

# NATIONAL BANK OF BELGIUM

## I. Organic Law

## II. Statutes

## III. Monetary Legislation (APRIL 1993)

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### I. ORGANIC LAW

Act of 24th August 1939 on the National Bank of Belgium

**Unofficial co-ordination of the Royal Decree n<sup>o</sup> 29 of 24th August 1939 concerning the activity, organization and powers of the National Bank of Belgium, enacted in execution of the law of 1st May 1939 (art. 1, lh), confirmed and amended by the law of 16th June 1947, amended by the laws of 28th July 1948, 12th April 1957 and 19th June 1959, by Royal Decree No. 42 of 4th October 1967 enacted in execution of the law of 31st March 1967 (art. 1, 4<sup>i</sup>, c, and 6<sup>i</sup>) and by the laws of 9th June 1969, 11th April 1975, 23rd December 1988, 2nd January 1991, 17th June 1991 and 22nd March 1993.**

(Unofficial translation)

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#### I.

**Art. 1.** - - The National Bank of Belgium, in Dutch "*Nationale Bank van Belgie*", in French "*Banque Nationale de Belgique*", in German "*Belgische National bank*", established by the Law of 5 May 1850, shall be governed by the provisions stated below, its Statutes and, additionally, by the relevant provisions relating to public limited companies [societes anonymes - naamloze vennootschappen].

**Art. 2.** - The registered office of the National Bank of Belgium shall be in Brussels.

The Bank shall establish branches or agencies in the places in the territory of the Belgian-Luxembourg Economic Union where they are considered necessary in agreement with the Government concerned.

**Art. 3.** - [Repealed]

**Art. 4.** - No bank of issue may be established except by law.

**Art. 5.** - The Bank's capital shall be four hundred million francs divided into four hundred thousand registered or bearer shares of one thousand francs each.

Two hundred thousand of these shares shall be subscribed by the State at par for the face value; they shall be registered and nontransferable.

**Art. 6.** - The reserve fund is intended for:

- 1) the compensation of losses in capital stock;
- 2) supplementing any shortfall in the annual profit up to a dividend of six per cent of the capital.

Upon expiration of the Bank's right of issue, the State shall have a priority claim to one fifth of the reserve fund. The remaining four fifths shall be distributed among all the shareholders.

**Art. 7.** - The Bank shall issue notes intended to circulate as means of payment.

**Art. 8.** - The design and the text of the notes to be issued shall be submitted by the Bank for the approval of the Minister of Finance. Lack of approval cannot be invoked by or against third parties.

The text shall be worded in French and Dutch. It shall also contain statements in German.

**Art. 9.** - Whenever a type of bank note is replaced or withdrawn, the Bank shall pay to the Treasury, on expiration of the period fixed in each case by special agreement, the value of the notes of that type which have not been presented for replacement.

Notes whose value has been paid to the Treasury shall be deducted from the amount of currency in circulation; any of these notes which are presented later at the Bank's counters shall be replaced for the account of the Treasury.

**Art. 10.** - [Repealed]

**Art. 11.** - The Bank may, with due regard to the liquidity and security of its holdings :

- 1) acquire and dispose of:
  - a) commercial bills issued for the purpose of financing the supply of goods or services;
  - b) loan instruments listed on a stock exchange or traded in money or capital markets;
- 2) make current account advances and short-term loans, guaranteed by the pledging of commercial bills or loan instruments, as mentioned under 1 j, or of gold;

- 3) receive deposits of sums and establish such deposits with credit institutions and the Rediscount and Guarantee Institute;
- 4) issue and redeem its own short-Term loan instruments;
- 5) accept deposits of securities and precious metals, undertake the redemption of securities and act on behalf of others in transactions in securities, other financial instruments and precious metals;
- 6) carry out transactions in interest-rate instruments;
- 7) carry out transactions in foreign currencies or gold;
- 8) carry out transactions with a view to the investment and financial management of its holdings of foreign currencies and of other external reserve elements;
- 9) obtain credit from foreign sources and provide guarantees for that purpose;
- 10) carry out transactions relating to European or international monetary co-operation.

**Art. 12.** - The Bank may carry out all transactions and render all services which are ancillary to or follow from its functions.

The Bank may also acquire such real estate as is strictly necessary for the conduct of its business or the well-being of its staff.

**Art. 13.** - The granting by the Bank of overdraft facilities or any other type of credit facility in favor of institutions or bodies of the European Community, central governments, regional, local or other public authorities, other bodies governed by public law or public undertakings of Member States of the European Communities shall be prohibited, as shall the purchase directly from them by the Bank of debt instruments.

Paragraph 1 shall not apply to publicly-owned credit institutions, which, in the context of the supply of reserves by the central bank, shall be given the same treatment by the Bank as private credit institutions.

The Bank shall be entrusted, to the exclusion of all other Belgian or foreign bodies, with the conversion into francs of foreign currencies borrowed by the Government. The Bank shall be informed of all plans for government foreign currency loans. At the request of the Bank, the Minister of Finance and the Bank shall consult with each other whenever the latter considers these loans to be liable to detract from the effectiveness of monetary or foreign exchange policy. The terms and conditions of this giving of information and this consultation shall be laid down in an agreement to be concluded between the Ministry of Finance and the Bank.

**Art. 14.** - The Bank may acquire, up to an amount corresponding to its capital, reserves and depreciation accounts, commercial bills and loan instruments as referred to in Article 11, 1<sup>o</sup>, and subject to authorisation by the Minister of Finance, securities representing the capital of financial institutions governed by special legal provisions or placed under the guarantee or supervision of the Government, shares of the Bank for International Settlements and any other securities necessary or useful for carrying out its tasks

**Art 15.** - [Repealed]

**Art 16.** - [Repealed]

**Art 17.** - The Bank shall act as Government Cashier subject to the conditions determined by law. Subject to the conditions determined by the Minister of Finance, it can be charged with operations involving the issue and conversion of national short-, medium- and long-term public securities

**Art 18.** - The Bank may act, on authorization of the Minister of Finance, as fiscal agent for financial institutions governed by special legal provisions or placed under the guarantee or control of the State; for that purpose agreements shall be concluded with these institutions.

**Art. 19.** - The Bank may carry out all operations designed to facilitate transfers of funds.

**Art. 20.** - The proceeds of the Bank's profit-earning assets and of its financial management operations, less the costs in respect of remunerated liabilities in francs and of the financial management operations, which are in excess of 3 per cent of the difference between the average amount, calculated on an annual basis of these assets and these liabilities shall be assigned to the State.

This provision shall not apply to the bills and securities acquired in representation of the capital reserves and depreciation accounts whose proceeds are at the Bank's free disposal.

The terms and conditions of the application of the provisions contained in this article shall be laid down by agreements to be concluded between the Government and the Bank.

**Art. 20bis.** - Any capital gain realized by the Bank as a result of arbitration transactions of gold assets against other external reserves shall be entered in a special unavailable reserve account. This capital gain shall be exempt from all taxation. However, where certain components of external reserves have been arbitrated against gold, the difference between the purchase price of that gold and the average purchase price of the existing gold stocks shall be deducted from the amount of that special account.

Notwithstanding the provisions of the first paragraph, any capital gain realized after 1st January 1987 as a result of transfers of gold assets, especially for the issuing by the State of collector's or commemorative coins, shall be allocated to the State. However, the total amount of the transfers whose increased value is being allocated in this way may not exceed 2.75 per cent of the weight of the gold which appears in the Bank's assets on the aforementioned date.

The net income of the assets which form the counterpart of the capital gain referred to in the first paragraph shall be allocated to the State.

Components of external reserves acquired as a result of the transactions referred to in the first paragraph shall be covered by the State guarantee specified in Article 6(7) of Decree-Law No 5 of 1st May 1944.

The rules relating to the application of the provisions contained in the preceding paragraphs shall be laid down by agreements to be concluded between the State and the Bank.

If the Bank is wound up, the balance of the special unavailable reserve account referred to in the first paragraph shall be allocated to the State.

**Art. 21.** - The annual profit shall be distributed as follows:

1) A first dividend of six per cent to the shareholders; 2) Of the remainder:

- a) ten per cent to reserves;
- b) eight per cent to the staff or to institutions in its favour;

3) From the surplus, the following allocations are to be made:

- a) one fifth to the State;
- b) an amount to the shareholders making it possible to grant them a second dividend to be determined by the Council of Regency;
- c) the balance to reserve

**Art. 22.** - The Bank shall be directed by a Governor and administered by a Board of Directors assisted by a Council of Regency. It shall be supervised by a Board of Censors. There shall be, in addition, a General Council.

There may also be, at the head office, a Discount Committee, the composition and role of which shall be determined by the statutes.

**Art. 23.** - The Board of Directors shall be presided over by the Governor and shall include, in addition to him, at least three and not more than six directors, one of whom is designated by the King to replace the Governor in case the latter is unable to attend. He bears the title of Vice-Governor.

The powers of the Board of Directors shall be set forth in the By-Laws.

The Council of Regency shall be composed of the Governor, the directors and ten regents.

The Council of Regency shall deliberate on questions within its purview under the present Decree or the statutes and on general questions pertaining to the Bank, money, credit and the economic development of the country.

The Board of Censors shall be composed of eight to ten members.

The Governor, the directors, the regents and the censors form the General Council. This Council shall deliberate on questions within its purview under the present Decree and the statutes.

**Art. 24.** -The Governor shall be appointed by the King for a five years' term.

The directors shall be appointed by the King for a six years' term, on the proposal of the Council of Regency.

The regents and censors shall be elected for a three years' term by the General Meeting of Shareholders.

Five regents shall be proposed by the Minister of Finance.

Two regents shall be chosen on the proposal of the most representative labour organizations.

Three regents shall be chosen on the proposal of the most representative industry, commerce and agriculture organizations.

The methods of proposing candidates shall be determined by a Royal Decree deliberated in Council of Ministers.

The censors shall be chosen from among persons especially qualified in the field of financial supervision.

Regents and censors shall not be required to provide statutory bond.

The terms of the Governor, directors, regents and censors may be renewed.

**Art. 25.** - The Governor, the Vice-Governor and the directors shall receive remuneration fixed by the General Council, without profit sharing The regents shall receive attendance fees and, if appropriate, a travel allowance; the censors shall receive an allowance. The amount of these remunerations shall be fixed by the General Council.

**Art. 26.** - Members of the Legislative Chambers, the European Parliament, the Councils of the Communities and Regions, persons who hold the position of minister or state secretary or of member of an Executive Body of the Community or Region and members of the staff of a member of the Government or of an Executive Body of a Community or Region may not hold the office of governor, vice-governor, director, regent or censor The last-mentioned functions shall automatically cease when their holder takes the oath of office for the exercise of the above mentioned offices or performs such functions.

**Art.27.-** (S)1 The governor, the vice-governor and the directors may not exercise any function in a commercial company or a company which is commercial in form nor in any public body which has an industrial, commercial or financial activity. Subject to the approval of the Minister of Finance, they may however exercise functions in:

- 1) international financial institutions established under agreements to which Belgium is a party;
- 2) financial bodies which are governed by special legal provisions;
- 3) the National "Delcredere" Office.

The institutions referred to in the first paragraph, 2), may not be credit institutions, insurance undertakings, or holding or portfolio companies.

The prohibitions referred to in the first paragraph shall subsist for one year after the governor, vice-governor or directors have resigned their office.

S2. Regents may not perform the functions of managing director, director or manager in a credit institution.

**Art. 28.** - The order in which directors, regents and censors are to leave office shall be determined in the statutes.

The terms of regents and censors shall expire when they reach the age of sixty-seven years.

However, subject to authorization by the Minister of Finance, they may complete their current term.

In no case regents and censors may remain in office beyond the age of seventy.

**Art. 29.** - The Minister of Finance shall have the right to control all the Bank's operations. He may oppose the execution of any measure which would be contrary to the law, the statutes or the interests of the State. This control shall be entrusted to a Government Commissioner.

**Art. 30.** - The Government Commissioner shall be appointed by the King . He shall supervise all the Bank's operations. He shall suspend, and report to the Minister of Finance, any decision that would be contrary to the laws, the statutes or the State's interests.

If the Minister of Finance has not given any instructions within eight days of the act of suspension, the decision may be put into effect.

The Government Commissioner shall report annually to the Minister of Finance on his work.

The salary of the Government Commissioner shall be fixed by the Minister of Finance in agreement with the Bank's management. It shall be paid by the Bank, as well as the fees of any technicians appointed as experts to assist the Commissioner.

**Art. 30bis.** - By derogation from Articles 29 and 30, the Minister of Finance and the Government Commissioner may not oppose the execution of decisions taken or transactions carried out by the Bank in accordance with the provisions of the law and the statutes, concerning:

- 1 the definition and implementation of the monetary policy of the country;
- 2 the conduct of foreign exchange operations consistent with the exchange arrangements applicable to the franc;
3. the holding and management of the official foreign reserves;
4. the promotion of the smooth operation of payment systems.

**Art. 31.** - Every week, the Governor shall send to the Minister of Finance a comparative statement of the Bank's position for the current week and the preceding week.

This statement, the form of which shall be subject to approval by the Minister of Finance, shall be published in the *Moniteur belge*.

The balance sheet, the profit and loss account and the statement of distribution of profits, prepared as of December 31 of each year, shall be published in the same way.

**Art. 32.** - The National Bank and its branches, agencies and offices shall comply with the statutory provisions on the use of languages in administrative matters.

**Art.33.** - Members of the executive, managing and supervisory bodies of the Bank and members of its staff may not, except when called upon to give evidence in court in a criminal case, divulge:

- 1) to any person or authority whatsoever not qualified to take cognisance thereof, the confidential information which has to be communicated to the Bank by virtue of legal provisions or regulations, or similar information received from foreign authorities;

2) to any person or authority whatsoever, the confidential information which is communicated to the Bank by virtue of Article 99, S2 of the law of 22nd March 1993 concerning the status and supervision of credit institutions or similar information received from foreign authorities.

The first paragraph shall be without prejudice to the communication of such information to other central banks or monetary institutions when this communication is necessary to them as monetary authorities and in so far as the recipients of the information are bound by an equivalent professional secrecy.

Contraventions of this Article shall be punished by the penalties laid down by Article 458 of the Penal Code.

The provisions of Book 1 of the Penal Code, not excluding Chapter VII and Article 85, shall be applicable to contraventions of this Article.

**Art. 34.** - [Repealed]

**Art. 35.** - The General Council shall amend the Bank's statutes to bring them into line with this law and the international obligations which are binding upon Belgium.

Other amendments to the statutes shall be adopted on the proposal of the General Council, by three quarters of the votes attached to all the shares present or represented at the general meeting of shareholders.

The amendments to the statutes referred to in paragraphs 1 and 2 shall be subject to approval by the King.

**Art. 36.** -The present Decree shall come into force on the day of its publication.

**Art. 37.** - [Repealed]

## II.

**Art. 38.** - The following shall be published quarterly:

1 ) A statement by the Treasury of short-, medium- and long-term debt as of 31 st March, 30th June, 30th September and 31 st December;

2) A statement by the Bank of its holdings of short-, medium- and long term public securities as of the same dates.

These statements shall be published for the first time as of 31 st December 1939.

## III.

**Art. 39.** - Our Minister of Finance is charged with the execution of the present Decree.

II. STATUTES  
Statutes of the National Bank of Belgium, 1939  
(Unofficial translation)  
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## CHAPTER I CONSTITUTION

**Article 1.** - The National Bank of Belgium, in Dutch "Nationale Bank van België", in French "Banque Nationale de Belgique", in German "Belgische National bank", established by the law of 5th May 1850, shall be governed by the Act of 24th August 1939 on the National Bank of Belgium, by its Statutes, and, additionally, by the provisions relating to public limited companies (societes anonymes - naamloze vennootschappen).

It has its head office in Brussels, boulevard de Berlaimont No. 5.

**Art. 2.** - The Bank shall establish branches or agencies in the places in the territory of the Belgian-Luxembourg Economic Union where they are considered necessary in agreement with the Government concerned.

**Art. 3.** - [Repealed]

**Art. 4.** - [Repealed]

**Art. 5.** - The Bank shall be dissolved automatically if the losses shown on its balance sheet exceed one half of the capital stock.

In any other case, dissolution may take place only subject to the Government's consent and to a decision of a three fourths' majority of the shareholders assembled at a General Meeting and possessing at least one half of the shares.

In case of dissolution, the meeting shall appoint liquidators and shall determine their powers, as well as the method of procedure, in conformity with the general law.

## CHAPTER II CAPITAL AND RESERVE

**Art.6.**-The subscribed share capital is four hundred million francs, divided into four hundred thousand shares of one thousand francs each, of which two hundred thousand, registered and nontransferable, are subscribed by the Belgian State and two hundred thousand are registered or bearer shares. The share capital is fully paid up.

The signatures may be affixed to the shares by means of a stamp.

**Art. 7.** - Each share shall provide the right to a proportional and equal part in the ownership of the Bank's assets and in the distribution of its profits.

**Art. 8.** - The rights and obligations attached to a share shall follow the title of ownership, into whatever hands it may pass.

The share shall be indivisible vis-a-vis the Bank, which shall recognize only one owner for each share.

If more than one party has an interest in a share, the Bank may suspend the exercise of the rights pertaining to such share until a sole person has been designated as owner for its purposes.

**Art. 9.** - Possession of a share shall imply acceptance of the Bank's statutes and of the decisions regularly taken by the General Meeting.

**Art. 10.** - Shareholders, their heirs or their creditors may not cause seals to be affixed to assets and securities of the Bank, nor request apportionment or sale by auction, nor interfere in the administration of the Bank.

They must, for the exercise of their rights, comply with the Bank's schedule of assets and to the decisions of the General Meeting.

**Art. 11.** - Shares, with the exception of those belonging to the State, may at the owner's will be converted to registered or bearer shares without expense.

**Art. 12.** - Ownership of a registered share shall be determined by the entry in the Bank's registers.

The registered shareholder shall receive a certificate which does not constitute a transferable title.

**Art. 13.** - Shareholders shall be liable for losses only to the extent of their interest in the Bank.

**Art. 14.** - There shall be a reserve fund intended for:

- 1) The compensation of losses in capital stock;
- 2) Supplementing any shortfall in the annual profit up to a dividend of six per cent of the nominal capital.

Upon expiration of the Bank's right of issue, the State shall have a priority claim to one fifth of the reserve fund. The remaining four fifths shall be distributed among all the shareholders.

**Art. 15.** - The amount retained in order to build up the reserve shall be ten per cent of the net profits exceeding six percent a year.

**Art. 16.** - The use made of the reserve shall be optional.

The proceeds shall be part of the general profits of the Bank.

### CHAPTER III OPERATIONS

**Art. 17.** - The Bank may, with due regard to the liquidity and security of its holdings:

- 1) acquire and dispose of:
  - a) commercial bills issued for the purpose of financing the supply of goods or services;
  - b) loan instruments listed on a stock exchange or traded in money or capital markets;
- 2) make current account advances and short-term loans, guaranteed by the pledging of commercial bills or loan instruments, as mentioned under 1), or of gold;
- 3) receive deposits of sums and establish such deposits with credit institutions and the Rediscount and Guarantee Institute; 40 issue and redeem its own short-term loan instruments;

- 5) accept deposits of securities and precious metals, undertake the redemption of securities and act on behalf of others in transactions in securities, other financial instruments and precious metals;
- 6) carry out transactions in interest-rate instruments;
- 7) carry out transactions in foreign currencies or gold;
- 8) carry out transactions with a view to the investment and financial management of its holdings of foreign currencies and of other external reserve elements;
- 9) obtain credit from foreign sources and provide guarantees for that purpose;
- 10) carry out transactions relating to European or international monetary co-operation.

**Art. 18.** - The Bank may carry out all transactions and render all services which are ancillary to or follow from its functions.

The Bank may also acquire such real estate as is strictly necessary for the conduct of its business or the well-being of its staff.

**Art. 19.** - [Repealed]

**Art. 20.** - The granting by the Bank of overdraft facilities or any other type of credit facility in favour of institutions or bodies of the European Community, central governments, regional, local or other public authorities, other bodies governed by public law or public undertakings of Member States of the European Communities shall be prohibited, as shall the purchase directly from them by the Bank of debt instruments.

Paragraph 1 shall not apply to publicly-owned credit institutions, which, in the context of the supply of reserves by the central bank, shall be given the same treatment by the Bank as private credit institutions.

The Bank shall be entrusted, to the exclusion of all other Belgian or foreign bodies, with the conversion into francs of foreign currencies borrowed by the Government. The Bank shall be informed of all plans for government foreign currency loans. At the request of the Bank, the Minister of Finance and the Bank shall consult with each other whenever the latter considers these loans to be liable to detract from the effectiveness of monetary or foreign exchange policy. The terms and conditions of this giving of information and this consultation shall be laid down in an agreement to be concluded between the Ministry of Finance and the Bank.

**Art. 21.** - The Bank may acquire, up to an amount corresponding to its capital, reserves and depreciation accounts, commercial bills and loan instruments as referred to in Article 17, 1), and, subject to authorisation by the Minister of Finance, securities representing the capital of financial institutions governed by special legal provisions or placed under the guarantee or supervision of the Government, shares of the Bank for International Settlements and any other securities necessary or useful for carrying out its tasks.

**Art 22.** - [Repealed].

**Art. 23.** - [Repealed].

**Art.24.-**The Bank shall issue notes intended to circulate as means of payment.

The notes shall bear the facsimile signature of the Governor and of the Treasurer.

**Art. 25. -** The design and the text of the notes to be issued shall be submitted by the Bank for the approval of the Minister of Finance.

Lack of approval cannot be invoked by or against third parties.

The text shall be worded in French and Dutch. It shall also contain statements in German.

**Art. 26. -** [Repealed]

**Art. 27 -** [Repealed]

**Art. 28. -** Whenever a type of bank note is replaced or withdrawn, the Bank shall pay to the Treasury, on expiration of the period fixed in each case by special agreement, the value of the notes of that type which have not been presented for replacement.

**Art. 29. -** Notes whose value has been paid to the Treasury shall be deducted from the amount of currency in circulation; any of these notes which are presented later at the Bank's counters shall be replaced for the account of the Treasury.

The amount will be reclaimed from the Treasury at the end of every six months.

**Art. 30. -** [Repealed]

**Art.31.-**The Bank may carry out all operations designed to facilitate transfers of funds.

**Art. 32. -** The Bank shall act as Government Cashier subject to the conditions determined by law.

Subject to the conditions determined by the Minister of Finance, it can be charged with operations involving the issue and conversion of - national short-, medium- and long-term public securities.

**Art. 33. -** The Bank may act, on authorization of the Minister of Finance, as fiscal agent for financial institutions governed by special legal provisions or placed under the guarantee or control of the State; for that purpose agreements shall be concluded with these institutions.

**Art. 34. -** The Bank may accept, by way of security, mortgage or assignment, real estate and other assets to cover its questionable or unpaid debts.

This real estate and other assets must be disposed of within a period of two years unless the Minister of Finance grants a longer term.

#### CHAPTER IV BALANCE SHEET AND DISTRIBUTION OF PROFITS

**Art. 35. -** The balance sheet shall be drawn up as of December 31 of each year. It shall be prepared by the Board of Directors, drawn up by the Council of Regency and submitted by the latter within the next twenty days to the Board of Censors, which shall have twenty days to examine it.

Approval of the balance sheet by the Board of Censors, by a majority of at least six votes, shall relieve the administration of responsibility; if approval is denied, the General Meeting shall decide.

**Art. 36.** - Administrative expenses, social insurance charges and payments of all kinds, as well as depreciation, shall be deducted from the gross profit before the balance sheet is drawn up, or in the balance sheet.

**Art. 37.** - The proceeds of the Bank's profit-earning assets and of its financial management operations, less the costs in respect of remunerated liabilities in francs and of the financial management operations, which are in excess of 3 per cent of the difference between the average amount, calculated on an annual basis, of these assets and these liabilities shall be assigned to the State.

This provision shall not apply to the bills and securities acquired in representation of the capital, reserves and depreciation accounts whose proceeds are at the Bank's free disposal.

The terms and conditions of the application of the provisions contained in this article shall be laid down by agreements to be concluded between the Government and the Bank.

**Art. 37bis.** - Any capital gain realized by the Bank as a result of arbitration transactions of gold assets against other external reserves shall be entered in a special unavailable reserve account. This capital gain shall be exempt from all taxation. However, where certain components of external reserves have been arbitrated against gold, the difference between the purchase price of that gold and the average purchase price of the existing gold stocks shall be deducted from the amount of that special account.

Notwithstanding the provisions of the first paragraph, any capital gain realized after 1st January 1987 as a result of the transfers of gold assets, especially for the issuing by the State of collector's or commemorative coins, shall be allocated to the State. However, the total amount of the transfers whose increased value is being allocated in this way may not exceed 2.75 per cent of the weight of the gold which appears in the Bank's assets on the aforementioned date.

The net income of the assets which form the counterpart of the capital gain referred to in the first paragraph shall be allocated to the State. Component of external reserves acquired as a result of the transactions referred to in the first paragraph shall be covered by the State guarantee specified in Article 6(7) of Decree-Law No. 5 of 1st May 1944.

The rules relating to the application of the provisions contained in the preceding paragraphs shall be laid down by agreements to be concluded between the State and the Bank.

If the Bank is wound up, the balance of the special unavailable reserve account referred to in the first paragraph shall be allocated to the State.

**Art. 38.** - The net profit determined in the balance sheet shall be distributed as follows:

- 1) A first dividend of six per cent of the nominal capital to the shareholders;
- 2) Of the remainder:
  - a) ten per cent to reserves;
  - b) eight per cent to the staff or to institutions in its favour;

3) From the surplus, the following allocations are to be made:

- a) one fifth to the State;
- b) an amount to the shareholders making it possible to grant them a second dividend to be determined by the Council of Regency;
- c) the balance to reserve.

**Art.39.** - The profit to shareholders for the fiscal year ending 31st December of each year shall be distributed once, on 1st March of the following year.

**Art. 40.** - If the profit to be distributed to shareholders is less than six per cent a year, it shall be supplemented by drawing on the reserve fund.

This drawing shall be returned to the reserve if such return can be made the following year without reducing the profit to be distributed below six per cent.

**Art. 41.** - The balance sheet, the profit and loss account and the statement of distribution of profits shall be published in the *Moniteur belge*.

These documents, as well as the reports of the administration and the censors on the operations during the fiscal year, shall be sent at least five days before the Ordinary General Meeting to the shareholders whose shares are registered in their names or deposited with the Bank.

**Art. 42** - Every week, the Governor shall send to the Minister of Finance a comparative statement of the Bank's position for the current week and the preceding week. This weekly statement, the form of which shall be approved by the Minister of Finance, shall be published in the *Moniteur belge*.

The Bank shall publish a statement of its holdings of short-, medium- and long-term public securities as of 31st March, 30th June, 30th September and 31st December.

## CHAPTER V ADMINISTRATION SECTION I Basic provisions

**Art. 43.** - The Bank shall be directed by a Governor and administered by a Board of Directors assisted by a Council of Regency. It shall be supervised by a Board of Censors.

There shall be, in addition, a General Council.

There may also be, at the Head Office, a Discount Committee, the composition and role of which shall be determined by these statutes and the internal rules.

**Art. 44.** - The Governor shall be appointed and may be dismissed or suspended by the King.

The appointment shall be made for five years; it may be renewed indefinitely for the same term.

A suspension may not exceed three months.

**Art. 45.** - The Governor shall be required to reside in Brussels.

He shall receive a remuneration fixed by the General Council, without sharing in the profits.

The Bank shall provide in addition for his housing and furniture expenses.

**Art. 46.** - The Governor may not, during his term of office, receive a pension paid by the State.

**Art. 47.** - The Board of Directors shall be presided over by the Governor and shall include, in addition to him, at least three and not more than six directors.

**Art.48.**-The directors shall be appointed by the King for a six years' term, on the proposal of the Council of Regency.

The terms of the directors shall be renewable.

They must be Belgian by birth.

They shall receive remuneration fixed by the General Council, without sharing in the profits.

**Art. 49.** - The order in which the directors leave office shall be determined as vacancies occur.

**Art. 50.** - The King shall appoint the director called upon to replace the Governor in case of absence temporary inability to perform his functions or suspension.

This director shall bear the title of Vice-Governor.

He shall receive an annual remuneration fixed by the General Council.

**Art.51.-** S1 The governor, the vice-governor and the directors may not exercise any function in a commercial company or a company which is commercial in form nor in any public body which has an industrial, commercial or financial activity Subject to the approval of the Minister of Finance, they may however exercise functions in:

- 1) international financial institutions established under agreements to which Belgium is a party;
- 2) financial bodies which are governed by special legal provisions;
- 3) the National "Delcredere" Office.

The institutions referred to in the first paragraph, 2), may not be credit institutions, insurance undertakings, or holding or portfolio companies.

The prohibitions referred to in the first paragraph shall subsist for one year after the governor, vice-governor or directors have resigned their office.

S2 Regents may not perform the functions of managing director, director or manager in a credit institution.

**Art.52.** -The Council of Regency shall be composed of the Governor, the directors and ten regents.

**Art. 53.** - The regents shall be elected for a three years' term by the General Meeting of Shareholders.

Five regents shall be proposed by the Minister of Finance.

Two regents shall be chosen on the proposal of the most representative labour organizations.

Three regents shall be chosen on the proposal of the most representative industry, commerce and agriculture organizations.

The methods of proposing candidates shall be determined by a Royal Decree deliberated in Council of Ministers.

The regents shall cease to hold office after the Ordinary General Meeting. They may be re-elected.

They shall leave office each year in groups, one group consisting of four members, the other two of three members. The order in which they leave office shall be determined at the beginning by lot.

A regent elected to replace a deceased or resigning member shall complete the term of the regent whom he replaces.

Regents shall receive attendance fees and, if appropriate, a travel allowance, both fixed by the General Council.

The third paragraph of Article 48 is applicable to regents.

**Art. 54.** - The Board of Censors shall be composed of eight to ten members.

It shall choose its president and its secretary from its own members.

**Art. 55.** - The censors shall be elected by the General Meeting for a three years' term.

They shall be chosen from among persons especially qualified in the field of financial supervision.

The censors shall cease to hold office after the Ordinary General Meeting .They may be re-elected.

They shall leave office every year in groups, one group consisting of two to four members, the other two of three members. The order in which they leave office shall be determined at the beginning by lot.

A censor elected to replace a deceased or resigning member shall complete the term of the censor whom he replaces.

The third paragraph of Article 48 is applicable to censors.

Censors shall receive attendance fees and, if appropriate, a travel allowance, both fixed by the General Council.

**Art. 56.** - The terms of regents and censors shall expire when they reach the age of sixty-seven years.

However, subject to authorization of the Minister of Finance, they may complete their current term.

In no case regents and censors may remain in office beyond the age of seventy.



**Art. 57.** - Members of the Legislative Chambers, the European Parliament, the Councils of the Communities and Regions, persons who hold the position of minister or state secretary or of member of an Executive Body of the Community or Region and members of the staff of a member of the Government or of an Executive Body of a Community or Region may not hold the office of governor, vice-governor, director, regent or censor. The last-mentioned functions shall automatically cease when their holder takes the oath of office for the exercise of the above mentioned offices or performs such functions.

**Art. 58.** - During the month after having taken office, the Governor must furnish evidence of ownership of 50 registered shares and each of the directors of 25 registered shares.

The may not dispose of or pledge these shares before the expiry of their term of office.

**Art. 59.** - The Governor, the directors, the regents and the censors shall not contract any personal obligation by reason of the Bank's liabilities; they shall be responsible only for the performance of their duties.

**Art. 60.** - The Secretary and the Treasurer shall be appointed by the General Council, which may dismiss them.

The internal rules shall define the duties pertaining to their offices.

Their offices may be filled by one of the directors.

## SECTION II . Governor

**Art. 61.** - The Governor shall direct the institution and its staff.

He shall preside over the Board of Directors, the Council of Regency, the General Council and the General Meeting of Shareholders.

He shall cause their decisions to be carried out.

He shall submit to the General Meeting of Shareholders the annual report on operations and the accounts drawn up by the Council of Regency.

He shall see to the observance of the organic law of the Bank, the statutes and the internal rules.

He shall represent the Bank in legal proceedings.

**Art. 62.** - S 1 The Governor suspends and reports to the Government any decision which would be contrary to the laws, the statutes or the interests of the State.

If the Government has not given a ruling within a fortnight of such a report, the decision may be put into effect.

Paragraphs 1 and 2 are not applicable to the decisions taken by the Bank, in accordance with the law and the statutes, on:

1. the definition and implementation of the monetary policy of the country;

2. the conduct of foreign exchange operations consistent with the exchange arrangements applicable to the franc;

3. the holding and management of the official foreign reserves;

4. the promotion of the smooth operation of payment systems.

S2. The Governor may suspend the execution of the decisions referred to in S 1, third paragraph, as well as all the decisions taken by the Council of Regency, in order to submit them to the General Council, which shall be convened urgently for this purpose.

### SECTION III. Board of Directors

**Art. 63.** - The Board of Directors shall manage the Bank. It shall decide on all matters not expressly reserved for the Council of Regency by the law, the statutes or the internal rules.

It shall examine and accept or reject applications for discounts and advances directed to the Bank.

It shall appoint and dismiss employees, fix their salaries and the distribution of the share in the profits allocated to the staff or to institutions in favor of the Staff.

It shall have the right to make settlements and compromises.

In case of emergency, the Board may change the discount rate and the rate for advances, but with the obligation to report the matter to the Council of Regency at its next meeting.

### SECTION IV. Council of Regency

**Art. 64.** - The Council of Regency shall meet at least once a week. During vacation periods, meetings may be spaced differently, the annual number of meetings remaining the same.

The Council shall deliberate upon questions within its competence by virtue of the law or the statutes and upon general questions pertaining to the Bank, currency, credit and the economic development of the country.

It shall fix the rate and terms of discounts, advances and loans.

It shall make proposals for the appointment of agents of the Government Cashier and establish the amount of their surety bond.

It shall approve the report on the Bank's operations to be submitted annually by the Governor to the General Meeting.

It may delegate certain powers to the Board of Directors, by special mandate.

**Art. 65.** - The Council of Regency may not deliberate unless a majority of its members is present.

Decisions shall be taken by a majority of votes.

In case of a tied vote, the presiding officer's vote shall be the deciding one.

**Art. 66.** - Minutes shall be kept of the discussions of the Council of Regency.

In these shall be mentioned the nature of the deliberations, their object and, briefly, the grounds for decisions.

The minutes shall be signed by all the members present and by the Secretary.

#### SECTION V. Board of Censors

**Art. 67.** - The Board of Censors shall have the right to supervise all the operations and to see the books.

It shall examine and, if appropriate, approve the balance sheets; it shall vote the budget of expenditures, all on the proposal of the Council of Regency.

Resolutions of the Council of Regency by which the rate or terms of discount and advances are changed, shall be submitted to the Board of Censors.

**Art. 68.** - The Board of Censors shall meet at least once a month.

It may not take decisions unless a majority of its members is present.

Decisions shall be taken by a majority of votes.

In all cases of tied votes, the General Council shall cast deciding vote.

If the censors present do not constitute a quorum, the General Council shall take a decision if it finds that there is a need for immediate action.

#### SECTION VI. General Council

**Art. 69.** - The Governor, the directors, the regents and the censors shall form the General Council.

**Art. 70.** - The General Council shall meet at least once a month to consider the position of the Bank.

It shall decide on all matters submitted to it under the statutes or the internal rules.

It shall make the final decision on the distribution of profits.

On a proposal from the Council of Regency, it shall lay down the internal regulations, containing the basic rules concerning the operation of directing, managing and supervisory bodies and the organization of the various departments, services, branches and agencies. These regulations shall be communicated to the Minister of Finance.

It shall decide on proposals for the establishment of branches and agencies and on all matters connected with the creation and issuing of banknotes.

It shall fix the individual salaries and pensions of the Governor, the Vice-Governor and each director. These salaries and pensions may not include a share in the profits. No remuneration whatsoever may be added thereto by the Bank, either directly or indirectly.

It shall establish, on the same conditions, the amount of the attendance fees of regents and censors, and their travel allowances if any, as well as the salaries and, if requested, the surety bonds of the Secretary and the Treasurer.

**Art. 71.** - Except as otherwise provided in the last paragraph of Article 68, no decision may be made at the General Council unless a majority of the members of the Council of Regency and the Board of Censors is present.

Decisions shall be taken by an absolute majority.

In case of a tie, the president shall cast the deciding vote.

## SECTION VII. Signing of documents

**Art. 72.** - The Governor shall sign agreements, settlements and documents of any kind without having to prove any power to third parties. He may delegate this authority.

All documents binding the Bank, including those in respect of which a public official or a notary renders assistance, such as bills of sale, purchases or exchange of buildings, mortgage releases with or without proof of payment, renunciation of all real rights, privileges and acts of abrogation, and powers and proxies pertaining to these documents, may also be signed by a director and the secretary, who shall not have to prove their powers to third parties.

Documents pertaining to daily business shall be signed:

- a) either by the Governor, the Vice-Governor or a director;
- b) or by the Secretary or the Treasurer;
- c) or by one or two officers delegated for the purpose by the Board of Directors.

## SECTION VIII. Professional secrecy and exchange of information

**Art. 73.** - Members of the executive, managing and supervision bodies of the Bank and members of its staff may not, except when called upon to give evidence in court in a criminal case, divulge:

- 1) to any person or authority whatsoever not qualified to take cognisance thereof, the confidential information which has to be communicated to the Bank by virtue of legal provisions or regulations, or similar information received from foreign authorities;
- 2) to any person or authority whatsoever, the confidential information which is communicated to the Bank by virtue of Article 99, S2 of the law of 22nd March 1993 concerning the status and supervision of credit institutions or similar information received from foreign authorities.

The first paragraph shall be without prejudice to the communication of such information to other central banks or monetary institutions when this communication is necessary to them as monetary authorities and in so far as the recipients of the information are bound by an equivalent professional secrecy.

Contraventions of this Article shall be punished by the penalties laid down by Article 458 of the Penal Code.

The provisions of Book 1 of the Penal Code, not excluding Chapter VII and Article 85, shall be applicable to contraventions of this Article.

**Art. 74.** - (Repealed)

## CHAPTER VI GOVERNMENT COMMISSIONER

**Art. 75.** - The Minister of Finance shall have the right to control all the Bank's operations. He may oppose the execution of any measure which would be contrary to the law, the statutes or the interests of the State. This control shall be entrusted to a Government Commissioner.

**Art. 76.** - The Government Commissioner shall be appointed by the King. He shall supervise all the Bank's operations. He shall suspend, and report to the Minister of Finance, any decision that would be contrary to the laws, the statutes or the State's interests.

If the Minister of Finance has not given any instructions within eight days of the act of suspension, the decision may be put into effect.

The Government Commissioner shall report annually to the Minister of Finance on his work.

The salary of the Government Commissioner shall be fixed by the Minister of Finance in agreement with the Bank's management; it shall be paid by the Bank, as well as the fees of any technicians appointed as experts.

**Art. 76bis.** - By derogation from Articles 29 and 30, the Minister of Finance and the Government Commissioner may not oppose the execution of decisions taken or transactions carried out by the Bank in accordance with the provisions of the law and the statutes, concerning:

1. the definition and implementation of the monetary policy of the country;
2. the conduct of foreign exchange operations consistent with the exchange arrangements applicable to the franc;
3. the holding and management of the official foreign reserves;
4. the promotion of the smooth operation of payment systems.

**Art. 77.** - The Government Commissioner shall have the right at all times to investigate the state of business of the Bank and to examine the books and the cash.

The administration shall be required to furnish him with the Bank's statement, certified correct, whenever he requests.

**Art. 78.** - The Commissioner shall, when he sees fit, attend the General Meetings of Shareholders, as well as meetings of the Boards, Councils and Committees.

He shall attend these meetings in an advisory capacity.

## CHAPTER VII GENERAL MEETINGS OF SHAREHOLDERS

**Art. 79.** - The General Meeting of Shareholders shall represent the body of shareholders.

Its decisions, taken in due form, shall be binding even on absent or dissenting members.

**Art. 80.** - The General Meeting shall be composed of shareholders owning registered shares or bearer shares deposited at least five days before the meeting either at the head office or at branches or agencies to be designated by the Council of Regency.

The list of registered shares shall be closed five days before any General Meeting.

Except corporate bodies and without prejudice to the rules of legal representation, a shareholder may only have himself represented by a proxy who is himself entitled to vote.

Proxies and any other documents establishing the right to attend the General Meeting must be sent to the Bank at least three days before the Meeting. They shall be countersigned by the proxy.

**Art. 81.** - Before the Meeting is opened, the shareholders shall sign the attendance list.

**Art. 82.** - Each share shall entitle the holder to one vote.

**Art.83.-** The ordinary General Meeting shall take place in Brussels on the last Monday of February at 11 a.m.

It shall consider the report of the administration on the operations of the past year and decide, if appropriate, on the balance sheet in the case provided by Article 35 of the present statutes.

It shall elect regents and censors whose terms are due to expire, and shall provide for functions which have become vacant by death, resignation or otherwise.

**Art. 84.** - An Extraordinary General Meeting may be called whenever the Council of Regency sees fit.

It must be called:

1) if the meeting is requested either by the Board of Censors or by shareholders representing one tenth of the capital stock;

2) if the number of regents or of censors falls below the absolute majority.

**Art. 85.** - The notices convening a General Meeting shall contain the agenda and shall be given by advertisements inserted:

a) at least eight days before the meeting, in the *Moniteur belge*;

b) twice, at an interval of at least eight days and the second at least eight days before the meeting, in two press publications with a national circulation and in two Brussels press publications.

Letters of convocation shall be sent, eight days before the meeting, to the shareholders who are registered and have the right to vote, but proof that this formality has been fulfilled is not required.

In any case, these notices shall indicate the time within which bearer shares must be deposited.

**Art. 86.** - The two shareholders present representing the largest share of the capital, who are not members of the administration and who accept this duty, shall count the votes.

They shall sign the minutes with the president and the members of the Council of Regency.

Copies and extracts to be issued to third parties shall be signed by the Secretary.

**Art. 87.** - The General Meeting shall discuss:

1) matters mentioned in the notices convening the Meeting and submitted to it either by the Council of Regency or by the Board of Censors;

2) proposals, signed by five members, which have been communicated at least ten days before the Meeting to the Council of Regency for inclusion on the agenda.

If the Meeting recognizes the urgency of other proposals made by the Council of Regency, these proposals shall be included in the discussions.

**Art. 88.** - All decisions shall be taken by an absolute majority of votes.

In case of a tie, the motion shall be rejected.

**Art.89.** - Elections and dismissals shall be voted on by secret ballot.

The vote shall be held by a roll call on all other motions or questions.

**Art. 90.** - If, on the first ballot, the members to be elected fail to obtain an absolute majority, a list shall be made of the persons who have received the most votes.

This list shall contain twice as many names as there are members still to be elected.

The votes may be cast only for these candidates.

In any case where there is a tie, the eldest shall be given preference.

**Art. 91.** - The dismissal of regents or censors may take place only by a majority of three fourths of the votes of the shareholders present and holding at least three fifths of the shares.

## CHAPTER VIII GENERAL OR TRANSITIONAL PROVISIONS

**Art. 92.** - The General Council shall amend the Bank's statutes to bring them into line with the Act of 24th August 1939 on the National Bank of Belgium and with the international obligations which are binding upon Belgium.

Other amendments to the statutes shall be adopted on the proposal of the General Council, by three quarters of the votes attached to all the shares present or represented at the general meeting of shareholders.

The General Meeting of shareholders, as referred to in paragraph two, shall be especially called and may deliberate validly only if the purpose of the amendments proposed has been especially indicated in the summons and if the members present at the Meeting represent at least three fifths of the capital stock.

If a first Meeting does not represent the portion of capital prescribed above, a new Meeting shall be called which shall deliberate validly regardless of the portion of capital present or represented.

The amendments to the statutes referred to in paragraphs I and 2 shall be subject to approval by the King.

**Art. 93.** - The Bank and its branches, offices and agencies must respect statutory provisions on the use of languages in administrative matters.

**Art.94** - ( Repealed ).

### III. MONETARY LEGISLATION MONETARY FUND

**Law of 12th June 1930 creating a Monetary Fund, amended by the law of 14th April 1933, by the Royal Decree of 14th August 1933, by the law of 3rd March 1953, 2nd August 1955, 28th June 1967, 21st May 1973 and 20th February 1978, by Royal Decree No. 509 of 5th February 1987 and by the law of 23rd December 1988.**

#### (Unofficial co-ordination) CHAPTER I SUBSIDIARY COINAGE

**Article 1.** - The limit imposed for the issuing of subsidiary coinage by the Treasury is fixed at eighteen billion francs. The King may, however, raise this limit to twenty-three billion francs by the successive release of five tranches of one billion francs each ( 1).

The King shall fix the composition of the alloy and the weight, diameter, type and face value of the metal coins. He shall also fix the form, type and value of the notes which are in the nature of subsidiary coinage to be issued by the Treasury.

The Minister of Finance shall determine, in accordance with the observed requirements, the quantities of each category of coins or notes, without being permitted to exceed the limit laid down in paragraph 1 for the total of the subsidiary coinage.

**Art. 2.** - The limit fixed in Article 1 shall not apply to the amount of the coins made of precious metal whose intrinsic value considerably exceeds their face value nor to the amount of the coins which are sold at an issue price considerably higher than the face value. The Minister of Finance shall determine the issue price of these coins.

(1) This limit is fixed at 20 billion francs by the Royal Decree of 28th January 1991.

**Art. 3.** - [Repealed]

**Art. 4.** - There shall be established a Monetary Fund into which there shall be paid:

1) the proceeds of the issues made in accordance with this law;

2) the balance of the special fund opened by the law of 31st December 1921, supplemented by the law of 12th July 1922 and 17th June 1923, concerning the issuing of bills of monetary tokens.



**Art. 5.** - The Monetary Fund shall be attached to the special budget section of the Ministry of Finance.

The purchase cost of the metals and paper, manufacturing costs, expenses of maintenance of the circulation and all administrative costs shall be charged thereto.

The costs referred to in paragraph 2 shall include, among other items, expenditure on the construction and maintenance of the buildings occupied by the Royal Mint of Belgium, as well as the purchase and maintenance of the machines and equipment which it uses.

**Art. 6.** - The Monetary Fund shall be reduced by the amount of the coins finally withdrawn from circulation and by the proceeds of the issue of the coins the amount of which has not been charged against the limit set in paragraph I of Article 1, less the purchase costs of the metals and manufacturing and distribution costs.

Its assets shall be invested in public debt bonds and other securities guaranteed by the State and issued by virtue of a law.

Investments shall be made via the Amortisation Fund. Any annual incomes exceeding the Fund's charges shall be assigned to the Treasury.

**Art. 7.** - The Monetary Fund shall be managed by the Director General of the Treasury and the Public Debt, under the authority of the Minister of Finance and the supervision of the Supervisory Committee of the Amortisation Fund.

**Art. 8.** - Whenever it considers it advisable, and at least once per quarter, the Supervisory Committee of the Amortisation Fund shall determine the cash and valuables existing in the Monetary Fund and shall check the use which has been made of the sums recorded as receipts. It shall check the documents and provisionally approve the annual accounts.

**Art. 9.** - The position of the Monetary Fund at the end of each half year shall be published in the Moniteur.

**Art. 10.** - An account of the management of the Monetary Fund shall be rendered annually to the Court of Auditors before 31st March.

## CHAPTER II REPEALED

**Art. 11.** - [Repealed]

## CHAPTER III METAL COINS DENOMINATED IN ECU

**Art. 12.** - The Treasury may issue metal coins denominated in ECU.

The limits set to the issuing of these coins shall be fixed by the King. Their amount shall be taken into account in the overall volume of the issue determined by Article 1, except if the coins in question are of precious metal whose intrinsic value considerably exceeds their face value, or coins sold at an issue price considerably higher than their face value.

The King shall take the measures required to enable an equivalent in francs to be attributed to these coins, in accordance with the market rate for the Ecu as defined by the documents of the institutions of the European Communities.

The King shall determine the composition of the alloy and the weight, diameter, type and face value of the coins denominated in Ecu.

The Minister of Finance shall determine the issue price of these coins.

**Art. 13.-** [Repealed]

## MONETARY POLICY

**Law of 28th December 1973 concerning the budget proposals 19731974, amended by the law of 30th June 1975, Royal Decree No. 3 of 24th December 1980 and the law of 23rd December 1988.**

(Unofficial co-ordination)

### CHAPTER I

## MONETARY POLICY

**Article 1. -** S1. The National Bank of Belgium may address to the banks, the private savings banks, the enterprises governed by Chapter 1 of the law of 10th June 1964, the various categories of financial intermediaries in the public sector and the various categories of institutions required by law to form mathematical reserves, recommendations motivated by monetary reasons and having as their subject:

a) the fixing of minimum or maximum ratios between the various elements or certain elements of their asset and liability structures or the fixing of limits for certain elements of these structures, irrespective of whether these elements are considered in their total amount, their change compared with a reference period or according to these two criteria at the same time;

b) the formation at the National Bank of Belgium of special interest bearing or non-interest-bearing deposits in Belgian francs and/or in foreign currencies, the amount of which is determined on the basis of the elements or the movement of the elements specified by the Bank.

For the special deposits whose amount is fixed on the basis of the amount or of the difference of the amounts shown in the following list, the calculation shall be made taking account of the maximum percentages shown:

## MAXIMUM PERCENTAGE

1) Debts in francs to residents other than the institutions mentioned above:

a) sight debts and debts conferring an equivalent right of disposal on the creditor: 8;  
b) savings deposits, debts at up to one year and debts conferring a similar right of disposal on the creditor: 4,5; c) debts at over one year: 2.

2) Debts in francs to non-residents, less the amount of claims in francs on non-residents: 8.

3) The spot short position in currencies: 8.

The creditors of the debts represented by a security shall be deemed, in the absence of proof to the contrary, to be residents.

The amounts of the deposits to be lodged shall be recalculated at least every six months.

c) the fixing of maximum interest rates applicable to the various categories of commitments.

The National Bank of Belgium shall obtain, in advance, the consent of the Minister of Finance. When recommendations are addressed to institutions required by law to establish mathematical reserves, the consent of the Minister or Ministers responsible for these institutions shall also be required.

Recommendations shall be formulated only after the financial intermediaries concerned, or their representative bodies, have been consulted.

S2. At the request of the National Bank of Belgium, the recommendations issued in accordance with S1, a) and c) of this Article may be made compulsory:

1) for the credit institutions under the supervision of the Banking and Finance Commission, by a regulation of the Banking and Finance Commission approved by the Minister of Finance and the Minister for Economic Affairs;

2) for the various categories of institutions required by law to form mathematical reserves, by a decree issued jointly by the Minister of Finance and the Minister or Ministers whose competence includes these institutions.

The recommendations issued in accordance with S1, b) of this Article may be made compulsory by a regulation, supported by reasons, of the National Bank of Belgium adopted after the opinion of the Banking and Finance Commission has been obtained and subject to the approval of the Minister of Finance. If the regulation is applicable to the institutions required by law to form mathematical reserves, it shall also be subject to the approval of the Minister or Ministers whose competence includes these institutions.

S3. On the advice of the National Bank of Belgium, particular derogations may be granted, in special cases, from the obligations and prohibitions resulting from the recommendations mentioned under  $\alpha$  1 and made compulsory in accordance with S2. These derogations shall be granted:

1) with regard to the credit institutions referred to in S2, 1), by the Banking and Finance Commission;

2) with regard to the financial intermediaries referred to in S2, 2), jointly by the Minister of Finance and the Minister or Ministers whose competence includes these intermediaries.

For special derogations from the obligations resulting from the recommendations referred to in S 1, b, made obligatory in implementation of S 2, paragraph 2, the consent of the National Bank of Belgium shall be required.

**Art. 2.** - The recommendations issued in accordance with Article 1 S1, a) and c) and the regulations and decrees referred to in Article 1 S2, paragraph 1, shall fix the dates on which they begin and cease to be effective. They shall automatically cease to be effective six months after their entry into force.

They may be extended on one or more occasions, for the same length of time, in the same forms and under the same conditions as are specified for the initial recommendations, regulations and decrees.

**Art. 2bis.** - The National Bank of Belgium may require the reporting to it, by the institutions mentioned in Article 1, paragraph 1 and by the authorities competent to exercise supervision, of any information necessary for the implementation of the preceding Articles and for monitoring compliance with the obligations resulting therefrom.

In order to check the accuracy and good faith of the information furnished to it, the National Bank of Belgium may request the authorities competent for supervision to carry out investigations and expert studies. For this purpose the latter may take cognisance, without removing them, of any documents belonging to or in the possession of the institution in question.

**Art. 3.** -Directors, managing directors, managers or other persons responsible for the day-to-day running of the companies, organisations and institutions to which the preceding articles are applicable who, with fraudulent intent, fail to comply with the provisions of the regulations and decrees referred to in Article 1, S2 or who refuse to give the information which they are required to provide in accordance with Article 2bis, paragraph 1, knowingly give incorrect or incomplete information or impede the surveys or expert studies to which they are required to subject themselves in accordance with Article 2bis, paragraph 2, shall be punished by imprisonment for a period of one month to one year and by a fine of fifty to ten thousand francs or by one of these penalties only.

The provisions of Book 1 of the Penal Code, including Chapter VII and Article 85, shall be applicable to the offenses punished under this Article.

## MONETARY STATUTE

**Law of 23rd December 1988 containing provisions relating to the monetary statute, the National Bank of Belgium, monetary policy and the Monetary Fund.**

### CHAPTER I MONETARY STATUTE

**Article 1.** - The monetary unit of-Belgium shall be the franc. It shall be divided into centimes.

**Art. 2.** - In compliance with the international obligations which are binding on Belgium, the King shall lay down the exchange arrangements applicable to the franc.

He may confer on the Minister of Finance the power to take such regulatory measures as are necessary for the implementation of these arrangements.

**Art. 3.** - ¶ 1. Any royal decree enacted by virtue of Article 2 shall be proposed by the Minister of Finance, after the advice of the National Bank of Belgium has been obtained and the matter has been discussed in the Council of Ministers. It shall be substantiated or be accompanied by a report to the King.

The royal decree shall be immediately communicated to the Legislative Chambers.

S2. The Minister of Finance shall issue the orders provided for in Article 2, paragraph 2, after the National Bank of Belgium has been consulted and the matter has been discussed in the Council of Ministers or in a ministerial committee presided over by the Prime Minister.

These decrees shall be immediately communicated to the Legislative Chambers.

**Art. 4.** - The issuing of any monetary token intended for circulation among the public as a means of payment may take place only by virtue of a law.

**Art. 5.** - The notes issued by the National Bank of Belgium and denominated in francs shall have the status of legal tender.

The metal coins and notes issued by the Treasury shall have the status of legal tender. The King may limit their power to discharge indebtedness. The National Bank of Belgium and the Post Office Administration shall, however, be required to accept them without limitation.

**Art.6.** - Anyone contravening Article 4 shall be punished by imprisonment varying from one month to one year and by a fine of fifty francs to ten thousand francs, or by one of these penalties only.

Anyone who has used a monetary token which is legal tender in Belgium or abroad as the medium for a publicity message or other message or who has with wrongful intent damaged it, blotted it, overwritten it, made it unsuitable as a means of payment or made its use more difficult shall be punished by imprisonment varying from eight days to three months and by a fine varying from twenty-six francs to a thousand francs, or by one of these penalties only.

Book I of the Penal Code including Chapter VII and Article 85, shall be applicable to the offenses described in the preceding paragraphs.

#### CONVERSION OF THE UNIT OF ACCOUNT EXPRESSED IN GOLD

Article 32 of the law of 23rd December 1988 containing provisions relating to the monetary statute, the National Bank of Belgium, monetary policy and the Monetary Fund.

**Art. 32.** - Until the entry into force of an instrument of international law changing the unit of account expressed in gold which is used in an international agreement to which Belgium is a party, the conversion of this unit of account in Belgian currency shall take place as follows for such agreements as the King shall designate:

- the gold franc with a weight of 65,5 milligrams of gold of a fineness of nine hundred thousandths fine shall be equivalent to one fifteenth of a Special Drawing Right;
- the gold franc with a weight of 10/31 gram of gold with a fineness of nine hundred thousandths fine shall be equivalent to one third of a Special Drawing Right;
- the unit of account with a weight of 0.88867088 gram of fine gold shall be equivalent to one Special Drawing Right.

The Special Drawing Right referred to in the first paragraph is the Special Drawing Right as defined by the International Monetary Fund. It shall be converted into Belgian currency in accordance with

the method of valuation applied by the Fund on the date of conversion for its own operations and transactions.

For the unit of account in gold used in an international agreement not designated by the King under paragraph 1, the amount of 19.74824173 milligrams gold with a fineness of nine hundred thousandths shall be used as the basis for the conversion of this unit into Belgian currency.