

UNOFFICIAL TRANSLATION AND CONSOLIDATION OF THE CENTRAL  
BANK OF CYPRUS LAWS OF 2002 TO 2017:

- 138(I)/2002 (Official Gazette Annex I(I), No. 3624, 19.7.2002, pg. 2367),
- 166(I)/2003 (Official Gazette Annex I(I), No. 3765, 31.10.2003, pg. 1769),
- 34(I)/2007 (Official Gazette Annex I(I), No. 4117, 15.3.2007, pg. 357),
- 86(I)/2013 (Official Gazette Annex I(I), No. 4402, 26.7.2013, pg. 675),
- 103(I)/2013 (Official Gazette Annex I(I), No. 4404, 9.9.2013, pg. 822) as amended with Official Gazette Annex I(I), No. 4410, 25.10.2013, pg. 1111,
- 66(I)/2014 (Official Gazette Annex I(I), No. 4444, 23.5.2014, pg. 434) as amended with Official Gazette Annex I(I), No. 4447, 20.6.2014, pg. 521,
- 139(I)/2014 (Official Gazette Annex I(I), No. 4460, 9.9.2014, pg. 942),
- 144(I)/2014 (Official Gazette Annex I(I), No. 4462, 3.10.2014, pg. 969),
- 107(I)/2016 (Official Gazette Annex I(I), No. 4578, 21.10.2016, pg. 1177).
- 170(I)/2017 (Official Gazette Annex I(I), No. 4629, 1.12.2017, pg. 1119).

ATTENTION – NOTE FOR THE READER:

THIS TRANSLATION AND CONSOLIDATION OF LAWS IS UNOFFICIAL AND DOES NOT REPLACE THE ORIGINAL TEXT OF THE LAW SINCE ONLY THE GREEK TEXT OF THE LAWS PUBLISHED IN THE OFFICIAL GAZETTE OF THE REPUBLIC ARE OFFICIAL. IT HAS BEEN PREPARED BY THE CENTRAL BANK OF CYPRUS FOR INFORMATION PURPOSES ONLY, IN ORDER TO ASSIST USERS. IT INCLUDES THE TEXT OF THE BASIC LAW AND OF THE SUBSEQUENT AMENDMENTS TO THE LAW IN ONE CONSOLIDATED, BUT UNOFFICIAL DOCUMENT AND ITS SUBSEQUENT TRANSLATION INTO THE ENGLISH LANGUAGE, TO SERVE AS A REFERENCE TOOL. THE OFFICIAL LEGALLY BINDING TEXT IS IN THE GREEK LANGUAGE. THE CENTRAL BANK OF CYPRUS SHALL NOT BE RESPONSIBLE FOR ITS CONTENT.

Law.1/20210810

# Unofficial translation and consolidation of the Central Bank of Cyprus Laws of 2002-2017

## PART I - INTRODUCTORY PROVISIONS

Short title.

138(I) of 2002  
166(I) of 2003  
34(I) of 2007  
86(I) of 2013  
103(I) of 2013  
66(I) of 2014  
139(I) of 2014  
144(I) of 2014  
107(I) of 2016  
170(I) of 2017.

Interpretation.

1. This Law may be cited as the Central Bank of Cyprus Laws of 2002 to 2017.

2. In this Law, unless the context otherwise requires –

2(a) of  
103(I) of 2013.

66(I) of 1997  
74(I) of 1999  
94(I) of 2000  
119(I) of 2003  
4(I) of 2004  
151(I) of 2004  
231(I) of 2004  
235(I) of 2004  
20(I) of 2005  
80(I) of 2008  
100(I) of 2009  
123(I) of 2009  
27(I) of 2011  
104(I) of 2011  
107(I) of 2012  
14(I) of 2013  
87(I) of 2013  
102(I) of 2013.

“authorisation” has the meaning assigned to this term by section 2 of the Business of Credit Institutions Law, as amended or replaced;

2(a) of  
103(I) of 2013.

“authorised credit institution” has the meaning assigned to this term by section 2 of the Business of Credit Institutions Law, as amended or replaced;

2(a) of  
103(I) of 2013.

“management body” has the meaning assigned to this term by section 2 of the Business of Credit Institutions Law, as amended or replaced;

48 of 1963 10 of 1979 35 of 1990 233 of 1991 74(I) of 1992 66(I) of 1993 100(I) of 1994 99(1) of 1995 116(I) of 1996 107(I) of 1997 97(1) of 1998 92(1) of 1999 148(I) of 1999 124(I) of 2000 166(I) of 2000 147(I) of 2001. 95 of 1989 106(I) of 1996 115(I) of 1996 104(I) of 2002.	<p>“Bank” means the Central Bank of Cyprus which was established under section 3 of the Central Bank of Cyprus Laws of 1963 to 2001, in accordance with Articles 118 to 121 of the Constitution of the Republic of Cyprus;</p>
2(b) of 103(I) of 2013.	<p>“bank” has the meaning assigned to this term by section 2 of the Business of Credit Institutions Law, as amended or replaced from time to time;</p> <p>“Board” means the Board of Directors of the Bank as provided under this Law;</p>
2(b) of 103(I) of 2013.	<p>“cooperative credit institution” has the meaning attributed to this term by section 2 of the Business of Credit Institutions Law, as amended or replaced from time to time.</p>
2(b) of 103(I) of 2013.	<p>“credit institution” has the meaning attributed to this term by section 2 of the Business of Credit Institutions Law, as amended or replaced from time to time.</p> <p>“Deputy Governor” means the Deputy Governor of the Bank;</p> <p>“director” means a member of the Board of Directors other than the Governor and the Deputy Governor;</p>
2(b) of 34(I) of 2007. 86(I) of 2004.	<p>“electronic money institution” has the meaning attributed to this term by section 2 of the Electronic Money Institutions Law;</p> <p>“European Central Bank” means the European Central Bank which operates in accordance with the Treaty establishing the European Community;</p>
2(b) of 34(I) of 2007.	<p>“European System of Central Banks” or “System” means the European System of Central Banks referred to in the Treaty;</p>
2 of 66(I) of 2014. Official Gazette of the EU: L331, 15.12.2010, p. 1	<p>“European Systemic Risk Board” means the Board which was established under the European Union act titled “Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing the European Systemic Risk</p>

## Board”

2 of 66(I) of 2014.	“financial institution” means any credit institution, financial conglomerate, payment institution, electronic money institution, insurance or reinsurance undertakings, insurance mediator, institutions for occupational retirement provisions, investment firms or collective investment undertakings or another institution, business, entity with principal activity of similar nature that has been incorporated in the Republic and has been authorised by the competent authority in the Republic or that has been operating in the Republic;
2 of 66(I) of 2014.	“financial system” means all financial institutions, markets, products and market infrastructures;
2(c) of 34(I) of 2007.	“foreign exchange” means securities or any other asset denominated in foreign currency or unit of account;
	“Governor” means the Governor of the Bank;
2 of 66(I) of 2014.	“member state” means a member state of the European Union or any other state which is a contracting party to the European Economic Area Agreement, which was signed on 2 May 1992 in Oporto and as adapted by the Protocol signed in Brussels on the 17 May 1993, as this Agreement may be amended from time to time;
	“Minister” means the Minister of Finance;
	“remuneration” includes salary, wages, fee, allowance, as well as of any kind of payments;
2(b) of 34(I) of 2007.	“Statute” means the Statute of the European System of Central Banks and of the European Central Bank, which is annexed to the Treaty establishing the European Community;
2 of 66(I) of 2014.	“systemic risk” means the risk of disruption of the financial system with potentially serious negative consequences for the internal market and the real economy;
2 of 66(I) of 2014.	“third country” means a state other than a member state;
2(b) of 34(I) of 2007.	“Treaty” means the Treaty establishing the European Community, as amended.

## PART II - CONTINUATION OF OPERATION, OBJECTIVES AND TASKS OF THE BANK

Operation of the Bank.	3. The Bank shall continue to function as a corporate body with perpetual succession and the same common seal, ability to appear in court as plaintiff or defendant and with power to acquire, hold and dispose of property, enter into contracts, sue and be sued and take any action required for the objectives of this Law.
Seat, agents of the Bank.	4. (1) The Bank shall have its seat and head office in Nicosia.  (2) The Bank may at any time establish and close regional branch offices in the Republic, according to its needs.  (3) The Bank may at any time appoint and revoke the appointment of agents or correspondents in the Republic or elsewhere.
Objectives of the Bank.  3(b) of 34(I) of 2007.  3(c) of 34(I) of 2007.	5. (1) The primary objective of the Bank shall be to ensure price stability.  (2) Without prejudice to this primary objective and subject to the fulfilment of its obligations under Article 105 paragraph (1) of the Treaty, the Bank shall support the general economic policy of the State.
4 of 34(I) of 2007 The Bank as an integral part of the European System of Central Banks.	5A. (1) The Bank is an integral part of the European System of Central Banks and shall act, within the fields of competence of the System, in accordance with the guidelines and instructions of the European Central Bank.  (2) The Bank shall contribute, as an integral part of the European System of Central Banks, to the performance of the tasks and the exercise of the competences entrusted to or conferred upon the latter in accordance with the provisions of the Treaty or of the Statute.
Tasks of the Bank.  6 of 34(I) of 2007.	6. (1) The Bank shall perform all tasks required for the achievement of its objectives including any tasks performed by a central bank.  (2) Without prejudice to the generality of subsection (1) and to the obligations resulting from the participation of the Bank to the European System of Central Banks, the main tasks of the Bank shall be the following:  (a) the contribution, as an integral part of the System, to the definition and implementation of the monetary policy of the Community;  (b) the holding, keeping and management of the official reserves of the Republic, including the foreign exchange and gold reserves of the Bank and of the State;  (c) the conduct of foreign exchange operations and the management of foreign reserves that may be held with the Bank for management, subject

to the provisions of Article 111 of the Treaty;

3 of 103(l) of  
2013.  
3 (a) of 66(l) of  
2014.

(d) the granting of authorization and supervision of the authorised credit institutions without prejudice to the provisions of the Business of Credit Institutions Law, as amended or replaced;

3 (a) of 66(l) of  
2014.

(e) the macro-prudential oversight of the financial system, with the purpose of contributing to the safeguard of the stability of the financial system;

(f) the provision of services or performance of the tasks of banker and financial agent of the Republic in financial matters;

(g) the promotion, regulation and oversight of the smooth operation of the payment, clearing and/or settlement systems;

(h) the collection, compilation and distribution of statistical data, including the data required for the fulfillment of the tasks of the Bank, as an integral part of the System vis-à-vis the European Central Bank;

(i) its participation as a member in international monetary and economic organizations, subject to the approval of the European Central Bank, in accordance with Article 6.2 of the Statute.

2 of 170(l) of  
2017.

(3) The Bank is designated as the Information Authority in application of point (13) of Article 4 of Regulation (EU) No 655/2014 of the European Parliament and of the Council of 15 May 2014 establishing a European Account Preservation Order procedure to facilitate cross-border debt recovery in civil and commercial matters:

Provided that, the Bank and any other person who is a consultant or an officer or an employee of the Bank shall not be liable in relation to civil or any other damages for actions or omissions in the discharge of functions and duties under the provisions of the present subsection, unless it is shown that the act or omission was not in good faith or was a result of gross negligence:

Further provided that, the Bank shall determine and recover in a reasonable and cost-oriented manner all costs incurred in relation to the performance of its duties under the provisions of this subsection.

Independence of  
the Bank.  
7 of 34(l) of  
2007.

7. When carrying out the tasks conferred upon them under this Law, neither the Bank nor any member of its decision-making bodies shall seek or take instructions from the Community institutions or bodies, from the Government or any government of a Member State or from any other body.

### PART III - ORGANISATION OF THE BANK

Organs of the  
Bank.  
8 of 34(l) of

8. The organs of the Bank shall be the Board of Directors, the Governor and the Deputy Governor.

2007.

Establishment  
and functioning  
of the Monetary  
Policy  
Committee.  
9 of 34(l) of  
2007.

9. Repealed.

Tasks of the  
Committee.  
10 of 34(l) of  
2007.

10. Repealed.

Directives of the  
Committee.  
11 of 34(l) of  
2007.

11. Repealed.

Composition of  
the Board.  
2 of 86(l) of  
2013.

12. The Board of Directors of the Bank shall comprise of the Governor, the Deputy Governor, two executive directors and five non-executive directors.

Directors.

13. (1) The directors shall be appointed by the Council of Ministers and shall be citizens of the Republic of recognised professional qualifications, and/or recognised economic and business experience who are not disqualified for appointment under section 14.

(2) Each director shall be appointed for a term of office of five years which may be renewed, and shall be removed from office by decision of the Council of Ministers, on a recommendation from the Minister and after hearing the views of the Governor, provided he no longer fulfils the conditions required for the performance of his duties or is guilty of serious misconduct:

Provided that, a person who holds at the date this Law enters into force, the post of director, shall continue to hold such post, under the same conditions until the expiry of his term of office, unless otherwise provided for, by a subsequent law.

12(a) of 34(l) of  
2007.

(3) When a person ceases to be a director before the expiry of the period of his term of office, the Council of Ministers shall appoint as director a person having the qualifications provided in subsection (1), for a term of five years.

12(b) of 34(l) of  
2007.

(4) The post of director, save for the Governor and the Deputy Governor, shall become vacant:

(a) upon the death of the member, or the loss of his or her citizenship of the Republic; or

(b) upon the written resignation of the member; or

(c) if the member no longer fulfils the conditions required for the performance of his duties, or if he or she is guilty of serious misconduct; or

(d) upon the occurrence of any of the events referred to in section 14.

(5) A director who has a personal interest in a matter under discussion shall not take part in the discussion and vote on it:

Provided that, in such a case, the director shall be under a duty to disclose if he has any such interest.

3 of 86(l) of  
2013.

(6) The remuneration and other terms of tenure of the executive directors and the remuneration of the non-executive directors shall be set by the Council of Ministers upon their appointment for the entire five-year period of their term of office:

Provided that, the terms of tenure of the directors, including the executive directors, shall not prejudice the independence of the Governor which stems from his participation in the European System of Central Banks and from the Treaty and the Statute:

Provided further that, the remuneration and the other terms of tenure of the executive directors and the non-executive directors may not be varied adversely after their appointment, without prior consultation with the Bank.

Conflict of  
interest.

14. A person shall not be qualified to be appointed as a director if he holds any position which is incompatible with his capacity as director and in particular if he:

(a) is a Minister, or a member of the House of Representatives;

(b) is a member of a Municipal Council, including a Mayor;

(c) is a member of the armed or security forces of the Republic;

(d) is the holder of a public office or office in a municipal authority or he is acting as a deputy in such a position:

Provided that, "public office" means any office with financial benefit in the service of the Republic, provided that the emoluments of which are under the control of the Republic and includes any office in any body governed by public law or public utility body:

Provided further that, no person shall be disqualified under this paragraph if he-

(i) is a holder of a teaching post in a university or other higher education institution in the Republic;

(ii) is acting, without being a member of the public service, as representative of the Republic in an international monetary or financial organisation of which the Republic is a member;

(e) has been declared bankrupt and has not been discharged or against whom a receiving order has been made or who has made an arrangement or composition with his creditors;



	(f) is a person under judicial restriction due to insanity or otherwise declared to be of unsound mind;
4 of 103 (I) of 2013.	(g) is a director, officer or employee of other authorised credit institution or financial institution or their subsidiary or as a shareholder has a controlling interest in any other credit institution or financial institution or their subsidiary operating in the Republic or is controlled by an organisation operating in the Republic.
Tasks of the Board.	15. (1) The Board shall have the following main tasks- (a) to supervise the administration of the Bank;
13 of 34(I) of 2007.	(b) to define and implement the policy of the Bank, in accordance with sections 5 and 6, on all matters which concern the Bank, save for the matters which fall within the fields of competence of the European System of Central Banks.  (2) For the achievement of the main tasks provided in subsection (1), the Board may perform all other tasks incidental thereto.  (3) The Board may from time to time decide to delegate any of its tasks to the Governor under such conditions and for such periods, as the Board may determine.
4 of 86(I) of 2013. Granting authorisation and operations of credit institutions.	15A. The decisions for granting authorisation as well as carrying out the business of credit institution are taken by the Governor with the assent of the Board.
Directives of the Board. 14 of 34(I) of 2007.	16. The Board may issue directives- (a) without prejudice to paragraph (b) of subsection (3) of section 20 for achieving the objectives laid down in section 5 and the tasks laid down in section 6 and/or regulating the performance of the tasks of the Bank, save for the tasks which fall within the field of competence of the European System of Central Banks;  (b) for its own organisation and operating procedure;  (c) on the recommendation of the Governor, for the organisation of the Bank, defining the schemes of service of all employees of the Bank and regulating their powers and duties, as well as matters of recruitments, promotions and exercise of disciplinary control.

Functioning of  
the Board.

17. (1) A meeting of the Board shall be convened:

(a) by the Governor, by notice to all its members, or in case of his temporary absence of the Governor or his temporary incapacity by the Deputy Governor:

15(a) of 34(l) of  
2007.  
5(a) of 86(l) of  
2013.

Provided that, such meetings shall be convened when required for the transaction of business, and in any case at least twelve times per year;

(b) by two directors, following a written request which is submitted to the Governor in this respect, specifying the subjects for which the meeting is being requested.

(2) The Governor shall preside the meetings of the Board, or in his temporary absence or temporary incapacity the Deputy Governor shall preside; in case of the absence of both from any meeting, the remaining members of the Board attending such meeting shall elect a member from the members that are present to preside over such meeting.

5(b) of 86(l) of  
2013.

(3) Five members of the Board shall form a quorum at every meeting- decisions shall be adopted by a simple majority of the present members and in the event of a tie, the chairman of the meeting shall have the casting vote.

15(c) of 34(l) of  
2007.

(4) When exercising the duties and tasks in pursuance of the objectives laid down in section 5, the members of the Board shall take due account of the Governor's capacity as a member both of the Governing Council of the European Central Bank, as well as of the General Council.

(5) The minutes of every meeting of the Board shall be confidential, unless the Board determines otherwise and shall be kept in such form as the Board determines, but its decisions shall be recorded verbatim.

(6) No act or action of the Board shall be deemed to be invalid by reason of any vacancy of a position of the Board.

6 of 86(l) of  
2013.  
Duties of  
executive  
directors.

17A.

(1) The Board assigns specific duties to the executive directors in order to assist the Governor in the management, supervision and control of the Bank's operations, except for the matters that fall under the tasks of the European System of Central Banks.

(2) The executive directors shall perform their duties on a full-time basis and shall not undertake any other employment.

6 of 103 (l) of  
2013.

(3) The executive directors shall not take up any position in the Republic or acquire an interest in any authorised credit or financial institution or subsidiary thereof operating in the Republic or controlled by an organisation operating in the Republic and that is supervised by the Bank or accept any remuneration from them, for a period of two years following termination of their appointment.

Governor and  
Deputy  
Governor.

18. (1) Subject to paragraph 1 of Article 118 of the Constitution, the Governor and the Deputy Governor shall be appointed by the President and the Vice-President of the Republic.

(2) The Governor and the Deputy Governor shall be citizens of the Republic and shall be fit and proper persons of recognised experience in economic matters.

(3) The Governor and the Deputy Governor shall be appointed for a term of office of five years and may be renewed:

Provided that, a person who holds at the date that this Law shall enter into force, the office of Governor or Deputy Governor, shall continue to hold such post, under the same conditions until the expiry of his term of office, unless otherwise provided by a subsequent law.

(4) Subject to paragraph 4 of Article 118 of the Constitution, the Governor and the Deputy Governor may be removed from office, only if in the opinion of the Council established under the eighth paragraph of Article 153 of the Constitution, they no longer fulfil the conditions required for the performance of their duties or they are guilty of serious misconduct.

(5) The remuneration and other terms of service of the Governor and the Deputy Governor shall be laid down in the instruments of their appointment:

Provided that, the remuneration of the Governor and the Deputy Governor shall be determined for the whole of their five-year term.

Exclusive  
occupation of  
Governor and  
Deputy  
Governor in the  
service of the  
Bank.

19. (1) The Governor and the Deputy Governor shall, while in office, devote their entire time exclusively to the service of the Bank and shall not engage in any other work, profession or business.

(2) The Governor and Deputy Governor shall not take up any position in the Republic or acquire an interest in any authorised credit institution or financial institution or subsidiary thereof operating in the Republic or controlled by an organisation operating in the Republic and which is supervised by the Bank or receive therefrom any remuneration whatsoever for a period of two years following the termination of their appointment.

7 of 103 (I) of  
2013.

Tasks of the  
Governor.

20. (1) Subject to Article 119 of the Constitution, the Governor as the chief executive organ of the Bank, shall have the following tasks:

(a) to carry out the policy of the Bank;

(b) to manage and control the business of the Bank;

(c) to act in connection with the conduct of the business of the Bank, in all matters which do not fall within the competence of the Board;

16 (a) of 34 (I) of  
2007.

(d) to appoint, suspend or dismiss any employees of the Bank.

(2) The Governor in carrying out his tasks under paragraph (d) of subsection (1), shall act in accordance with the opinion of the Personnel Committee as provided in section 22.

16(b)(c)(d) of  
34(l) of 2007.

(3) (a) The Governor shall participate, ex officio, as an independent personality, in the General Council and the Governing Council of the European Central Bank and shall have the exclusive competence to-

(i) carry out the tasks and exercise the powers conferred upon the Bank, in accordance with the provisions of the Treaty or the Statute; and

(ii) oversee the payment, clearing and/or settlement systems.

(b) Without prejudice to the powers of the European System of Central Banks and of the European Central Bank and subject to the provisions of the Treaty and of the Statute, the Governor may issue Directives for the achievement of the tasks referred to in paragraph (a).

(4) The Governor, is the main representative of the Bank and shall have the following tasks:

(a) to represent the Bank in every relation with other persons, including the Government;

(b) to represent the Bank, either personally or through counsel, in every legal proceedings to which the Bank is a party;

(c) to sign contracts, concluded by the Bank, and the annual reports, financial statements, correspondence and other documents of the Bank;

(d) to delegate the exercise of any of his powers provided for in paragraphs (a), (b) and (c) to other employees of the Bank upon his own responsibility.

16(e) of 34(l) of  
2007.

(5) Without prejudice to the provisions of subsection (3) and subject to the provisions of the Treaty and of the Statute, the Governor shall keep the Board informed on all current matters which require its attention and shall, as far as practicable, provide it with such data and information as will facilitate it in taking decisions and determine its policy:

Provided that the Governor shall, furthermore, submit to the Board, for approval, draft measures or decisions which in his view are necessary to realise the objectives and policies of the Board.

Deputy  
Governor.

21. The Deputy Governor shall assist the Governor in the performance of his tasks and, in case of absence or temporary incapacity of the Governor, shall perform all the tasks of the Governor as provided by the Constitution or under this Law.

Personnel  
Committee.

22. (1) (a) The Personnel Committee shall consist of the Governor as

<p>17 of 34(l) of 2007. 7(a) of 86(l) of 2013.</p>	<p>Chairman, the Deputy Governor, the two executive directors and two other members appointed by the Board to hold office for three years, unless they are removed before the expiry of their term of office by the Board, after a reasoned recommendation from the Governor and provided it is found that they do not fully perform their duties:</p>
	<p>Provided that, in the temporary absence or temporary incapacity of the Governor, the Deputy Governor shall preside at the meetings of the Personnel Committee.</p>
	<p>(b) In case of temporary absence or temporary incapacity of the Governor and the Deputy Governor, the members of the Personnel Committee attending such meeting shall elect one of the members that are present to preside over such meeting.</p>
<p>7(b) of 86(l) of 2013.</p>	<p>(c) In case any member of the Personnel Committee is unable to attend a meeting for whatever reason, the Personnel Committee may, on the recommendation of the Governor and with the assent of the Board of Directors, appoint in advance another person to attend in the place of the absent member.</p>
<p>7(c) of 86(l) of 2013.</p>	<p>(2) The quorum of the Personnel Committee shall be met only if a minimum of four members are present at meetings and decisions shall be adopted by majority. In the event of a tie, the chairman shall have the casting vote.</p>
	<p>(3) The Personnel Committee may, on the recommendation of the Governor, delegate any of its tasks provided under subsection (2) of section 20 of this Law, as the Personnel Committee may determine, to a sub-committee consisting of at least three persons.</p>
	<p>(4) The Personnel Committee, on the recommendation of the Governor, shall decide its organisation and procedure of its meetings, as well as those of any sub-committee to which any of its tasks may be delegated under subsection (3).</p>
<p>Employees.</p>	<p>23. (1) For the purpose of carrying out the tasks of the Bank under this Law, there shall be appointed, as provided in this Law, such employees as may be necessary.</p> <p>(2) The appointment of any employee of the Bank shall be remunerated and under such terms and conditions that are provided in directives or the schemes of service, issued in this respect by the Board under section 16 of this Law.</p>
<p>8 of 103(l) of 2013.</p>	<p>(3) Subject to any directives issued under this Law in this respect, no person shall hold any position in the Bank who, at the same time –</p> <p>(a) holds any position in any other authorised credit institution or financial institution or a subsidiary thereof operating in the Republic or controlled by an organisation operating in the Republic;</p>

- (b) has any participation in the capital of such authorised credit institution or financial institution or a subsidiary thereof without disclosing this participation in advance and obtaining the permission of the Board:

Provided that the Board determines by directives the terms and conditions under which the employees of the Bank may participate in the capital of such authorised credit institutions or financial institutions or their subsidiary.

Independent persons for the performance of special duties.

24. Subject to the provisions of this Law and the terms of service as determined by the Board for each case, independent persons may be employed to perform such special duties, as may be provided from time to time in the relevant contract of employment.

18 of 34(l) of 2007.  
19(a) of 34 (l) of 2007.  
Obligation for secrecy.

25. (1) Every director, employee of the Bank, has the obligation to maintain professional secrecy, even after they cease to exercise their duties, and shall, for the purposes of the Criminal Code that is in force, from time to time, be deemed to be employed in the public service and the provisions of the Public Officers (Protection) Law shall apply to them as if they were public officers:

Cap. 154.  
3 of 1962  
43 of 1963  
41 of 1964  
69 of 1964  
70 of 1965  
5 of 1967  
58 of 1967  
44 of 1972  
92 of 1972  
29 of 1973  
59 of 1974  
3 of 1975  
13 of 1979  
10 of 1981  
46 of 1982  
86 of 1983  
186 of 1986  
111 of 1989  
236 of 1991  
6(l) of 1994  
3(l) of 1996  
99(l) of 1996  
36(l) of 1997  
40(l) of 1998  
45(l) of 1998  
15(l) of 1999  
37(l) of 1999  
38(l) of 1999  
129(l) of 1999  
30(l) of 2000  
43(l) of 2000  
77(l) of 2000  
162(l) of 2000  
169(l) of 2000  
181(l) of 2000  
27(l) of 2001  
12(l) of 2002  
85(l) of 2002  
144(l) of 2002  
145(l) of 2002  
25(l) of 2003  
48(l) of 2003  
84(l) of 2003

164(l) of 2003  
124(l) of 2004  
31(l) of 2005  
18(l) of 2006  
130(l) of 2006.

Cap. 313.

19(b) of 34 (l) of  
2007.

138(l) of 2002.

Cap.44.  
37 of 1982  
84 of 1983.

Cap. 155.  
93 of 1972  
2 of 1975  
12 of 1975  
41 of 1978  
162 of 1989  
142 of 1991  
9 (l) of 1992  
10(l) of 1996  
89(l) of 1997  
54(l) of 1998  
96(l) of 1998  
14(l) of 2001  
185(l) of 2003.

61(l) of 1996  
25(l) of 1997  
41(l) of 1998  
120(l) of 1999  
152(l) of 2000  
118(l) of 2003  
185(l) of 2004.

21 of 1985  
12(l) of 1993.

Provided that, persons who were members of the Monetary Policy Committee, which was established by and operated under the Central Bank of Cyprus Law of 2002, shall continue to have the obligation to maintain professional secrecy, even after the termination of their employment and/or the abolition of the said Committee.

(2) (a) Secrecy shall not apply against a Court of the Republic, Commission of Inquiry appointed and acting under the Commission of Inquiry Law, penal investigator carrying out an investigation under section 4 of the Criminal Procedure Law, the Unit for Combating Money Laundering under the Prevention and Suppression of Money Laundering Activities Law and Parliamentary Committee under the Submission of Data and Information to the House of Representatives and the Parliamentary Committees Law, provided that this section shall not be interpreted as conferring any additional any powers.

(b) The obligation to maintain professional secrecy shall not apply to the provision of information to the European Central Bank in compliance with the provisions of the Treaty or the Statute.

Oath of fidelity  
and secrecy.  
20 of 34(l) of  
2007.

Schedule.

26. Every person assuming the duties of Governor, Deputy Governor, director or employee of the Bank shall before assuming these duties sign and take the prescribed oath provided in the Schedule.

#### PART IV - THE MONETARY UNIT AND LEGAL TENDER MONEY

9 of 103(l) of  
2013.  
Monetary  
unit.

21(b) of 34(l) of  
2007.

27. The euro shall be the monetary unit of the Republic.

(2) Repealed.

Monetary transactions in euro.	28. (1) All monetary transactions taking place in the Republic shall be presumed to be expressed in euro, unless otherwise agreed upon by the contracting parties.
22 of 34(l) of 2007.	(2) All monetary transactions taking place in the Republic, shall be settled in euro, unless otherwise provided for in any domestic public or international law measure or unless otherwise agreed upon by the contracting.
23 of 34(l) of 2007. Issue of notes and coins.	29. (1) The Bank shall issue banknotes which circulate as legal tender in the Republic in accordance with the provisions of paragraph (1) of Article 106 of the Treaty and Article 16 of the Statute.
2(a) of 107(l) of 2016.	(2) The Bank shall issue, as a representative of the government, coins which circulate as legal tender in the Republic. The quantity of the coins issued shall be subject to approval by the European Central Bank; the denomination and technical specifications of the coins in euro shall be determined in accordance with the provisions of paragraph (2) of Article 106 of the Treaty:
2(b) of 107(l) of 2016. 107(l) of 2016.	Provided that the amount of the nominal value of that coins that are in circulation at the date of entry into force of the Central Bank of Cyprus (Amendment) Law of 2016 is transferred to the General Governmental Account in the credit of the Consolidated Fund:  Provided further that the amount of the nominal value of coins that circulate from the Bank annually is transferred to the General Governmental Account in the credit of the Consolidated Fund per semester, on the 30 <sup>th</sup> of June and 31 <sup>st</sup> of December every year, following the deduction of this amount of the nominal value of coins that have been withdrawn from circulation during the same time period:  Provided even further that issues related to the cooperation of the Government and the Bank for the issuance of coins, which are required to be determined or need to be determined may be regulated through agreements or other arrangements.
Denomination and form of notes and coins. 24(a) of 34(l) of 2007. 24(b) (i)(ii) of 34(l) of 2007.	30. (1) Repealed.  (2) The Bank communicates by notice published in the Official Gazette of the Republic the denominations and other characteristics of notes and coins which the Bank issues from time to time under section 29.
Legal tender money. 25(a)(b) of 34(l) of 2007.	31. (1) Subject to the European Community acts in force in the Republic and subsection (2), notes and coins, issued by the Bank, pursuant to the provisions of Article 106 of the Treaty shall be legal tender and accepted without limitation as to the amount, in the settlement of all debts, public or private.
25(c) of 34(l) of	(2) The Bank may communicate by a notice, published in the Official



2007. Gazette of the Republic, that particular issues or denominations of notes or coins shall cease to be legal tender as of a certain date onwards:
- 25(d) of 34(I) of 2007. Provided that, by any such notice a time-limit shall be communicated, within which such notes or coins may be replaced at the Bank with other currently valid legal tender money.
- Directives for defaced notes and coins. 32. Subject to the provisions of Community law, the Bank shall issue directives which shall be published in the Official Gazette of the Republic, providing for the conditions on which mutilated, defaced or otherwise defective notes or coins may be replaced at the Bank.
- 26 (a)(b) of 34(I) of 2007.

## PART V - FOREIGN EXCHANGE AND TRANSACTIONS IN PRECIOUS METALS

- Reserve of precious metals and foreign exchange. 27(a) (i)(ii)(iii) of 34(I) of 2007. 33. (1) Subject to the provisions of the Treaty and of the Statute, the Bank shall keep a reserve of precious metals as well as foreign exchange as part of its assets.
- 27(b) (i)(ii) of 34(I) of 2007. (2) The Board may from time to time determine, subject to the provisions of the Treaty and of the Statute, the precious metals and the foreign exchange, which the Bank shall keep under subsection (1).
- 27 (c) of 34(I) of 2007.
- Transactions spot, forward or in any other form. 28(a) (b) (c) of 34(I) of 2007. 34. (1) Subject to the provisions of the Treaty and of the Statute, the Bank may engage in transactions and accept deposits in foreign exchange as well as precious metals, spot or forward or in any other form.
- 28(a)(b)(c)(d)(i)(ii)(iii) of 34(I) of 2007. (2) Subject to the provisions of the Treaty and of the Statute, the Bank may engage in borrowing and lending operations in any currency.
- Foreign exchange transactions. 29 (a)(b)(c)(d)(e) of 34(I) of 2007. 35. Subject to the provisions of the Treaty and of the Statute, the Bank may engage in transactions in foreign exchange and precious metals with:
- 10 of 103 (I) of 2013. (a) banks and co-operative credit societies;  
(b) the Government, public corporations and other organisations dependent on the Government;  
(c) foreign central banks, foreign credit institutions, or foreign financial institutions;  
(d) foreign governments and other organisations dependent on foreign governments;  
(e) international economic organisations;  
(f) other organisations specifically permitted to act in this respect by the Bank.

Dealers in  
foreign  
exchange.  
30 of 34(l) of  
2007.

36. (1) The Bank shall permit natural persons or legal entities to engage in transactions in foreign exchange as part of their business activity.

(2) The Bank shall issue directives, relating to the transactions and the reserves in foreign exchange of the natural persons and legal entities to which it permits to act under subsection (1).

Determination  
of rates of  
transactions  
in foreign  
currencies.  
31 of 34(l) of  
2007.

37. Repealed.

Exchange  
control  
legislation.  
32 of 34(l) of  
2007.

38. Repealed.

## PART VI - MONETARY FUNCTIONS AND OPERATIONS OF THE BANK

Transactions  
and rights of the  
Bank.  
33(b) of 34(l) of  
2007.

39. (1) In order to conduct its operations, the Bank may open accounts for credit institutions, public entities and other market participants, and accept assets, including book entry securities, as collateral.

33(a)(c) of 34(l)  
of 2007.

(2) In order to achieve its objectives and carry out its tasks, the Bank may -  
(a) operate in the financial markets, by buying and selling outright (spot and forward) or under repurchase agreement, and by lending or borrowing claims or securities in any currency as well as precious metals; and  
(b) engage in lending and borrowing operations with credit institutions and other market participants with lending or other relevant financing operations being based on adequate collateral.

33(d) of 34(l) of  
2007.  
34(a)(b) of 34(l)  
of 2007.

33(e) of 34(l) of  
2007.

(3)(a) Subject to the provisions of Community law the Bank may determine the terms and conditions governing its transactions with credit institutions.

34(c) of 34(l) of  
2007.

(b) Repealed.

(4) Notwithstanding anything in any other law in force for the time being, the rights of the Bank to collateral security provided to it shall not be affected by insolvency proceedings against the counterparty to the Bank, which provided the collateral security, which may be realised immediately for the satisfaction of these rights.

Rate of  
interest.  
36 of 34(l) of  
2007.

40. Repealed.

38 of 34(l) of  
2007.  
Minimum  
reserves.

41. Minimum reserves shall be held with the Bank in accordance with the provisions of Article 19 of the Statute.

- |  |  |
|--|--|
| Securities.<br>39 of 34(I) of<br>2007.<br>40 (a)(b) of 34(I)<br>of 2007. | 42. For the achievement of the objectives of the System and for the performance of its tasks, the Bank may issue securities for the purpose of intervening in the money market.  |
| Application of<br>measures.<br>41 of 34(I) of<br>2007.                   | 43. All measures of general application prescribed by the Bank under the provisions of sections 40 and 41, shall be duly published and announced with their effective dates, in such manner as the Bank may determine and any directives, issued under these provisions, shall be published in the Official Gazette of the Republic. |
| Advances or<br>loans to banks.<br><br>42 and 43 of<br>34(I) of 2007.     | 44. Repealed.  |

#### 11 of 103(I) of 2013

#### PART VII-TRANSACTIONS WITH CREDIT INSTITUTIONS

- |  |   |
|--|---|
| Securities.<br>45 of 34(I) of<br>2007.                             | 45. Repealed.   |
| Deposits.<br>12(a) of 103(I) of<br>2013.                           | 46. (1) The Bank accepts deposits on behalf of credit institutions and may collect money on their behalf.   |
| 12(b) of 103(I) of<br>2013.  | (2) The Bank may at its discretion pay interest on specified deposits made by credit institutions, including deposits the Bank may request in accordance with section 41.   |
| 12(c) of 103(I) of<br>2013.  | (3) Without prejudice to the obligations that derive of the Bank's participation to the System and, in particular, Article 21 of the Statute, the Bank may grant advances against collateral security, or grant loans against collateral security to credit institutions for fixed periods and for purposes which the Bank may designate. |
| Services to<br>credit<br>institutions.<br>13 of 103(I) of<br>2013. | 47. The Bank may provide on such terms and conditions as the Bank may determine, appropriate services to credit institutions.   |

#### 4 of 66(I) of 2014

#### PART VIIA – MACRO-PRUDENTIAL OVERSIGHT OF THE FINANCIAL SYSTEM

- |                                |   |
|--------------------------------|---|
| Macro-prudential<br>authority. | 47A. (1) The ultimate purpose of the macro-prudential oversight of the financial system is to contribute to the safeguarding of the stability of the financial system as a whole, inter alia, by strengthening the resilience of the financial system and decreasing the build-up of systemic risks, thereby ensuring the constant contribution of the financial sector to economic growth; when conducting the macro-prudential oversight of the financial |
|--------------------------------|---|

system, the Bank-

(a) identifies, monitors and assesses the risks that threaten the financial stability; and

(b) implements policies to prevent or limit the aforementioned risks in order to achieve its ultimate purpose.

(2) The Bank pursues macro-prudential policy either on its own initiative or via implementation of recommendations of the European Systemic Risk Board or via the implementation of recommendations or decisions of European Central Bank or other competent authorities of the European Union in accordance with European Union legislation.

(3) The Bank, when carrying out its tasks conferred upon it under paragraph (e) of subsection (2) of section 6, cooperates with the competent authorities in the Republic whose actions have a material impact on financial stability, without prejudice of their respective responsibilities laid down in their own laws.

(4) The Bank may designate and/or develop, in cooperation or in coordination with other competent authorities in the Republic, the surveillance approaches for identifying the financial institutions and structures that are systemically relevant for the Republic, and to determine or recommend on the perimeter of national regulation in relation to financial stability.

(5) The Bank, when carrying out its tasks conferred upon it under paragraph (e) of subsection (2) of section 6, cooperates and exchanges any data and information with competent authorities of the European Union, including the European Central Bank and the European Systemic Risk Board, and, when its required, with other competent authorities in the Republic and member states, including the macro-prudential authorities of other member states or competent authorities of third countries, ensuring their confidentiality.

(6) The Bank may develop and apply appropriate instruments for carrying out its tasks laid down in paragraph (e) of subsection (2) of section 6 either on its own initiative or via the implementation of recommendations of the European Systemic Risk Board, or via the implementation of recommendations or decisions of the European Central Bank or other competent authorities of the European Union in accordance with European Union legislation.

(7) Subject to the provisions of section 5A and the regulations in force within the framework of the European System of Central Banks, the Bank may issue special or general directives or guidelines for the components of the financial system as a whole or as a group or per financial institution, business or entity, which it may be publish as the Bank may deem necessary.

(8) The Bank publishes any macro-prudential policy decisions and their

reasoning in a timely manner, unless in doing so it creates risks to financial stability, and sets out and publishes the of macro-prudential policy strategies.

(9) The Bank shall proceed to public or non-public statements in relation to systemic risk.

(10) Notwithstanding the provisions of subsection (8), the Bank timely informs the House of Representatives for any decisions on macro-prudential policy and their reasoning, as well for the macro-prudential strategies that the Bank determines. The Bank submits to the House of Representatives a report per year on the macro-prudential policy of the previous year.

2 of 139(I) of  
2014.

(10A) The Central Bank of Cyprus informs the House of Representatives by submitting per trimester a relevant report in relation to-

(a) the number, type, and the amount of restructured advances per credit institution and per financial institution;

(b) the progress made in collection of arrears; and

(c) the implementation of the provisions of Part VIA and Part VIB of the Immovable Property Transfer and Mortgage Law of 1965 to 2014, as amended or replaced from time to time.

9 of 1965  
51 of 1970  
3 of 1978  
6 of 1981  
181(I) of 2002  
59(I) of 2006  
122(I) of 2007  
52(I) of 2008  
26(I) of 2010  
120(I) of 2011  
142(I) of 2014.

(11) Any person, who is a director or officer of the Bank shall not be held liable in case of a lawsuit, action or any other legal proceeding for damages in relation to any action or omission while carrying out the tasks and responsibilities of the Bank in accordance with paragraph (e) of subsection (2) of section 6 or under any special or general directives or guidelines that are issued under subsection (7) of section 47A, unless it is proven that the action or omission is not in good faith or that it is the result of gross negligence.

Ensuring financial  
stability.  
2 of 144(I) of  
2014.

47B. The Central Bank, where it considers that the financial stability in the Republic is affected, it may intervene in the rate of foreclosures of mortgaged properties, by issuing general or specific directives or guidelines, as may deem necessary, by virtue of its powers as macro-prudential authority:

9 of 1965  
51 of 1970  
3 of 1978  
6 of 1981  
181(I) of 2002  
59(I) of 2006  
122(I) of 2007  
52(I) of 2008  
26(I) of 2010  
120(I) of 2011  
142(I) of 2014.

Provided that the Bank shall inform the House of Representatives every trimester on financial stability issues regarding the implementation of the provisions of Part VIA and Part VIB of the Immovable Property Transfer and Mortgage Law of 1965 to 2014 as amended or replaced from time to time, in relation to the foreclosures made per category of property.

## 44(b) of 34(I) of 2007

## PART VIII - PAYMENT, CLEARING AND/OR SETTLEMENT SYSTEMS

- Payment systems.
- 48 (a)(i) of 34(I) of 2007.
- 48 (a)(ii) of 34(I) of 2007.
- 48 (b)(i) of 34(I) of 2007.
- 48 (b)(ii)(iii) of 34(I) of 2007.
- 48 (c)(i) of 34(I) of 2007.
- 48 (c)(ii)(iii) of 34(I) of 2007.
- 48 (c)(iv) of 34(I) of 2007.
- 48 (c)(v) of 34(I) of 2007.
- 48 (d) of 34(I) of 2007.
48. (1) Subject to the provisions of any other law in force for the time being, the Bank may -
- (a) manage, participate in, or become a member of any payment, clearing and/or settlement system;
- (b) place under its oversight payment, clearing and/or settlement systems operating in the Republic.
- (2) Subject to the provisions of section 5A and the rules in force from time to time within the framework of the European System of Central Banks, the Bank may issue directives, regulating the functions and the operating procedure of payment, clearing and/or settlement systems under its oversight:
- Provided that, such directives may be of a general nature having effect on all systems or of a specific nature having effect on particular systems or group of systems and may be amended by the Bank whenever the Bank shall deem this necessary for the proper functioning of such systems.
- (3) The Bank may suspend the operation of any payment, clearing and/or settlement system or terminate the participation of any member in any payment, clearing and/or settlement system under its oversight by letter to the members of such system, under the terms specified by the Bank, which shall be included in the aforesaid letter.
- Provided that the relevant decision shall be published in the Official Gazette of the Republic.
- (4) (a) Where it is found that a member or manager of a payment, clearing and/or settlement system under the oversight of the Bank fails to comply with any of the terms relating to the operation of such system, the Bank shall have the power to impose an administrative fine not exceeding one hundred thousand pounds (£100.000) according to the seriousness of the infringement.
- (b) In case of a second non-compliance event, the Bank may, according to the seriousness of the infringement, impose an administrative fine not exceeding two hundred thousand pounds (£200.000).
- (c) In case of non-payment of the administrative fine imposed by the Bank under this section, the Bank shall take judicial measures and shall collect the amount owed as a civil debt owed to the Republic.

## 44(c) of 34(I) of 2007

## PART IX - RELATIONS WITH THE GOVERNMENT

- Prohibition of credit facilities.
- 49 (a)(b) of 34(I) of 2007.
49. (1) (a) Subject to the provisions of subsection (3) and in accordance with the provisions of Article 101 of the Treaty and Council Regulation (EC) 3603/93 of 13 December 1993 as amended from time to time –

	<p>(i) overdraft facilities or any type of credit facility with the Bank in favour of Community institutions or bodies, the Government, regional, local or other public authorities, public corporations or public undertakings</p> <p>(ii) the purchase directly from the institutions or agencies referred to in paragraph (i) by the Bank of debt instruments at their issue shall be prohibited.</p>
49 (c) of 34(I) of 2007.	<p>(2) The provisions of subsection (1) shall not apply to publicly-owned banks which shall be given by the Bank the same treatment as the other banks which are not publicly-owned.</p> <p>(3) The total claims of the Bank on the Government outstanding on the date that this Law shall enter into force, shall be converted to a long-term loan with a maturity of thirty years, with the first five years being a grace period with regard to the capital and with an annual interest rate of three per cent (3%), on the basis of a formal agreement between the Bank and the Ministry of Finance.</p>
The Bank as banker and financial agent of the Government.	<p>50. (1) Save where the Minister in respect of certain financial transactions otherwise determines, the Bank shall act as banker of the Government and its agent in financial matters.</p> <p>(2) The Bank may at its discretion perform the tasks of agent in financial matters and banker for any municipality or public corporation in the Republic in accordance with, and within the scope determined by, special arrangements between the Bank and the municipality or public corporation concerned.</p>
Tasks of the Bank as banker and financial agents of the Government.	<p>51. The Bank in its capacity as banker to the Government and its agent in financial matters shall:</p> <p>(a) be the depository of the Government and shall accept deposits and effect payments for the account of the Government:</p> <p>Provided that the Bank may, after consultation with the Minister, select credit institutions to act in its name and for its account as depositories of the Government.</p> <p>(b) be the administrator of public funds, in accordance with arrangements between the Bank and the Minister;</p> <p>(c) manage the public debt including the issue of securities of the Government, unless the Council of Ministers otherwise determines:</p> <p>Provided that, the management of public debt shall be carried out within the framework of general arrangements between the Bank and the Minister:</p> <p>Provided further that, for the removal of the duties of managing the public debt from the Bank, the Council of Ministers shall give the Bank notice of at least twenty four months before its pertinent decision takes effect;</p>
14 of 103(I) of 2013.	

(d) pay, remit, collect funds or act as a depository of funds in the Republic or abroad;

(e) purchase, sell or transfer securities of any kind, precious metals and foreign exchange or act as their depository;

(f) collect for the account of the Government all proceeds accruing to the Government as the owner of securities or other property.

No interest paid  
by the Bank.

52. (1) The Bank shall pay no interest on the deposits which it holds pursuant to paragraph (a) of section 51.

(2) The Bank shall not receive any payment for services rendered to the Government, unless otherwise agreed.

Advice to  
Government.

53. (1) The Bank may render advice to the Government and to the Minister on any matter which in its opinion is likely to affect the attainment of the objectives of the Bank as defined in section 5.

(2) The Government and the Minister may request from the Bank to provide them with data on the prevailing economic conditions or advice on any particular measures which may be taken and information on the general conditions of money and the banking system.

Meetings  
of the  
Council of  
Ministers.

54. (1) Without prejudice to section 7, the Governor may be invited and may attend meetings of the Council of Ministers or competent committees of the Council of Ministers whenever the issues discussed pertain to the objectives and tasks of the Bank.

51 of 34(l) of  
2007.

(2) Without prejudice to the provisions of Article 105 paragraph 4 of the Treaty, the Bank shall be consulted on any draft legislative provision concerning its tasks:

Provided that, the Bank may submit proposals to the Government on matters in its fields of competence.

44(c) of 34(l) of 2007

## PART X - REPORT TO THE PRESIDENT OF THE REPUBLIC AND RELATIONS WITH THE HOUSE OF REPRESENTATIVES

Report on  
monetary policy  
to the President  
and the House  
of  
Representatives.  
52 of 34(l) of  
2007.

55. (1) Subject to paragraph 5 of Article 119 of the Constitution, the Bank shall lay before the President of the Republic and the House of Representatives an annual report on the monetary policy of the previous and the current year.

(2) Subject to the provisions of Article 108 of the Treaty and Articles 10.4 and 38 of the Statute, the Governor, when duly asked in this respect, shall appear before the committees of the House of Representatives to report on matters relating to the fields of competence of the Bank.



## 44(c) of 34(l) of 2007

## PART XI - CAPITAL, RESERVES AND RELATED FINANCIAL STATEMENTS

- Capital of the Bank.  
53 of 34(l) of 2007.
56. (1) The capital of the Bank is wholly owned by the State. The paid-up capital is thirty million euro.
- (2) The capital may be increased or altered by a decision of the Board:
- Provided that any increase of the capital which entails additional payment by the State shall be made after agreement between the Bank and the Council of Ministers.
- Annual financial statements.  
2(a) of 166(l) of 2003.  
2(a) of 166(l) of 2003.  
54(a) of 34(l) of 2007.  
54(b) of 34(l) of 2007.
57. (1) Within three months after the end of each financial year the Bank shall prepare the annual financial statements.
- (2) The Bank shall determine its net profit or net loss for each financial year according to approved accounting standards applying from time to time for the European System of Central Banks, as they are adopted by the European Central Bank.
- (3) The Bank shall prepare and publish, by the end of each month a summary balance sheet of the Bank as at the end of the preceding month.
- General Reserve Fund.
58. (1) The Bank shall have a reserve called the "General Reserve Fund", which is created by withholding net profits of the Bank, the amount of which shall be determined by the Board, with a view to ensuring the continuous and proper functioning of the Bank and the financial independence necessary for the achievement of the objectives of the Bank.
- (2) The General Reserve Fund, by a decision of the Board, may be used to:
- (a) issue new capital;
- (b) write-off accumulated losses;
- (c) meet extraordinary expenses related to the achievement of the objectives of the Bank.
- Distribution of net profit
59. The net profit of the Bank shall be distributed as follows:
- (a) An amount equivalent to twenty per cent (20%) of the net profits of the corresponding financial year, shall be transferred to the General Reserve Fund; if the General Reserve Fund falls below the capital of the Bank, then the Board may transfer to the General Reserve Fund an amount not exceeding fifty per cent (50%) of the net profits until the General Reserve Fund equals the capital of the Bank.
- (b) the balance, after deducting the amount referred to in paragraph (a), shall be transferred into the Consolidated Fund of the General

Government Account, unless the Board decides the further withholding of net profits, in case this is required in its opinion due to exceptional circumstances.

Audit of the  
annual financial  
statements

55 of  
34(l) of 2007.

60. (1)(a) The annual financial statements of the Bank shall be audited in accordance with Article 27 of the Statute and, to this end, the Bank shall provide the auditors appointed in accordance with the said Article with all the information, books and other records necessary for the fulfilment of their task.

(b) Without prejudice to Article 38 of the Statute, the Auditor General of the Republic may carry out financial and management audit of the activities of the Bank that are not related to its tasks and competences [of the Bank] emanating from the European System of Central Banks, and under the condition that his reports and audit activities do not touch upon the Bank's independence.

In order for the Auditor General to carry out the abovementioned task, the Bank provides to him all the necessary information, books and other records.

For the purposes of this paragraph "management audit" shall mean the audit of the operational efficiency of the activities of the Bank that are not related to its tasks and competences [of the Bank] emanating from the European System of Central Banks and which does not touch upon its independence.

- (2) The auditors shall submit their report to the Board after the pertinent audit, and address a copy to the Minister for information.

Audit  
Committee.  
8 of 86(l) of  
2013.

- 60A. An Audit Committee is established, which is comprised of three members of the Board, appointed by the Board, who have no executive capacity, with competence to audit the application of a corporate governance code and to supervise the carrying out of internal budgetary audit and to submit a relevant report to the Board for approval:

Provided that, for purposes of the present section, the committee employs the services of an internal auditor.

Annual  
report.

61. The Board shall prepare and publish an annual report for the activities of the Bank for each financial year, which shall include the annual financial statements of the Bank.

Annual  
budget.

62. (1) The Board shall be responsible for the preparation and approval of the annual budget of the Bank.
- (2) The annual budget of the Bank shall be communicated to the House of Representatives.

## 44(c) of 34(I) of 2007

## PART XII - REPORTING OF DATA TO THE BANK

Obligation to  
report data to  
the Bank.

56(a)(b) of 34(I)  
of 2007.  
15 of 103(I) of  
2013.

63. Without prejudice to the obligation to report statistical information to the European Central Bank according to Article 5 of the Statute and the complementary European Union legislation adopted in accordance with the said Article, authorised credit institutions, government services, public corporations, as well as any natural person or legal entity shall be required, without being entitled to invoke bank or other secrecy, to report to the Bank all the data and information in their possession which are necessary for the fulfilment of its objectives as laid down in section 5 and for the performance of its tasks in accordance with section 6.

Obligation to  
report data  
for the  
compilation of  
the balance of  
payments.

57(a)(b) of 34(I)  
of 2007.

64. (1) (a) The Bank may require from the natural persons and legal entities referred to in section 63 to report to the Bank all the data and information in their possession, which shall be specified in directives, issued by the Bank under subsection (2), for the compilation of the balance of payments and the international investment position of the Republic, as well as the financial accounts of the individual sectors of the economy.

57(b) of 34(I) of  
2007.

(b) Natural persons and legal entities referred to in section 63 shall be required, without being entitled to invoke bank or other secrecy, to report to the Bank the data and information referred to in paragraph (a).

(2) The Bank may specify, by issuing pertinent directives, the data and information which the natural persons and legal entities referred to in section 63 are required to obtain and report in relation to their transactions and to their asset and liability position vis-à-vis residents or non-residents of Cyprus. The Bank may also determine the manner, time, procedure and every other relevant detail according to which these data and information are to be reported:

Provided that, the data and information shall be complete and reported to the Bank exactly as they were supplied to the aforementioned natural persons and legal entities.

16 of 103(I) of  
2013.

(3) In order to meet the reporting requirement of data specified in directives issued by the Bank, authorised credit institutions and designated financial institutions carrying out transactions on behalf of residents with non-residents of Cyprus, shall be required to collect from the resident counterparties to such transactions these data or information.

(4) Notwithstanding anything in any Law in force for the time being, data or information reported to the Bank for the purposes of this section shall be covered by professional secrecy and it shall be prohibited to be disclosed to any natural person or legal entity or to any public authority, either by a person acting or having previously acted on behalf of the Bank, or by a person which acquires knowledge of these data or information:

Provided that, this prohibition shall not apply to the disclosure, in aggregate form, of the abovementioned data and information, provided that the identity of the persons or entities to which such data and information refer is not revealed.

(5) For the purposes of this section, the Bank may define the concept of “resident of Cyprus” by issuing pertinent directives.

57(c) of 34(I) of  
2007.

(6) (a) Any person who contravenes any of the provisions of this section shall be guilty of an offence and in case of conviction, he shall be punished by a fine not exceeding fifty thousand pounds and, in case of a continuing offence, by a further fine of one thousand pounds, for each day during which the offence shall continue.

(b) A Court hearing an offence of contravention of the provisions of this section, may in case of conviction, in addition to any penalty imposed to the convicted person by virtue of paragraph (a), order the immediate reporting to the Bank of the data or information which the Bank asked.

Imposition of  
administrative  
fine.

58 of 34(I) of  
2007.

64A. In the event that the Bank in exercising its task to collect data and information shall find out an infringement of the obligation for reporting data and information under this Part, and to the extent that there is no provision for the exclusive competence of the European Central Bank to impose sanctions, the Governor may, after having heard the person concerned, impose an administrative fine not exceeding sixty thousand pounds (£60.000) and, in case of a continuing infringement, impose, in addition, an administrative fine not exceeding five hundred pounds (£500) for every day during which the infringement shall continue.

44(c) of 34(I) of 2007

### PART XIII - MISCELLANEOUS

Offences.  
59(a) of 34(I) of  
2007.

59(b) of 34(I) of  
2007.

65. Notwithstanding the provisions which specifically provide in this respect, and to the extent that there is no provision for the exclusive competence of the European Central Bank to impose sanctions, any person who infringes any of the provisions of this Law, shall be guilty of an offence and in case of conviction he shall be punishable with imprisonment for a term not exceeding two years or with a fine not exceeding fifty thousand pounds and, in case of a continuing offence, by a further fine not exceeding one thousand pounds for each day during which the offence shall continue.

Criminal  
prosecution.

66. No prosecution in respect of any offence under this Law shall be instituted except by or with the consent of the Attorney-General of the Republic.

Sanctions.  
60 of 34(I) of  
2007.

66A. (1) Notwithstanding the provisions which specifically provide in this respect, in the event that a person fails to comply with the provisions of this law and/or the directives issued under this law, the Governor may, to the extent that there is no provision for the exclusive competence of the European Central Bank to impose sanctions, and after having heard the party concerned, impose sanctions.

(2) For the purposes of this section, “sanction” shall comprise notice, warning, as well as imposition of an administrative fine not exceeding one hundred thousand pounds (£100,000).

Exemption from the payment of taxes of any kind.

67. The Bank shall be exempted from the payment of any government or municipal taxes, fees or duties whatsoever, including stamp duties, payable under any law or regulation in force from time to time.

The Company Law does not apply.

68. (1) The provisions of the Company Law shall not apply to the Bank.

Cap. 113.  
9 of 1968  
26 of 1977  
17 of 1979  
105 of 1985  
198 of 1986  
19 of 1990  
41(I) of 1994  
15(I) of 1995  
21(I) of 1997  
82(I) of 1999  
149(I) of 1999  
2(I) of 2000  
135(I) of 2000  
151(I) of 2000.

(2) No insolvency proceedings shall be instituted against the Bank except in accordance with legislation enacted to that effect.

Special Bank Holidays.

13(I) of 1996.  
17 of 103(I) of 2013.

69. Notwithstanding any provision contained in the Bank Holidays Law, the Minister may, by a notice published in the Official Gazette of the Republic, declare certain days as special bank holidays or as days on which no transactions of authorised credit institutions and branches of credit institutions operating in the Republic are carried out with the public in the Republic or abroad from the Republic, if he deems that such action is in the public interest.

Predominance of the provisions of this Law.

Cap. 197.  
18 of 103(I) of 2013.

70. (1) The Currency Law shall be read, construed and applied subject to the provisions of this Law.

(2) Save where the context or the date of any matter or transaction in question otherwise require, any reference in any law or administrative acts to “pound” or “sterling” or any subdivision thereof shall be construed as references to the euro or any subdivision thereof as provided by this Law.

44(c) of 34(I) of 2007

#### PART XIV – TRANSITIONAL PROVISIONS

Repeal.

48 of 1963  
10 of 1979  
35 of 1990  
233 of 1991  
74(I) of 1992

71. Subject to section 72, the Central Bank of Cyprus Laws 1963 to 2001 are hereby repealed.

66(I) of 1993  
 100(I) of 1994  
 99(I) of 1995  
 116(I) of 1996  
 107(I) of 1997  
 97(I) of 1998  
 92(I) of 1999  
 148(I) of 1999  
 124(I) of 2000  
 166(I) of 2000  
 147(I) of 2001.

Validity of  
 existing  
 regulations or  
 directives.

72. Any regulations, directives or other administrative acts issued under the laws repealed by this Law and which were in force immediately prior to the enactment of this Law, shall continue to be in force until they are repealed or replaced, to the extent that they are not incompatible with the provisions of this Law.

Validity of  
 regulations  
 issued by the  
 Monetary Policy  
 Committee.

- 72A. Any directives, acts and decisions of the Monetary Policy Committee, which was established and operated under the Central Bank of Cyprus Law of 2002, issued until the date of abolition of the Committee shall continue to be in force until they are amended or repealed by the Board.

138(I) of 2002.  
 61 of 34(I) of  
 2007.

Continuation  
 of service of  
 employees.

73. Any person who on the date of entry into force of this Law is an employee of the Bank, shall continue to hold the same post with the same remuneration and terms and conditions.

Entry into force  
 of this Law.

74. This Law is deemed to have entered into force as of 5.7.2002.

## SCHEDULE

(Section 26)

## Oath of Fidelity and Secrecy

I, ....., from..... do  
solemnly swear that I will faithfully, truly and to the best of my  
judgement, skill and ability, execute and perform the duties required of  
me as a Governor, Deputy Governor, director, or employee, as the  
case may be, of the Central Bank of Cyprus and which properly relate  
to the office or employment in the said Bank held by me.

62 of 34(I)  
of 2007.

I further solemnly swear that I will not communicate or allow to  
be communicated to any person not legally entitled thereto any  
information relating to the affairs and tasks in general of the Bank, nor  
will I allow any such person to inspect or have access to any books or  
documents belonging to or in the possession of the Bank and relating  
to the business and tasks in general of the Bank.