Article 24.** The accounting period of the Bank of Russia shall be established from January 1 to December 31 inclusive.

The structure of the balance of the Bank of Russia shall be established by the Board of Directors.

**Article 25.** The Bank of Russia annually, not later than on May 15, shall submit to the State Duma the annual report, approved by the Board of Directors.

The annual report of the Bank of Russia shall include:

1) the report on the activity of the Bank of Russia, the analysis of the condition of the economy of the Russian Federation, including the analysis of the monetary circulation and of the credit, of the banking system, the currency condition and the payment balance of the Russian Federation, and also the list of the arrangements on the single State monetary-credit policy carried out by the Bank of Russia;

2) the annual balance sheet, the profit-and-loss account, and the distribution of profit;

3) the procedure for the formation and the directions of the use of the reserves and funds of the Bank of Russia;

On norms of the obligatory reserves of credit organizations see [Telegram](#) of the Central Bank of Russia No. 156-U of January 30, 1998

4) the audit certificate on the annual report of the Bank of Russia.

The State Duma shall send the annual report of the Bank of Russia to the President of the Russian Federation, and also for an opinion to the Government of the Russian Federation.

The State Duma shall consider the annual report of the Bank of Russia before July 1 of the year following the accounting year.

The State Duma shall take a decision on the results of the consideration of the annual report of the Bank of Russia.

The annual report shall be published not later than July 15 of the year following the accounting year.

The Bank of Russia shall publish every month its balance sheet, the data on the monetary circulation, including the dynamics and structure of the monetary stock, and the summarized data about its operations.

[Federal Law](#) No. 45-FZ of February 27, 1997 reworded the first paragraph of Item 26 of this law  
[see the previous wording of the Item](#)

**Article 26.** The Bank of Russia shall remit to the federal budget fifty per cent of the balance



sheet profit actually received on the basis of the yearly results following the approval of the annual report of the Bank of Russia by the Board of directors. The remaining profit of the Bank of Russia shall be channelled by the Board of directors towards the reserves and various-purpose funds.

On the transfer of the profit of the Central Bank of the Russian Federation to the Federal Budget see [Federal Law](#) No. 62-FZ of June 5, 1996

It shall not be permissible to transfer the profit of the accounting year to the federal budget before the annual report of the Bank of Russia has been approved by the Board of Directors.

The Bank of Russia and its institutions shall be exempt from the payment of all taxes, fees, duties and any other payments in the territory of the Russian Federation in accordance with the legislative acts of the Russian Federation on taxes.

On payment by the Bank of Russia and its branches of the state duty when applying to arbitration courts see [Letter](#) of the Higher Arbitration Court of the Russian Federation No. 2 of May 5, 1996

## Chapter VI. Organization of the Cash Turnover

on the rules of the organization of cash circulation in the territory of the Russian Federation see [Regulations](#) of the Central Bank of Russia No. 14-P of January 5, 1998

**Article 27.** The official monetary unit (the currency) of the Russian Federation shall be the rouble. One rouble shall consist of 100 copecks.

It shall be prohibited, in the territory of the Russian Federation, to introduce any other monetary units and to issue any money substitutes.

**Article 28.** No official parity rates shall be established between the rouble and gold or any other precious metals.

**Article 29.** The issuance of the money in cash, the organization of its circulation and the withdrawal from circulation in the territory of the Russian Federation shall be carried out exclusively by the Bank of Russia.

The banknotes (banker's bills) and the coins of the Bank of Russia shall be the only legal medium of payment in the territory of the Russian Federation. Their counterfeiting and illegal manufacture shall be persecuted in law.

**Article 30.** The banknotes and coins shall be direct liabilities of the Bank of Russia and shall be secured by all its assets.

The banknotes and coins of the Bank of Russia shall be obligatory for accepting at the nominal value in all types of payments, for entering to accounts and deposits and for transmitting in the whole territory of the Russian Federation.

**Article 31.** The banknotes and coins of the Bank of Russia may not be declared void (invalid as a legal medium of payment), unless there has been established a fairly long period to exchange them for the banknotes and coins of a new pattern. No restrictions shall be permissible as regards the amounts and the subjects of the exchange.

When exchanging the banknotes and coins of the Bank of Russia for the monetary symbols of a new pattern, the period for withdrawing may not be less than one year, but shall not exceed five years.

**Article 32.** The Bank of Russia shall, without any restrictions, exchange decrepit and damaged banknotes in accordance with the rules established by it.

**Article 33.** The Board of Directors shall adopt a decision on the issuance for circulation of

new banknotes and coins and on the withdrawal of the old ones, and shall approve the nominal value and the patterns of the new monetary symbols. The description of the new monetary symbols shall be published in the mass media.

The decision on such matters, by way of preliminary information, shall be sent to the Government of the Russian Federation.

**Article 34.** With a view to organizing the cash turnover in the territory of the Russian Federation, the Bank of Russia shall be entrusted with the following functions:

the forecasting and organization of the production, the transportation and custody of banknotes and coins, the creation of the reserve funds;

the establishment of the rules of the custody, transportation and encashment of the ready money for the credit institutions;

According to [Letter](#) of the State Tax Service of the Russian Federation No. VZ-6-03/838 of December 4, 1996 the turnovers from transactions of technological movement of valuables of the reserve funds of the Bank of Russia within its structure and per its instructions shall not be taxable with the value added tax

the establishment of the criteria of the paying capacity of monetary symbols, and of the procedure for replacing the damaged banknotes and coins, and also for destroying them;

[Federal Law](#) No. 70-FZ of April 28, 1997 reworded the fifth paragraph of Article 34 of this Law

[see the previous text of the paragraph](#)

determining the procedure for keeping cash operations.

See the [Regulations](#) for Cash Payments by Credit Organizations on the Territory of the Russian Federation approved by [Order](#) of the Central Bank of the Russian Federation No. 02-101 of March 25, 1997

## Chapter VII. The Monetary Credit Policy

**Article 35.** The basic instruments and methods of the monetary-credit policy of the Bank of Russia shall be:

- 1) the [interest rates](#) on the operations of the Bank of Russia;
- 2) the norms of the obligatory reserves deposited in the Bank of Russia (the reserve requirements);
- 3) the operations on the open market;
- 4) the refinancing of banks;
- 5) the currency regulation;
- 6) the establishment of the guidelines for the growth of the monetary stock;
- 7) direct qualitative restrictions.

[Federal Law](#) No. 139-FZ of July 8, 1999 supplemented Article 35 of this Federal Law with Item 8 in the following wording:

- 8) the issuance of bonds in one's own name.

**Article 36.** The Bank of Russia shall regulate the total volume of the credits extended by it in conformity with the guidelines of the single State monetary-credit policy.

**Article 37.** The Bank of Russia may establish one or several interest rates for different types of operations or carry out an interest policy without fixing an interest rate.

The interest rates of the Bank of Russia shall be the minimum rates at which the Bank of Russia shall carry out its operations.

The Bank of Russia shall use the interest policy to influence the market interest rates with a view to strengthening the rouble.

Federal Law No. 151-FZ of July 31, 1998 amended Article 38 of this Federal Law  
See the previous text of the Article

**Article 38.** The amount of the obligatory reserves in percentage terms with respect to the obligations of a credit organization, and also the procedure for their depositing in the Bank of Russia shall be established by the Board of Directors.

Concerning the procedure for forming the funds of obligatory reserves and the norms of obligatory reserves see Order of the Central Bank of Russia No. 02-77 of March 30, 1996

Concerning the obligatory reserves of the savings Bank of the Russian Federation deposited in the Central Bank of the Russian Federation see Order of the Central Bank of Russia No. 02-401 of November 4, 1996

The norms of the obligatory reserves may not exceed 20 per cent of the obligations of a credit organization and may be differentiated for different credit organizations.

The norms of the obligatory reserves may not be changed at a time for more than five points.

Where the norms of the obligatory reserves are violated, the Bank of Russia shall have the right to exact incontestably from the credit organization the amount of the underpaid funds, and also the penalty in the amount established by the Bank of Russia, but not more than the double refinancing rate.

No collection relating to claims shall be effected in respect to the reserves deposited by the credit organization in the Bank of Russia.

Upon the revocation of a credit organization's license for the pursuance of banking transactions the mandatory reserve resources deposited by the credit organization in the Bank of Russia shall be remitted to the account of liquidation commission (liquidator) or a permanent trustee and shall be used in accordance with a procedure established by federal laws and the regulatory acts of the Bank of Russia issued pursuant thereto.

When a credit organization is being re-organized a procedure for the formalities relating to its mandatory reserves that were deposited earlier in the Bank of Russia shall be established by the regulatory acts of the Bank of Russia.

**Article 39.** The operations on the open market shall be deemed to be the purchase and sale by the Bank of Russia of the government bills of exchange, government bonds and any other government securities, and short-term operations with securities, making later a reverse deal.

The limit of the operations on the open market shall be approved by the Board of Directors. **Article 40.** The refinancing shall be deemed to be the crediting of banks by the Bank of Russia, including the discounting and rediscounting of bills of exchange.

The forms, procedure and conditions of the refinancing shall be established by the Bank of Russia.

On the execution of rediscounting operations by the Bank of Russia see [Regulations](#) of the Central Bank of Russia No. 65-P of December 30, 1998

**Article 41.** The currency interventions of the Bank of Russia shall be deemed to be the purchase and sale by the Bank of Russia of foreign currency on the currency market for influencing the rate of exchange of the rouble and the aggregate demand and offer of money.

**Article 42.** The direct quantitative restrictions of the Bank of Russia shall be deemed to be the establishment of limits on the refinancing of banks and on carrying out by credit organizations of certain banking operations.

The Bank of Russia shall have the right to apply direct qualitative restrictions in exceptional cases with a view to carrying out a single State monetary-credit policy only after consultations with the Government of the Russian Federation.

**Article 43.** The Bank of Russia may establish the guidelines of the growth of one or several indices of the monetary stock, proceeding from the basic directions of the single State monetary-credit policy.

[Federal Law](#) No. 139-FZ of July 8, 1999 supplemented this Federal Law with Article 43.1 in the following wording:

**Article 43.1.** The Bank of Russia, acting for the purposes of implementing monetary and credit policy, may issue in its own name bonds placed and traded only among credit organizations.

On issue and registration of Bonds of the Central Bank of Russia see [Decision](#) of the Government of the Russian Federation No. 1142 of October 12, 1999, [Regulations](#) of the Central Bank of Russia No. 53-P of August 28, 1998

The cap on the total face value of the bonds of the Bank of Russia of all issues not redeemed as of the date when the board of directors makes a decision as to the next issue of bonds shall be set as a difference between the maximum possible value of credit organizations' mandatory reserves and the sum of credit organizations' mandatory reserves determined proceeding from the effective mandatory reserve rate.

[Federal Law](#) No. 80-FZ of June 20, 1996 introduced amendments to the Part one of Article 22 of the present Law  
[See previous text of the part](#)

**Article 44.** The Bank of Russia shall annually present to the State Duma, not later than October 1, the draft main lines of the uniform state monetary and credit policy for the forthcoming year, and not later than December 1 - the main lines of the uniform state monetary and credit policy for the forthcoming year.

Preliminarily the draft of the basic directions of the single State monetary-credit policy shall be submitted to the President of the Russian Federation and the Government of the Russian Federation.

The basic directions of the single State monetary-credit policy for the forthcoming year shall include the following provisions:

the analysis of the condition and the forecast of the development of the economy of the Russian Federation;

the basic guidelines, parameters and instruments of the single State monetary-credit policy.

The State Duma shall consider the basic directions of the single State monetary-credit policy for the forthcoming year and shall take a decision.

## Chapter VIII. Operations of the Bank of Russia

**Article 45.** The Bank of Russia shall have the right to carry out the following operations with Russian and foreign credit organizations and the Government of the Russian Federation to achieve the objectives established to it by the present Federal Law:

1) to extend credits for a period of not more than one year against a collateral of securities and other assets, unless otherwise established by the federal law on the federal budget;

On the Procedure for Granting Credits, Secured by the Pledge of Government Securities, to Banks by the Bank of Russia see [Regulations](#) of the Central Bank of Russia No. 19-P of March 6, 1998

2) to buy and sell cheques, promissory notes and bills of exchange, having, as a rule, a commodity origin, with the repayment periods of not more than six months;

3) to buy and sell government securities on the open market;

4) to buy and sell bonds, certificates of deposit and any other securities with the periods of repayment of not more than one year;

5) to buy and sell foreign currency, and also payment documents and obligations in foreign currency issued by Russian and foreign credit organizations;

6) to buy, carry and sell precious metals or any other types of currency values;

7) to conduct settlement, cash and deposit operations, and to receive into custody and management securities or any other valuables;

On the procedure for the Central Bank of the Russian Federation accomplishing deposit transactions with resident banks in the currency of the Russian Federation see [Regulations](#) of the Central Bank of the Russia No. 67-P of January 13, 1999

8) to issue guarantees and warranties;

9) to conduct operations with financial instruments used for managing the financial risks;

10) to open accounts in Russian and foreign credit organizations in the territory of the Russian Federation and foreign States;

11) to issue cheques and bills in any currency;

12) to conduct any other banking operations on its own behalf, unless that is prohibited by law.

The Bank of Russia shall have the right to conduct operations on the commission basis, with the exception of the cases stipulated by the federal law.

**Article 46.** The following may serve as a security for the credits of the Bank of Russia:

gold and any other precious metals in different forms;

foreign currency;

bills in Russian and foreign currency with the periods of repayment of up to six months;

government securities.

The lists of bills and government securities suitable for securing the credits of the Bank of Russia shall be determined by the Board of Directors.

In the cases established by the Board of Directors, other valuables, and also guarantees and warranties, may serve as a security.

**Article 47.** The Bank of Russia may conduct banking operations to serve the representative and executive bodies of State power, the bodies of local self-government, their institutions and

organizations, State nonbudgetary funds, military units, military servicemen, the employees of the Bank of Russia, and also other persons in the cases stipulated by the federal laws.

The Bank of Russia shall also have the right to serve the clients that are not credit organizations in the regions where there are no credit organizations.

[Article 48.](#) The Bank of Russia shall not have the right:

1) to conduct banking operations with juridical persons having no license for conducting banking operations, and with natural persons, with the exception of the cases stipulated in [Article 47](#) of the present Federal Law;

2) to acquire shares of credit and other organizations, with the exception of the cases stipulated by [Article 7](#) and [8](#) of the present Federal Law;

3) to conduct operations with immovables, with the exception of the cases connected with ensuring the activity of the Bank of Russia, its enterprises, institutions and organizations;

4) to deal in the trade and production activity, with the exception of the cases stipulated by the present Federal Law;

5) to prolong the extended credits. An exception may be made by a decision of the Board of Directors.

[Article 49.](#) The Bank of Russia shall bear responsibility in the procedure, established by the federal laws.

In a court and arbitration court the interests of the Bank of Russia may be represented by the heads of its territorial institutions and by other officials of the Bank of Russia, who shall receive a relevant proxy in the established procedure.

## [Chapter IX. The International and Foreign Economic Activity](#)

[Article 50.](#) The Bank of Russia shall represent the interests of the Russian Federation in relations with the central banks of foreign States, and also in international banks and any other international currency-and-finance organizations.

[Article 51.](#) The Bank of Russia shall issue permits for the creation of banks with the participation of foreign capital and of branches of foreign banks, and shall also accredit the representative offices of the credit organizations of foreign States in the territory of the Russian Federation in conformity with the procedure established by the federal laws.

[On the procedure for opening representative offices of foreign credit organizations in the Russian Federation and for the activities thereof see the \[Regulations\]\(#\) approved by \[Order\]\(#\) of the Central Bank of Russia No. 02-437 of October 7, 1997](#)

The increase of the authorized capital of a credit organization at the expense of the funds of nonresidents shall be regulated by the federal laws.

[Article 52.](#) The Bank of Russia shall establish and publish the official quotations of foreign currencies with respect to the rouble.

[Article 53.](#) The Bank of Russia shall be a body of State currency regulation and currency control, and shall perform such function in conformity with the [Law](#) of the Russian Federation on the Currency Regulation and the Currency Control, and with the federal laws.

[Article 54.](#) To perform its functions, the Bank of Russia may open representative offices in foreign States.

## [Chapter X. Banking Regulation and Supervision](#)

[Article 55.](#) The Bank of Russia shall be a body of banking regulation and supervision over the activity of the credit organizations.



The Bank of Russia shall exercise a permanent supervision over the observance by the credit organizations of the banking legislation and the normative acts of the Bank of Russia, particularly of the obligatory norms established by them.

The main objective of the banking regulation and supervision shall be the maintenance of the stability of the banking system and the protection of the interests of the depositors and creditors. The Bank of Russia shall not interfere in the operational activity of the credit organizations, with the exception of the cases stipulated by the federal laws.

The supervisory and regulatory functions of the Bank of Russia, established by the present Federal Law, may be exercised by it directly or through a body of banking supervision created under it. The decision on creating such a body shall be adopted by the Board of Directors.

**Article 56.** The Bank of Russia shall lay down the rules - which shall be obligatory for the credit organizations - of conducting the banking operations, keeping the book records, drawing up and submitting the bookkeeping and statistical accounting.

On the procedure for drawing up and submitting reports by credit institutions to the Central Bank of Russia see [Direction](#) of the Central Bank of Russia No. 7-U of October 24, 1997

on the Procedure for the Submission of Reports by the Credit Organizations Whose Licenses for the Pursuance of Banking Transactions Have Been Revoked see [Direction](#) of the Central Bank of Russia No. 118-U of December 30, 1997

On Procedure for Compiling and Submitting Consolidated Report see [Regulation](#) No. 29-P of May 12, 1998

To perform its functions, the Bank of Russia, in accordance with the list established by the Board of Directors, shall have the right to request and receive from the credit organizations the necessary information about their activity, and to demand explanations on the received information.

To prepare the banking and financial statistics and to analyze the economic situation, the Bank of Russia shall have the right to request and receive the necessary information from the federal bodies of executive power.

The data coming from the credit organizations on concrete operations shall not be subject to disclosure without the consent of the relevant credit organization, with the exception of the cases stipulated by the federal laws.

The Bank of Russia shall publish summary statistical and analytical information about the banking system of the Russian Federation.

The provisions of the present Article shall apply to the information collected and transferred by the Bank of Russia, on the order of the Government of the Russian Federation, to international organizations.

**Article 57.** The Bank of Russia shall not have the right to demand from the credit organizations the fulfilment of functions alien to them, including the control over the spending of the consumption (wages) fund of juridical persons as clients.

**Article 58.** The Bank of Russia shall register the credit organizations in the Book of the State Registration of the Credit Organizations, and shall issue to and revoke from the credit organizations the licenses for conducting the banking operations.

On licensing the professional activities of loan organizations on the securities market of the Russian Federation see [Regulations](#) and [Directions](#) approved by the [Order](#) of the Central Bank of the Russian Federation No. 02-462 of October 23, 1997

**Article 59.** The Bank of Russia shall have the right, in conformity with the federal laws, to place the qualifying requirements upon the heads of the executive bodies, and also to the chief accountant of a credit organization.

**Article 60.** The acquisition, - as a result of one or several transactions by one juridical or natural person, or by a group of juridical and/or natural persons, bound among themselves by an agreement, or by a group of juridical persons that are associated or related with respect to one another, - of more than 5 per cent of the shares of a credit organization shall require a notification of the Bank of Russia, and of more than 20 per cent, a prior consent of the Bank of Russia.

Concerning the procedure for approval of the purchase of more than 20% of shares (stocks) of a credit organization see [Instructions](#) of the Central Bank of Russia No. 75-I of July 23, 1998

The Bank of Russia shall, not later than 30 days from the moment of the receipt of a request, inform the applicant in written form about its decision, whether consent or refusal. A refusal must be explained. Where the Bank of Russia has not given information about its decision within the above period, the transaction of the purchase and sale of the shares of the credit organization shall be considered to have been permitted.

The Bank of Russia shall, within the framework of exercising its supervisory functions, have the right to request and receive information on the financial condition and business standing of the participants (shareholders) of a credit organization in the case of the acquisition by them of more than 20 per cent of the shares of the credit organization.

The Bank of Russia shall have the right to refuse to consent to making a transaction of the purchase-and-sale of more than 20 per cent of the shares of a credit organization in the case of the establishment of an unsatisfactory financial condition of the buyer of the shares.

The acquisition of the shares of a credit organization at the expense of the funds of nonresidents shall be governed by the federal laws.

**Article 61.** In order to ensure the stability of the credit organizations, the Bank of Russia may establish obligatory norms for them:

1) the [minimum amount of the authorized capital](#) for the newly created credit organizations, and the minimum amount of the internal funds (stock capital) for the operating credit organizations;

2) [the limit of the nonmonetary part of authorized capital](#);

3) the [maximum amount of the risk per one borrower](#) or a group of related borrowers;

4) [the maximum amount of great credit risks](#);

5) [the maximum amount of the risk per one creditor \(depositor\)](#);

6) the [norms of liquidity of a credit organization](#);

7) the [norms of the sufficiency of the capital](#);

8) [the maximum amount of the attracted monetary deposits](#) of the population;

9) [the amounts of the currency, interest and other risks](#);

On the Procedure for the Calculation of the Size of Market Risks by the Credit Institutions from April 1, 2000 see [Regulations](#) of the Central Bank of Russia No. 89-P of September 24, 1999

10) [the minimum amount of the reserves created for high-risk assets](#);

11) [the norms of the use of the banks' internal funds](#) for acquiring the shares of other juridical persons;

12) [the maximum amount of the credits, guarantees and warranties](#) given by a bank to its participants (shareholders).

[Federal Law No. 151-FZ of July 31, 1998 amended Article 62 of this Federal Law](#) [See the previous text of the Article](#)

**Article 62.** The minimum amount of the internal funds (stock capital) shall be established as the sum of the authorized capital, the funds of a credit organization and the undistributed profit.

The Bank of Russia shall officially announce the increase of the minimum amount of the internal funds (stock capital) not later than three years before the time of its introduction.

Concerning the change of the minimum amount of the authorized capital of a bank see the [reference](#)

**Article 63.** The maximum amount of the risk per one borrower or a group of related borrowers, that are, with respect to one another, dependent or principal and subsidiary, shall be established in percentage terms from the internal funds of a credit organization.

When determining the risk amount, there shall be taken into account the whole sum of the credits of the credit organization to the given borrower or a group of related borrowers, and also the guarantees and warranties given by the credit organization to the borrower or the group of related borrowers.

Concerning the maximum risk amount per one borrower see [Instructions](#) of the Central Bank of Russia No. 1 on the Procedure for Regulating of the Activity of Credit Institutions

**Article 64.** The maximum amount of great credit risks shall be established as a percentage ratio of the aggregate value of the great risks and the internal funds of a credit organization.

A great credit risks shall be deemed to be the volume of the credits, guarantees and warranties in favour of one client at the rate of over 5 per cent of the internal funds of a credit organization.

[Federal Law No. 65-FZ of April 26, 1995](#) established that for the credit organizations operating on the day of the coming into force of this Law paragraph three of Article 64 shall be put into force on January 1, 2000

The maximum amount of great credit risks may not exceed 25 per cent of the internal funds of a credit organization.

The Bank of Russia shall have the right to keep a register of great credit risks of the credit organizations.

**Article 65.** The maximum amount of the risk per one creditor (depositor) of a credit organization shall be established as a percentage ration of the value of the deposit or the received credit, the received guarantees and warranties, the remainders on the accounts of one or related creditors (depositors) and the internal funds of a credit organization.

**Article 66.** The norms of the liquidity of a credit organization shall be determined as: the ratio between its assets and liabilities, taking into account the periods, sums and types of assets and liabilities and other factors;  
the ratio of its liquid assets (cash resources, on-call orders, short-term securities, and any other easily cashable assets) and gross assets.

Concerning the norms of the liquidity of a credit organizations see the [Instruction](#) of the Central Bank of Russia No. 1 of April 30, 1991

**Article 67.** The norms of the sufficiency of the capital shall be determined as the limit ratio

of the total sum of the internal funds of a credit organization and the sum of its assets weighted by the risk level.

Concerning sufficiency standards of the capital see the [Instruction](#) of the Central Bank of Russia No. 1 of April 30, 1991

**Article 68.** The maximum amount of the attracted monetary deposits of citizens shall be determined as the limit ratio of the total sum of the monetary deposits of citizens and the value of the internal funds (stock capital) of a bank.

**Article 69.** The norms of the use of the internal funds of a credit organization for acquiring the shares of other juridical persons shall be established in the form of a percentage ratio of the amounts of the invested and internal funds of a credit organization.

[Federal Law](#) No. 65-FZ of April 26, 1995 established that for the credit organizations operating on the day of the coming into force of this Law paragraph two of Article 69 shall be put into force on January 1, 2000

The amount of the norm of the use of the internal funds for acquiring the shares may not exceed 25 per cent of the internal funds of a credit organization.

[Order](#) of the Central Bank of Russia No. 02-171 of May 22, 1996 put into effect as of July 1, 1996 the following documents

[Instruction](#) of the Central Bank of Russia No. 41 of May 22, 1996 on Setting Up the Limits of an Open Currency Position and Control of Its Observance by Authorized Banks of the Russian Federation,

[Instructions](#) of the Central Bank of Russia No. 42 of May 22, 1996 on the Procedure of Reporting on the Conversion Operations of the Authorized Banks of the Russian Federation Acting as Lending Interbank Foreign Currency Market-Makers

**Article 70.** The Bank of Russia shall regulate the amounts and the procedure for the accounting of an open position of the credit organizations on the currency, percentage and other financial risks.

On the Establishment of Limits on the Open Currency Position and Control over Their Observance by the Authorized Banks of the Russian Federation see [Instructions](#) of the Central Bank of the Russian Federation No. 41 of May 22, 1996

On the procedure for credit organizations' keeping transaction position under conversion transactions against Russian Roubles see [Direction](#) of the Central Bank of Russia No. 357-U of September 23, 1998

**Article 71.** The Bank of Russia shall determine the procedure for the formation and the amount of the pretax reserves (funds) of the credit organizations for the possible losses on the loans, for covering the currency, percentage and any other financial risks, and for insuring the deposits of citizens in accordance with the federal laws.

On the procedure for the formation and use of the reserve fund of a credit organization see [Regulations](#) of the Central Bank of Russia No. 9-P of December 23, 1997, [Instructions](#) of the Central Bank of Russia No. 62a of June 30, 1997, [Direction](#) of the Central Bank of Russia No. 606-U of July 13, 1999

**Article 72.** The maximum amount of the credits, guarantees and warranties given by a bank to its participants (shareholders) shall be determined in percentage terms from the internal funds of the bank.

Federal Law No. 65-FZ of April 26, 1995 established that for the credit organizations operating on the day of the coming into force of this Law paragraph two of Article 72 shall be put into force on January 1, 1996

The above norm may not exceed 20 per cent.

**Article 73.** The Bank of Russia shall establish the procedures for determining the internal funds, the assets, liabilities and the risk amounts on the assets for each of the norms, taking into account the international standards and consultations with banks, banking associations and unions.

The Bank of Russia shall have the right to establish differentiated norms and procedures for their calculation according to the types of banks and other credit organizations.

The Bank of Russia shall officially announce the forthcoming change of the norms and the procedures for their calculation not later than a month before their putting into force.

**Article 74.** To perform its functions in the field of the banking supervision and regulation, the Bank of Russia shall carry out checks of the credit organizations and their branches, shall send them orders, obligatory for execution, on the elimination of the violations revealed in their activity, and shall apply the sanctions, stipulated by the present Federal Law, with respect to the violators.

The checks may be conducted by representatives of the Bank of Russia authorized thereto by the Board of Directors, and on its instructions, by auditing firms.

The representatives of the Bank of Russia authorized by the Board of Directors shall have the right to receive and check the accounts and other documents of the credit organizations and, where necessary, to make copies of the relevant documents.

The procedure for conducting the checks of the credit organizations, including the determination of the duties of the credit organizations in assisting in the conduct of the checks, shall be determined by the Board of Directors.

Concerning the procedure for conducting inspections of credit organizations and their branches see [Instructions](#) of the Central Bank of the Russian Federation No. 34 of February 23, 1996

Federal Law No. 151-FZ of July 31, 1998 amended Article 75 of this Federal Law [See the previous text of the Article](#)

**Article 75.** In the case of the violation by a credit organization of the federal laws, the normative acts and directions of the Bank of Russia, or the nonsubmission of information, or submission of incomplete or untrue information, the Bank of Russia shall have the right to demand from the credit organization the elimination of the revealed violations, to exact a fine at the rate of up to one tenth of one per cent of the amount of the minimum authorized capital, or to restrict the conduct of certain operations for a period of up to six months.

On the procedure for the exaction of fines for the violation by credit organizations of the obligatory economic norms see [Instructions](#) of the Central Bank of Russia No. 59 of March 31, 1997

In case of nonfulfilment, within the period established by the Bank of Russia, of the directions to eliminate the violations, and also if such violations or the operations conducted by the credit organization have created a real threat to the interests of the creditors (depositors), the Bank of Russia shall have the right:

1) to exact from the credit organization a fine of up to one per cent of the amount of the paid authorized capital, but not more than one per cent of the minimum amount of the authorized capital;

[Telegram](#) of the Central Bank of Russia No. 87-95 of July 13, 1995 informed that for calculating the maximum amount of a fine which may be collected from a credit organization by way of [Article 75](#) of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), there shall be applied the rate of the minimum authorized capital

Concerning the change of the minimum amount of the authorized capital of a bank see the [reference](#)

2) to demand from the credit organization:

a) to carry out the arrangements for the financial improvement of the credit organization, including to change the structure of the assets;

b) to change the heads of the credit organization;

c) to reorganize the credit organization;

3) to change for the credit organization the obligatory norms for a period of up to six months;

4) to prohibit the conduct by the credit organization of certain banking operations stipulated by the issued license for a period of up to one year;

5) to appoint a temporary management for the purpose of managing the credit organization for a term of up to six months. The procedure for the appointment and activities of the temporary management shall be established by federal laws and the regulatory acts of the Bank of Russia issued pursuant thereto.

At present the activity of the temporary management is regulated by [Federal Law No. 40-FZ of February 25, 1999 Regulations](#) of the Central Bank of Russia No. 76-P of May 14, 1999

The Bank of Russia is entitled to revoke a credit organization's license for the pursuance of banking transactions on the grounds provided in the Federal Law on Banks and Banking Activities. A procedure for the revocation of the license for the pursuance of banking activities shall be established by the regulatory acts of the Bank of Russia.

**Article 76.** The Bank of Russia shall carry out the analysis of the activity of the credit organizations with a view to revealing the situations threatening the legitimate interests of the creditors (depositors) and the stability of the banking system as a whole.

Where such situations arise, the Bank of Russia shall have the right to take the measures stipulated by [Article 75](#) of the present Federal Law, and also, by decision of the Board of Directors, to carry out the arrangements for the financial improvement of the credit organizations.

[Federal Law No. 151-FZ of July 31, 1998](#) supplemented this Federal Law with [Article 76.1](#)

**Article 76.1.** For the purposes of protecting the interests of creditors (including depositors) the Bank of Russia is entitled to appoint an authorized representative of the Bank of Russia to a credit organization whose license for the pursuance of banking transactions has been revoked. The procedure for the activities of the authorized representative of the Bank of Russia shall be



established by federal laws and the regulatory acts of the Bank of Russia issued pursuant thereto.

See [Regulations](#) of the Central Bank of the Russian Federation No. 73-P of March 29, 1999 on Authorized Representatives of the Central Bank of the Russian Federation (the Bank of Russia) at Credit Institutions

Within the period of the activities of the authorized representative of the Bank of Russia the credit organization shall be entitled to implement deals its is permitted to implement under federal laws only on the approval of the authorized representative of the Bank of Russia in accordance with the procedure established by the [Federal Law](#) on Banks and Banking Activities.

The activities of the authorized representative of the Bank of Russia shall be terminated at the moment when liquidation commission (liquidator) is set up or arbitration trustee is appointed by the arbitration court.

## Chapter XI. Relations with the Credit Organizations

[Article 77](#). The Bank of Russia shall cooperate with the credit organizations, their associations and unions, shall carry out consultations therewith before adopting the most important decisions of the normative nature, shall furnish the necessary interpretations and shall consider the proposals for regulating the banking activity.

[Article 78](#). With a view to cooperating with the credit organizations, the Bank of Russia shall have the right to create, with the attraction of the representatives of the credit organizations, committees and working groups, operating on a voluntary basis, for the research of certain problems of banking.

[Article 79](#). The Bank of Russia shall not bear responsibility for the obligations of the credit organizations, with the exception of the cases when the Bank of Russia assumes such obligations, and the credit organizations shall not bear responsibility for the obligations of the Bank of Russia, with the exception of the cases when the credit organizations assume such obligations.

## Chapter XII. The Organization of the Clearing Settlements

[Article 80](#). The Bank of Russia shall be a body coordinating, regulating and licensing the organization of the settlement, including the clearing, systems in the Russian Federation.

The Bank of Russia shall establish the rules, forms, periods and standards for carrying out the clearing.

On performance of non-cash settlements with credit institutions in the Russian Federation see [Regulations](#) of the Central Bank of Russia No. 5-p of November 25, 1997 and also the [Regulations](#) on the Clearing Settlements in the Russian Federation were given by Letter of the Central Bank of Russia No. 14 of July 9, 1992

[Federal Law](#) No. 65-FZ of April 26, 1995 established that paragraph three of Article 80 of this Law shall be put into force on the [day of its publication](#)

The total period of the clearing settlements must not exceed two operational days within the limits of an entity of the Russian Federation, and five operational days within the limits of the Russian Federation.

[Article 81](#). The Bank of Russia shall carry out the interbank settlements through its institutions.

See the [Regulations](#) for the Organization of Bank Settlements on the Territory of the Russian Federation of July 9, 1992

[Federal Law](#) No. 65-FZ of April 26, 1995 established that Article 82 of this Law shall be put into force as from July 1, 1996

**Article 82.** Foreign currency as a medium of payment when carrying out the clearing settlements for goods and service, may be used only in the cases established by the federal laws.

### Chapter XIII. The Principles of the Organization of the Bank of Russia

**Article 83.** The Bank of Russia shall form a single centralized system with a vertical structure of management.

[Federal Law](#) No. 214-FZ of December 27, 1995 amended the second part of Article 83 of this Law

The amendments come in force on the [date on the official publication see the previous text of the second part](#)

The system of the Bank of Russia shall comprise the central office, the territorial institutions, cash centres, computer centres, field institutions, educational institutions, and other enterprises, institutions and organizations, including the security units and the Russian Collection Association necessary for carrying out the activity of the Bank of Russia.

The National Banks of the Republics shall be territorial institutions of the Bank of Russia.

**Article 84.** The territorial institutions of the Bank of Russia shall not have the status of a juridical person and shall not have the right to adopt decisions having a normative nature, nor to issue guarantees and warranties, bills and other obligations without the permission of the Board of Directors.

The tasks and functions of the territorial institutions of the Bank of Russia shall be determined by the Regulations on the Territorial Institutions of the Bank of Russia, approved by the Board of Directors.

**Article 85.** By decision of the Board of Directors, territorial institutions of the Bank of Russia may be created in economic regions integrating the territories of several entities of the Russian Federation.

**Article 86.** The field institutions of the Bank of Russia shall be military institutions, and they shall be governed in their activity by the military service regulations, and also by the Regulations on the Field Institutions of the Bank of Russia, approved by a joint decision of the Bank of Russia and the Ministry of Defence of the Russian Federation.

The field institutions shall be designated for the banking servicing of the military units, institutions and organizations of the Ministry of Defence of the Russian Federation, and also other State bodies and juridical persons ensuring the security of the Russian Federation, and of the natural persons residing in the territory of the objects served by the field institutions in those cases where the creation and functioning of territorial institutions of the Bank of Russia is impossible.

**Article 87.** The Bank of Russia may be liquidated only on the basis of the adoption of a relevant federal law.

The law on the liquidation of the Central Bank of Russia shall also determine the procedure for the utilization of its property.

### Chapter XIV. The Employees of the Bank of Russia

**Article 88.** The conditions of hire, dismissal and remuneration of labour, the official duties and rights, and the system of the disciplinary penalties for the employees of the Bank of Russia shall be determined by the Board of Directors in conformity with the federal laws.

**Article 89.** The Board of Directors shall create a pension fund for the provision of additional pensions to the employees of the Bank of Russia, and shall also organize the life insurance and the medical insurance of the employees.

**Article 90.** The employees of the Bank of Russia, according to the list of offices approved by the Board of Directors:

shall not have the right to hold more than one office, nor to work on the basis of a contract agreement (with the exception of a teaching and research activity);

shall not have the right to hold offices in credit and other organizations;

shall be obliged to notify the Board of Directors in written form within ten days if they acquire shares of credit organizations.

**Article 91.** The employees of the Bank of Russia holding posts whose list has been approved by the Board of Directors may obtain credits for personal needs only in the Bank of Russia.

**Article 92.** The employees of the Bank of Russia shall not have the right to disclose official information about the activity of the Bank of Russia without the consent of the Board of Directors.

## Chapter XV. The Audit of the Bank of Russia

**Article 93.** The State Duma, not later than November 1 of the accounting year, shall take a decision to audit the Bank of Russia and shall determine the auditing firm having the experience of work of at least 10 years for checking the annual account of the Bank of Russia and submitting an audit report.

**Article 94.** The Bank of Russia shall be obliged, in accordance with the agreement concluded with the auditing firm, submit the accounts and information necessary for carrying out the auditing check.

The audit agreement must stipulate the volume of the information to be transferred to the auditing firm, and also the letter's responsibility for the transfer of the received information to third persons.

The payment of the services of an auditing firm for the audit of the Bank of Russia shall be carried out at the expense of the internal funds of the Bank of Russia.

**Article 95.** The internal audit of the Bank of Russia shall be carried out by the Service of the Chief Auditor subordinated directly to the Chairman of the Bank of Russia.

See [Regulations on Organizing the Internal Audit in the Central Bank of the Russian Federation](#) approved by [Order](#) of the Central Bank of the Russian Federation No. 02-140 of March 31, 1997