

ff. P. J. Stene

DE NEDERLANDSCHE BANK N.V.
AMSTERDAM

BANK ACT 1948
AND STATUTES

UNOFFICIAL TRANSLATION



1968 K 510

BLIKMAN & SARTORIUS - AMSTERDAM

BANK ACT 1948

An unofficial translation of the Act of April 23, 1948, (Staatsblad No. I 166)¹⁾ containing new provisions with regard to De Nederlandsche Bank N.V.²⁾

CHAPTER I GENERAL PROVISIONS

Article 1

For the purposes of this act:

1. The Bank means: *De Nederlandsche Bank N.V.*
2. Our Minister means: Our Minister of Finance.

Article 2

- (1) The Bank is a *naamloze vennootschap* (limited liability company).
- (2) The financial year of the Bank runs from the first day of January to the thirty-first day of December following thereon inclusive.

Article 3

- (1) The registered office of the Bank is at Amsterdam.
- (2) The Bank has a branch office at Rotterdam and agencies and correspondentships elsewhere.
- (3) There shall be at least one agency in each province.
- (4) The number of correspondentships shall be determined according to requirements.

¹⁾ *Staatsblad* is the name of the official paper in the Kingdom of the Netherlands, in which are published all acts and certain royal decrees.

²⁾ The Act has come into force on August 1, 1948.

Article 4

The social capital of the Bank is twenty million guilders, fully paid up.

Article 5

- (1) The Bank has a general reserve fund to which additions are made in conformity with the provisions of article 36.
- (2) The general reserve fund is destined to make good losses of capital which may be incurred by the Bank.

Article 6

Subject to the approval of Our Minister, the Bank may form special reserve funds. Allocations to and appropriations from such special reserve funds require the approval of Our Minister.

Article 7

- (1) At the request of the Bank the general terms and conditions under which the Bank renders its services or some of its services, may be published in the *Nederlandse Staatscourant*³⁾.
- (2) Documents signed on behalf of the Bank in which reference is made to the terms and conditions made public in conformity with the first paragraph, are deemed to contain the complete text of such terms and conditions.

Article 8

The Bank has a pension fund for its personnel. The allocations to be granted to this fund and all other matters relating to it shall be governed by regulations to be laid down by the combined meeting of the Governing Board and the Board of Commissaries of the Bank, subject to Our approval.

³⁾ Official Government Gazette in the Netherlands.

CHAPTER II

OPERATIONS OF THE BANK

Article 9

- (1) It shall be the appointed task of the Bank to regulate the value of the Netherlands monetary unit in such a way as is deemed most conducive to the prosperity of the country, and therewith to stabilize that value as far as possible.
- (2) The Bank shall provide for the monetary circulation in the Netherlands as far as this circulation consists of bank notes, shall facilitate the use of bank money in the Netherlands and shall promote the settlement of payments to and from foreign countries.
- (3) The Bank shall exercise supervision over the credit system.
- (4) Awaiting the passing of an act regulating the supervision over the credit system, We reserve the right, whenever urgent circumstances do so require and after having consulted the Bank Council, to issue by decree further regulations under which the Bank shall exercise such supervision in the interest of the solvability and the liquidity of the credit institutions and in order to promote a sound credit policy. If and when such decree shall have been promulgated, a bill will be introduced as soon as possible in order to sanction its contents by law.

Article 10

- (1) The Bank is, with the exclusion of all others, authorized to issue bank notes.
- (2) Its notes are legal tender to unlimited amounts.

Article 11

The notes of the Bank are exchangeable at the head office, the branch office and the agencies, except on the days enumerated in article 171a of the Commercial Code.

Article 12

(1) The form and denomination of the notes to be issued by the Bank shall be determined and made public by the Governing Board of the Bank.

(2) The Bank shall not issue notes in denominations smaller than five guilders.

(3) Notes of the Bank which have been declared unfit for circulation because of wear and tear or for other reasons, and in witness thereof have been marked with a sign made public at the request of the Bank in the *Nederlandse Staatscourant*, have no value.

Article 13

(1) The Bank is not bound to make reimbursement for notes lost or wholly or partly destroyed.

(2) In cases where crime is suspected, or upon a written request by those who have an interest in the matter, the Governing Board of the Bank may require the bearer to sign the notes he presents for payment or for the credit of an account.

(3) The provisions of the articles 229*i* to 229*k* inclusive of the Commercial Code shall not apply to bank notes. Nor shall such notes be subject to the legal provisions concerning the inclusion, in all written or printed documents, statements and announcements issued by a limited liability company, or to which such company is a party, of its name and the place where its registered office is located.

Article 14

(1) The Governing Board of the Bank, after having obtained Our authorization to do so, may call in any of its notes in circulation for exchange at their face value.

(2) When authorizing such calling in We shall define the period of time which will be allowed for presentation of the notes called in.

(3) Each call shall be published at least once in the *Nederlandse Staatscourant*.

(4) After expiration of the period referred to in paragraph (2), the notes mentioned in the relevant call shall be exchangeable only at the head office of the Bank after examination and approval of the request for exchange.

(5) Ten years after expiration of the period referred to above, the aggregate face value of notes called for redemption but not presented for exchange, shall be added to the Bank's profits of the current year. Notes subsequently presented for exchange shall be exchanged, after due examination and approval as referred to in paragraph (4), to the debit of the profit and loss account.

(6) The right to demand the exchange of notes called in for redemption lapses thirty years after expiration of the period referred to in paragraph (2).

Article 15

In addition to issuing bank notes the Bank is authorized to transact the following business:

1° the selling of drafts on its offices and correspondencies;

2° the acceptance of money in current account from its customers, the execution of orders to transfer money from such accounts or to pay out sums to the debit of such accounts, the collection on behalf of its customers of sums due to them, and the clearing of payments to, from and among third parties;

3° the discounting of:

(a) bills of exchange and promissory notes bearing the signatures of two or more parties who are jointly and severally liable for the entire amount, and maturing within a period in accordance with the customs of trade;

(b) bills and notes of the Netherlands Treasury;

(c) debenture bonds redeemable within six months from the time of discounting, provided that the party presenting such paper for discount shall be jointly liable for its redemption;

4° the buying and selling of:

(a) bills of exchange accepted by banks or bankers resident in the Netherlands, and maturing within a period in

accordance with the customs of trade;

- (b) bills and notes of the Netherlands Treasury;
- (c) debenture bonds of the Netherlands Government or guaranteed by the Netherlands Government for the payment of interest and for redemption, provided that such bonds are officially quoted on the Amsterdam Stock Exchange;
- 5° the buying and selling of transfers of money effected by letter or by cable, of cheques, of bills of exchange and of other commercial paper and treasury paper, all payable abroad;
- 6° the granting of loans and advances in current account on collateral of securities, merchandise, warehouse receipts, coin, bullion and assets of the kinds enumerated under 3°, 4° and 5°;
- 7° the dealing in precious metals, causing bullion to be converted in coin and ores and bullion to be assayed and refined;
- 8° the taking into safe custody of securities, negotiable instruments, merchandise, warehouse receipts, deeds, valuables and other precious articles.

Article 16

(1) The Bank shall not grant unsecured credits or advances to any party whatsoever. This provision shall not, however, prevent the Bank from entrusting in its own interest money or merchandise to agents not in its permanent service, or to the Postal Cheque and Transfer Service.

(2) The Bank is authorized to buy for its own account, with a view to their liquidation at a future date, the whole or part of any merchandise, securities or other collateral pledged to the Bank by third parties by way of guarantee for the discharge of obligations of such parties, whenever such assets are sold under execution.

Article 17

With regard to the limitation of the total amount of notes in circulation, drafts outstanding and balances in current account, We shall, also in order to promote a stable value of the Netherlands monetary unit, give the necessary provisions in accordance with rules to be established by law.

Article 18

- (1) The Bank is authorized to invest its social capital and its reserve funds.
- (2) The rules governing such investments shall be laid down by the combined meeting of the Governing Board and the Board of Commissaries of the Bank.
- (3) The revenue from these investments shall be included in the profits of the Bank. Any increase or decrease in the value of the assets in which the share capital has been invested, shall be credited or debited to the general reserve fund. Any increase or decrease in the value of the assets in which the reserve funds have been invested, shall be credited or debited to those reserve funds.

Article 19

(1) The Bank is entrusted with the custody, free of charges, of the funds of the Treasury at Amsterdam.

(2) The Bank shall act, free of charges, as fiscal agent of the Government at Amsterdam, Rotterdam and all other places where agencies of the Bank are in existence or will be established.

(3) In respect of the duties resulting from the provisions of the first and second paragraphs of this article, the Bank shall be responsible to Our Minister and accountable to the *Algemene Rekenkamer* (Auditor General's Office).

(4) If and when Our Minister deems this desirable, the Bank shall act, free of charges, as fiscal agent of the Postal Savings Bank and of other institutions established by law or by Royal decree. The Bank may also be charged with the keeping in safe custody of any securities belonging to or pledged to the Government or to any of the institutions referred to in the preceding sentence.

Article 20

(1) Notwithstanding the provisions contained in the first paragraph of article 16, the Bank shall extend to the State

advances in current account whenever Our Minister deems such procedure necessary in order to ease temporarily the financial position of the Treasury. Such advances shall be secured by a sufficient amount of Treasury notes issued and pledged in accordance with the provisions of the law.

(2) The advances referred to in paragraph (1) shall not bear interest. The total amount outstanding at any time shall not exceed fifteen million guilders.

Article 21

Subject to Our approval, to be given after consultation with the Bank Council, the Bank may, in the public interest, transact other kinds of business than those enumerated in this act. The Royal decrees, containing the afore-mentioned approval shall be published in the *Staatsblad* and in the *Nederlandse Staatscourant*.¹⁾

CHAPTER III

GOVERNMENT OF THE BANK

Article 22

(1) The Governing Board of the Bank shall consist of a President and a Secretary, together with at least three and at most five Executive Directors.

(2) The number of Executive Directors shall be determined by the combined meeting of the Governing Board and the Board of Commissaries.

Article 23

(1) The President and the Secretary shall be appointed by Us; their term of office shall be seven years. The Governing Board and the Board of Commissaries shall in a combined

¹⁾ The Royal decree of May 14, 1930 (*Staatsblad* No. 181) extended the Bank's sphere of action to participating in the share-capital and in the activities of the Bank for International Settlements.

meeting draw up a nomination list containing the names of two persons for either position. This list shall be submitted to Us for such consideration and action as We shall deem appropriate.

(2) The Executive Directors shall be appointed by Us for a term of seven years from a nomination list containing the names of three persons for each position, to be drawn up by a combined meeting of the Governing Board and the Board of Commissaries and to be submitted to Us by the Governing Board.

If the appointment has not been made within three weeks after the date of the nomination, a new nomination list, drawn up in the manner described above, shall be submitted to Us by the Governing Board. If again no appointment follows within three weeks after the date of the nomination, the vacancy shall be filled by Us.

(3) All the members of the Governing Board shall on the expiry of their term of office be eligible for immediate re-appointment.

(4) On the recommendation of a combined meeting of the Governing Board and the Board of Commissaries, We may suspend in the exercise of his functions or remove from his office any member of the Governing Board. A proposal for suspension shall be accompanied by a recommendation for temporary replacement.

(5) Any member of the Governing Board who either refuses or wilfully fails to follow one or more directions as mentioned in article 26, against which no objections have been raised by the Governing Board within three days after which such directions have been received, in accordance with the second paragraph of that article, or with respect to which We have decided that they should be followed, can be removed from his office by Us, after consultation with the *Raad van State* (Council of State).

Article 24

(1) The combined meeting of the Governing Board and the Board of Commissaries may appoint temporary Executive

Directors for such periods and subject to such rules and conditions as the meeting may decide when making the appointment.

(2) The appointment of a temporary Executive Director for a period longer than six months can only be made with Our consent.

Article 25

(1) The Governing Board represents the Bank in law suits and thereout. The Governing Board is entrusted with conducting the affairs of the Bank in the widest sense of the word, and with the administration of the Bank's properties. The Governing Board shall be authorized to effect all actions required in this respect, as far as such authority is not limited by the by-laws of the Bank.

(2) The order and method in which the Governing Board is to fulfil its functions shall be laid down in separate regulations, to be drawn up by a combined meeting of the Governing Board and the Board of Commissaries. These regulations may not contain more restrictions of the kind referred to in article 47 of the Commercial Code, than are laid down in the by-laws of the Bank.

(3) The managers of the branch office, the agents, the correspondents and all other officials and employees of the Bank shall be appointed and dismissed by the Governing Board.

Article 26

(1) Whenever Our Minister, in order to coordinate the monetary and financial policy of the Government with the policy of the Bank, deems it necessary Our Minister shall, after having heard the Bank Council, issue to the Governing Board such directions as he thinks necessary for attaining that purpose. Subject to the provisions of the next paragraph, the Governing Board is bound to follow those directions.

(2) If the Governing Board should object to following the directions referred to in the previous paragraph, the Governing Board shall be at liberty to bring those objections in writing

to Our notice within three days after having received such directions. We thereupon decide whether the directions shall be followed.

(3) In the matter of a dispute as referred to in the previous paragraph, article 23 of the act of December 21, 1861, (*Staatsblad* No. 129), amended lastly by the act of May 31, 1934, (*Staatsblad* No. 275), does not apply.

(4) In case We decide that the directions referred to in paragraph (1) shall be followed, the objections of the Governing Board together with Our decision — with motivation — shall, if in Our opinion the interest of the country does not object to such a procedure, be published in the *Nederlandse Staatscourant*.

Article 27

(1) The Board of Commissaries shall consist of twelve members.

(2) The members of the Board of Commissaries shall be appointed, subject to the provisions of article 38, by the shareholders from a nomination list containing the names of three persons for each position, drawn up in a combined meeting of the Board of Commissaries and the Bank Council.

(3) The members of the Board of Commissaries shall remain in office, subject to the provisions of article 38, for four consecutive years. Three of them shall resign each year; they shall be eligible for immediate re-appointment. In case of an interim vacancy the Commissary newly appointed shall, as to the duration of his mandate, take the place of his predecessor.

Article 28

(1) The Board of Commissaries shall supervise the administration of the Bank and approve and adopt the yearly balance sheet and profit and loss account. Without prejudice to the provisions of article 49a of the Commercial Code, the balance sheet and profit and loss account thus adopted shall serve the Governing Board as full discharge.

(2) If the Board of Commissaries should object to the balance sheet and profit and loss account as submitted to

it by the Governing Board these objections shall be brought in writing to the knowledge of the Governing Board. If a solution cannot be reached by mutual agreement the matter shall be referred to a committee of five experts. Two members of this committee shall be appointed by the Governing Board and two members by the Board of Commissaries; the fifth member, who shall act as chairman of the committee, shall be chosen by the four members thus appointed. The committee shall amend the balance sheet and profit and loss account the way they deem desirable and shall submit the amended documents as soon as possible to the Board of Commissaries, which shall then approve and adopt the balance sheet and profit and loss account as amended by the committee of experts.

Article 29

The order and method in which the Commissaries are to fulfil their functions shall be laid down in separate regulations to be drawn up by a combined meeting of the Governing Board and the Board of Commissaries.

CHAPTER IV

THE ROYAL COMMISSARY

Article 30

(1) On behalf of the Government a Royal Commissary, to be appointed and removed from office by Us, shall supervise the affairs of the Bank.

(2) The Royal Commissary shall be entitled to attend all meetings of shareholders and of the Board of Commissaries, the combined meetings of the Governing Board and the Board of Commissaries included, and shall have an advisory vote at such meetings.

(3) The Governing Board of the Bank is bound to furnish the Royal Commissary at his request with whatever infor-

mation he may deem requisite for the proper discharge of his duties of supervision.

(4) The further duties of the Royal Commissary shall be defined by Us.

(5) The remuneration of the Royal Commissary shall be paid by the State.

Article 31

(1) The Royal Commissary shall see to it that the balance sheet and profit and loss account of the Bank conform to the provisions of the law and of the by-laws of the Bank.

(2) If the Royal Commissary should not consider the balance sheet and profit and loss account submitted to him by the Governing Board to be in conformity with the provisions of the law and with the by-laws of the Bank, he shall bring his objections in writing to the knowledge of the Governing Board. If those objections cannot be removed through mutual consultation the question whether the balance sheet and profit and loss account are in conformity with the relative provisions shall be decided upon by three arbiters in the last resort. One of those arbiters shall be appointed by Our Minister and one by the Governing Board; the third arbiter shall be appointed by the President of the Court of Justice at Amsterdam.

CHAPTER V

BANK COUNCIL

Article 32

(1) There shall be a Bank Council, consisting of 17 members, *viz.*

- a. the Royal Commissary;
- b. four members to be appointed by and from the Board of Commissaries;
- c. twelve members to be appointed by Us in the way indicated in the next paragraph.

(2) The appointment of the members, mentioned under c. shall take place, awaiting the coming into being of a public organization of trade and industry, from an alphabetic nomi-

nation list containing the names of two persons for each vacancy, to be drawn up by organizations and associations to be designated by Us, which designation shall aim at a representation of commerce (inclusive of transport), industry and agriculture each with two members, and of the central labor organisations and the experts on finance and banking not belonging to any of the aforementioned four groups, each with three persons.

(3) The members of the Bank Council, mentioned in the first paragraph under b. shall each hold office until the moment they resign their office as Commissary. Those resigned shall be eligible for immediate re-appointment.

(4) The members of the Bank Council, mentioned under c. each hold office for four consecutive years. Every year one fourth of them shall resign. The resigning members are eligible for immediate re-appointment. In case of an interim vacancy the member newly appointed shall, as to the duration of his mandate, take the place of his predecessor.

(5) The Bank Council meets at least six times a year and further as often as the chairman or at least four of its members shall deem necessary.

(6) The Royal Commissary shall preside over the meetings of the Bank Council. In the absence of the chairman, the chair shall be taken by one of the members whom Our Minister has assigned. The Secretary of the Bank shall officiate as secretary.

Article 33

(1) The Governing Board of the Bank, the Treasurer-General or his deputy, together with three representatives, to be appointed by Our Ministers of Economic Affairs, of Agriculture, Fishing and Food and of Social Affairs respectively, shall be entitled to attend the meetings of the Bank Council and shall have an advisory vote at such meetings.

(2) The President of the Bank shall deliver a report to the Bank Council on the general economic and financial situation and on the policy pursued by the Bank. Next the subjects shall be discussed which one or more members lay on the table in connection with the position and the task of the Bank.

(3) Our Minister may, after having consulted the Governing Board, obtain the advice of the Bank Council in matters which are of importance for guiding the Bank's policy.

(4) The Bank Council is entitled to advise Our Minister of its own accord on matters which are of importance for guiding the Bank's policy.

Article 34

The chairman may impose upon the members and the Secretary of the Bank Council the obligation of keeping secret anything they have learned by reason of their function.

CHAPTER VI

ABRIDGED BALANCE SHEET

Article 35

The Governing Board shall publish once a week by insertion in the *Nederlandse Staatscourant* a condensed statement of assets and liabilities in a form to be submitted to Our approval.

CHAPTER VII

DISTRIBUTION OF PROFITS

Article 36

Twenty per cent. of the profits of the Bank, as appearing from the yearly profit and loss account as approved by the Board of Commissaries and in so far same has been found to be in conformity with the provisions of the law and of the by-laws of the Bank, shall be applied to the general reserve fund until this fund equals the amount of the social capital. Any surplus goes to the State.

CHAPTER VIII

TRANSITIONAL PROVISIONS

Article 37

The members of the Governing Board holding office at the time this act comes into force shall, notwithstanding the

provisions of article 23, remain in office for the remainder of their term of office.

Article 38

(1) The first appointment of the members of the Board of Commissaries, referred to in article 27, shall be made by Our Minister in concurrence with the Governing Board, within one month from the date on which this act comes into force. At that moment the Commissaries, appointed according to article 28 of the Bank Act 1937, shall resign.

(2) The members of the Board of Commissaries, appointed at the first nomination, shall, in contravention of the provisions of article 27, hold office for a period of from one to four years. The year in which the term of office of each of these members will end in rotation shall be determined by ballot.

Article 39

(1) The first appointment of the members of the Bank Council shall take place within three months from the date this act comes into force.

(2) The members, meant under c. of the first paragraph of article 32, shall hold office for the first time for a period of from one to four years, on the understanding that at the end of each of the four years, three of them shall resign. The year in which the term of office of each member will end in rotation shall be determined by ballot.

(3) Without prejudice to the provisions of art. 41, paragraph(1) under e. the article 6 of Our decree of October 1, 1945, (*Staatsblad* No. F 204) remains in force until the moment meant in the first paragraph of this article. The members of the Bank Council meant in Our aforementioned decree shall then resign.

Article 40

The provision of paragraph (1) of article 16 of this act does not apply in the case meant in article 2 of the act of August 30, 1946 (*Staatsblad* No. G 226).

Article 41

- (1) Enactments and decrees repealed and revoked:
 - a. the Bank Act 1937, (*Staatsblad* 1937, No. 401);
 - b. the act of July 18, 1940, (*Staatsblad* No. 189);
 - c. article 5 of the act of September 30, 1936, (*Staatsblad* No. 403);
 - d. Our decree of April 26, 1945, (*Staatsblad* No. F 61);
 - e. Our decree of October 1, 1945, (*Staatsblad* No. F 204), with the exception of article 1, article 9 and article 10.

(2) Any of Our decrees, based on the act mentioned in the previous paragraph under a. and on the decree mentioned under e. shall be deemed to be based henceforth on this act, insofar as such decrees are not in contravention of this act.

Article 42

The by-laws of the Bank shall be amended in accordance with the provisions of this act as soon as possible.

Article 43

- (1) This act may be cited as „Bank Act 1948”.
 - (2) It shall come into force at a date to be appointed by Us.
-

BY-LAWS OF DE NEDERLANDSCHE BANK N.V.

An unofficial translation of the by-laws of De Nederlandsche Bank N.V. (Published as an annex to the *Nederlandse Staatscourant*¹⁾ of July 13, 1949, No. 134)

CHAPTER I

GENERAL PROVISIONS

Article 1

For the purpose of these by-laws:

1. The Bank means: *De Nederlandsche Bank N.V.*
2. The Minister means: the Minister of Finance.

Article 2

- (1) The Bank is a *naamloze vennootschap* (limited liability company).
- (2) The financial year of the Bank runs from the first day of January to the thirty-first day of December following thereon inclusive.

Article 3

- (1) The registered office of the Bank is at Amsterdam.
- (2) The Bank has a branch office at Rotterdam and agencies and correspondentships elsewhere.
- (3) There shall be at least one agency in each province.
- (4) The number of correspondentships shall be determined according to requirements.

¹⁾ Official Government Gazette in the Netherlands

Article 4

The social capital of the Bank is twenty million guilders, fully paid up.

Article 4a

- (1) The social capital of the Bank shall be divided into twenty shares of one million guilders each.
- (2) The names of the shareholders shall be entered into a register of shares to be kept by the Bank.
- (3) No share certificates shall be issued.

Article 5

- (1) The Bank has a general reserve fund to which additions are made in conformity with the provisions of article 36.
- (2) The general reserve fund is destined to make good losses of capital which may be incurred by the Bank.

Article 6

Subject to the approval of the Minister the Bank may form special reserve funds. Allocations to and appropriations from such special reserve funds require the approval of the Minister.

Article 7

- (1) At the request of the Bank the general terms and conditions under which the Bank renders its services or some of its services, may be published in the *Nederlandse Staatscourant*.
- (2) Documents signed on behalf of the Bank in which reference is made to the terms and conditions made public in conformity with the first paragraph, are deemed to contain the complete text of such terms and conditions.

Article 8

The Bank has a pension fund for its personnel. The allocations to be granted to this fund and all matters relating to it shall be governed by regulations to be laid down by the combined meeting of the Governing Board and the Board of Commissaries of the Bank, subject to the approval of the Crown.

CHAPTER II

OPERATIONS OF THE BANK

Article 9

(1) It shall be the appointed task of the Bank to regulate the value of the Netherlands monetary unit in such a way as is deemed most conducive to the prosperity of the country, and therewith to stabilize that value as far as possible.

(2) The Bank shall provide for the monetary circulation in the Netherlands as far as this circulation consists of bank notes, shall facilitate the use of bank money in the Netherlands and shall promote the settlement of payments to and from foreign countries.

(3) The Bank shall exercise supervision over the credit system.

(4) Awaiting the passing of an act regulating the supervision over the credit system, it has been reserved to the Crown, whenever urgent circumstances do so require and after having consulted the Bank Council, to issue by decree further regulations under which the Bank shall exercise such supervision in the interest of the solvability and the liquidity of the credit institutions and in order to promote a sound credit policy. If and when such decree shall have been promulgated, a bill will be introduced as soon as possible in order to sanction its contents by law.

Article 10

(1) The Bank is, with the exclusion of all others, authorized to issue bank notes.

(2) Its notes are legal tender to unlimited amounts.

Article 11

The notes of the Bank are exchangeable at the head office, the branch office and the agencies, except on the days enumerated in article 171a of the Commercial Code.

Article 12

(1) The form and denomination of the notes to be issued by the Bank shall be determined and made public by the Governing Board of the Bank.

(2) The Bank shall not issue notes in denominations smaller than five guilders.

(3) Notes of the Bank which have been declared unfit for circulation because of wear and tear or for other reasons, and in witness thereof have been marked with a sign made public at the request of the Bank in the *Nederlandse Staatscourant*, have no value.

Article 13

(1) The Bank is not bound to make reimbursement for notes lost or wholly or partly destroyed.

(2) In cases where crime is suspected, or upon a written request by those who have an interest in the matter, the Governing Board of the Bank may require the bearer to sign the notes he presents for payment or for the credit of an account.

(3) The provisions of the articles 229i to 229k inclusive of the Commercial Code shall not apply to bank notes. Nor shall such notes be subject to the legal provisions concerning the inclusion, in all written or printed documents, statements and announcements issued by a limited liability company, or to which such company is a party, of its name and the place where its registered office is located.

Article 14

(1) The Governing Board of the Bank, after having obtained authorization from the Crown to do so, may call in any of its notes in circulation for exchange at their face value.

(2) When authorizing such calling in the Crown shall define the period of time which will be allowed for presentation of the notes called in.

(3) Each call shall be published at least once in the *Nederlandse Staatscourant*.

(4) After expiration of the period referred to in paragraph

(2), the notes mentioned in the relevant call shall be exchangeable only at the head office of the Bank after examination and approval of the request for exchange.

(5) Ten years after expiration of the period referred to above, the aggregate face value of notes called for redemption but not presented for exchange, shall be added to the Bank's profits of the current year. Notes subsequently presented for exchange shall be exchanged, after due examination and approval as referred to in paragraph (4), to the debit of the profit and loss account.

(6) The right to demand the exchange of notes called in for redemption lapses thirty years after expiration of the period referred to in paragraph (2).

Article 15

In addition to issuing bank notes the Bank is authorized to transact the following business:

1° the selling of drafts on its offices and correspondencies;

2° the acceptance of money in current account from its customers, the execution of orders to transfer money from such accounts or to pay out sums to the debit of such accounts, the collection on behalf of its customers of sums due to them, and the clearing of payments to, from and among third parties;

3° the discounting of:

a. bills of exchange and promissory notes bearing the signatures of two or more parties who are jointly and severally liable for the entire amount, and maturing within a period in accordance with the customs of trade;

b. bills and notes of the Netherlands Treasury;

c. debenture bonds redeemable within six months from the time of discounting, provided that the party presenting such paper for discount shall be jointly liable for its redemption;

4° the buying and selling of:

a. bills of exchange accepted by banks or bankers resident in the Netherlands, and maturing within a period in accordance with the customs of trade;

b. bills and notes of the Netherlands Treasury;

c. debenture bonds of the Netherlands Government or

guaranteed by the Netherlands Government for the payment of interest and for redemption, provided that such bonds are officially quoted on the Amsterdam Stock Exchange;

5° the buying and selling of transfers of money effected by letter or by cable, of cheques, of bills of exchange and of other commercial paper and Treasury paper, all payable abroad;

6° the granting of loans and advances in current account on collateral of securities, merchandise, warehouse receipts, coin, bullion and assets of the kinds enumerated under 3°, 4° and 5°;

7° the dealing in precious metals, causing bullion to be converted in coin and ores and bullion to be assayed and refined;

8° the taking into safe custody of securities, negotiable instruments, merchandise, warehouse receipts, deeds, valuables and other precious articles.

Article 16

(1) The Bank shall not grant unsecured credits or advances to any party whatsoever. This provision shall not, however, prevent the Bank from entrusting in its own interest money or merchandise to agents not in its permanent service, or to the Postal Cheque and Transfer Service.

(2) The Bank is authorized to buy for its own account, with a view to their liquidation at a future date, the whole or part of any merchandise, securities or other collateral pledged to the Bank by third parties by way of guarantee for the discharge of obligations of such parties, whenever such assets are sold under execution.

Article 17

With regard to the limitation of the total amount of notes in circulation, drafts outstanding and balances in current account, the Crown shall, also in order to promote a stable value of the Netherlands monetary unit, give the necessary provisions in accordance with rules to be established by law.

Article 18

- (1) The Bank is authorized to invest its social capital and its reserve funds.
- (2) The rules governing such investments shall be laid down by the combined meeting of the Governing Board and the Board of Commissaries of the Bank.
- (3) The revenue from these investments shall be included in the profits of the Bank. Any increase or decrease in the value of the assets in which the share capital has been invested, shall be credited or debited to the general reserve fund. Any increase or decrease in the value of the assets in which the reserve funds have been invested, shall be credited or debited to those reserve funds.

Article 19

- (1) The Bank is entrusted with the custody, free of charges, of the funds of the Treasury at Amsterdam.
- (2) The Bank shall act, free of charges, as fiscal agent of the Government at Amsterdam, Rotterdam and all other places where agencies of the Bank are in existence or will be established.
- (3) In respect of the duties resulting from the provisions of the first and second paragraphs of this article, the Bank shall be responsible to the Minister and accountable to the *Algemene Rekenkamer* (Auditor General's Office).
- (4) If and when the Minister deems this desirable, the Bank shall act, free of charges, as fiscal agent of the Postal Savings Bank and of other institutions established by law or by Royal decree. The Bank may also be charged with the keeping in safe custody of any securities belonging to or pledged to the Government or to any of the institutions referred to in the preceding sentence.

Article 20

- (1) Notwithstanding the provisions contained in the first paragraph of article 16, the Bank shall extend to the State advances in current account whenever the Minister deems such procedure necessary in order to ease temporarily the financial position of the Treasury. Such advances shall be

secured by a sufficient amount of Treasury notes issued and pledged in accordance with the provisions of the law.

- (2) The advances referred to in paragraph (1) shall not bear interest. The total amount outstanding at any time shall not exceed fifteen million guilders.

Article 21

Subject to the approval of the Crown, to be given after consultation with the Bank Council, the Bank may, in the public interest, transact other kinds of business than those enumerated in this act. The Royal decrees, containing the afore-mentioned approval shall be published in the *Staatsblad* and in the *Nederlandse Staatscourant*.

CHAPTER III

GOVERNMENT OF THE BANK

Article 22

- (1) The Governing Board of the Bank shall consist of a President and a Secretary, together with at least three and at most five Executive Directors.
- (2) The number of Executive Directors shall be determined by the combined meeting of the Governing Board and the Board of Commissaries.

Article 23

- (1) The President and the Secretary shall be appointed by the Crown; their term of office shall be seven years. The Governing Board and the Board of Commissaries shall in a combined meeting draw up a nomination list containing the names of two persons for either position. This list shall be submitted to the Crown for such consideration and action as the Crown shall deem appropriate.

- (2) The Executive Directors shall be appointed by the Crown for a term of seven years from a nomination list containing the names of three persons for each position, to be

drawn up by a combined meeting of the Governing Board and the Board of Commissaries and to be submitted to the Crown by the Governing Board.

If the appointment has not been made within three weeks after the date of the nomination, a new nomination list, drawn up in the manner described above, shall be submitted to the Crown by the Governing Board. If again no appointment follows within three weeks after the date of the nomination, the vacancy shall be filled by the Crown.

(3) All the members of the Governing Board shall on the expiry of their term of office be eligible for immediate re-appointment.

(4) On the recommendation of a combined meeting of the Governing Board and the Board of Commissaries, the Crown may suspend in the exercise of his functions or remove from his office any member of the Governing Board. A proposal for suspension shall be accompanied by a recommendation for temporary replacement.

(5) Any member of the Governing Board who either refuses or wilfully fails to follow one or more directions as mentioned in article 26, against which no objections have been raised by the Governing Board within three days after which such directions have been received, in accordance with the second paragraph of that article, or with respect to which the Crown has decided that they should be followed, can be removed from his office by the Crown, after consultation with the *Raad van State* (Council of State).

Article 24

(1) The combined meeting of the Governing Board and the Board of Commissaries may appoint temporary Executive Directors for such periods and subject to such rules and conditions as the meeting may decide when making the appointment.

(2) The appointment of a temporary Executive Director for a period longer than six months can only be made with the consent of the Crown.

Article 25

(1) The Governing Board represents the Bank in law suits and thereout. The Governing Board is entrusted with conducting the affairs of the Bank in the widest sense of the word, and with the administration of the Banks' properties. The Governing Board shall be authorized to effect all actions required in this respect, as far as such authority is not limited by these by-laws.

(2) The order and method in which the Governing Board is to fulfil its functions shall be laid down in separate regulations, to be drawn up by a combined meeting of the Governing Board and the Board of Commissaries. These regulations may not contain more restrictions of the kind referred to in article 47 of the Commercial Code, than are laid down in these by-laws.

(3) The managers of the branch office, the agents, the correspondents and all other officials and employees of the Bank shall be appointed and dismissed by the Governing Board.

Article 25a

(1) The Bank shall be committed by the signature of each of those who are authorized by virtue of the Bank Act 1948 and these by-laws to act on behalf of the Bank.

(2) The Governing Board shall be authorized to grant signatory power to one or more members of the staff.

Article 25b

(1) In the absence of one or more members of the Governing Board the remaining members or the remaining member, together with the temporary member or the temporary members appointed by virtue of article 23 or article 24, shall be entrusted temporarily with conducting the affairs of the Bank.

(2) In the absence of all members and temporary members of the Governing Board except one, the remaining member together with the chairman of the Board of Commissaries shall be entrusted temporarily with conducting the affairs of the Bank.

(3) In the absence of all members and temporary members

of the Governing Board the Board of Commissaries shall be authorized to act on behalf of the Bank.

Article 25c

- (1) In case of absence of the President his place shall be taken temporarily by the senior in years of service amongst the remaining members of the Governing Board.
- (2) In the cases referred to in the second and third paragraph of article 25b, except in case the President is the only remaining member, the place of the President shall be taken temporarily by the chairman of the Board of Commissaries.
- (3) In case of absence of the Secretary his place shall be jointly taken by those who by virtue of article 25b have been entrusted with conducting the affairs of the Bank, who then shall be entitled to charge one of them with the functions of the Secretary.
- (4) The provisions of the first, the second and the third paragraph of this article shall not apply in case the functions of the President and of the Secretary are temporarily executed by virtue of article 23, paragraph 4.

Article 25d

- (1) The remuneration of the members of the Governing Board shall be determined by the Board of Commissaries subject to the approval of the Crown.
- (2) The provision given in the first paragraph does not apply in the case of temporary Executive Directors, appointed by virtue of article 24.

Article 25e

Strict secrecy shall be observed, in so far as necessary, by the Governing Board and by the staff of the Bank regarding all matters pertaining to the affairs of the Bank.

Article 26

- (1) Whenever the Minister, in order to coordinate the monetary and financial policy of the Government with the

policy of the Bank, deems it necessary the Minister shall, after having heard the Bank Council, issue to the Governing Board such directions as he thinks necessary for attaining that purpose. Subject to the provisions of the next paragraph, the Governing Board is bound to follow those directions.

- (2) If the Governing Board should object to following the directions referred to in the previous paragraph, the Governing Board shall be at liberty to bring those objections in writing to the notice of the Crown within three days after having received such directions. The Crown thereupon decides whether the directions shall be followed.
- (3) In the matter of a dispute as referred to in the previous paragraph, article 23 of the act of December 21, 1861, (*Staatsblad* No. 129), amended lastly by the act of May 31, 1934, (*Staatsblad* No. 275), does not apply.
- (4) In case the Crown decides that the directions referred to in paragraph (1) shall be followed, the objections of the Governing Board together with the decision of the Crown — with motivation — shall, if in the opinion of the Crown the interest of the country does not object to such a procedure, be published in the *Nederlandse Staatscourant*.

Article 27

- (1) The Board of Commissaries shall consist of twelve members.
- (2) The members of the Board of Commissaries shall be appointed, subject to the provisions of article 38, by the shareholders from a nomination list containing the names of three persons for each position, drawn up in a combined meeting of the Board of Commissaries and the Bank Council.
- (3) The members of the Board of Commissaries shall remain in office, subject to the provisions of article 38, for four consecutive years. Three of them shall resign each year; they shall be eligible for immediate re-appointment. In case of an interim vacancy the Commissary newly appointed shall, as to the duration of his mandate, take the place of his predecessor.

Article 27a

Only Netherlands subjects in the full enjoyment of their civic rights, shall be eligible as Commissaries.

Article 28

(1) The Board of Commissaries shall supervise the administration of the Bank and approve and adopt the yearly balance sheet and profit and loss account. Without prejudice to the provisions of article 49a of the Commercial Code, the balance sheet and profit and loss account thus adopted shall serve the Governing Board as full discharge.

(2) If the Board of Commissaries should object to the balance sheet and profit and loss account as submitted to them by the Governing Board these objections shall be brought in writing to the knowledge of the Governing Board. If a solution cannot be reached by mutual agreement the matter shall be referred to a committee of five experts. Two members of this committee shall be appointed by the Governing Board and two members by the Board of Commissaries; the fifth member, who shall act as chairman of the committee, shall be chosen by the four members thus appointed. The committee shall amend the balance sheet and profit and loss account the way they deem desirable and shall submit the amended documents as soon as possible to the Board of Commissaries, who shall then approve and adopt the balance sheet and profit and loss account as amended by the committee of experts.

Article 29

The order and method in which the Commissaries are to fulfil their functions shall be laid down in separate regulations to be drawn up by a combined meeting of the Governing Board and the Board of Commissaries.

Article 29a

(1) The Board of Commissaries shall meet at Amsterdam as frequently as the President of the Bank or the chairman to be chosen by the Board from among its number, considers it necessary. During a plenary meeting of the Board or in a

committee instituted by the Board, the Commissaries are entitled, whenever they should deem this necessary, to ask the Governing Board any information and to ask presentation of all documents pertaining to the affairs of the Bank, and to make such observations as they may deem necessary.

(2) At the request of five Commissaries the chairman of the Board shall convene a meeting of Commissaries.

(3) The Board of Commissaries may invite the President of the Bank and/or one or more of the other members of the Governing Board to attend its meeting.

Article 29b

(1) The President of the Bank may convene at all times a combined meeting of the Governing Board and the Board of Commissaries in order to deal with any such proposals and subjects as he may consider useful in the interest of the Bank.

(2) A combined meeting for the purpose of considering a proposal for suspending in the exercise of his functions or removing from his office the President of the Bank, shall be convened by the senior in years of service amongst the other members of the Governing Board, who shall also take the chair at this meeting.

(3) Apart from the case provided for in the previous paragraph, the President of the Bank shall preside over the combined meetings of the Governing Board and the Board of Commissaries. The Secretary of the Bank shall officiate as secretary.

(4) The combined meeting shall lay down its own regulations with regard to the order and method of fulfilling its functions; these regulations shall not contain provisions which are incompatible with these by-laws.

Article 29c

The activities of the combined meeting of the Governing Board and the Board of Commissaries shall include, apart from those mentioned elsewhere in these by-laws, taking decisions as to the establishment or the abolishment of agencies

and determining the remuneration of the management of the branch office and of the agencies.

Article 29d

The Commissaries shall receive, for each meeting they attend, in addition to reimbursement of travelling and hotel expenses, an attendance allowance, to be determined by the meeting of shareholders.

CHAPTER IV

THE ROYAL COMMISSIONARY

Article 30

(1) On behalf of the Government a Royal Commissary, to be appointed and removed from office by the Crown, shall supervise the affairs of the Bank.

(2) The Royal Commissary shall be entitled to attend all meetings of shareholders and of the Board of Commissaries, the combined meetings of the Governing Board and the Board of Commissaries included, and shall have an advisory vote at such meetings.

(3) The Governing Board of the Bank is bound to furnish the Royal Commissary at his request with whatever information he may deem requisite for the proper discharge of his duties of supervision.

(4) The further duties of the Royal Commissary shall be defined by the Crown.

(5) The remuneration of the Royal Commissary shall be paid by the State.

Article 31

(1) The Royal Commissary shall see to it that the balance sheet and profit and loss account of the Bank conform to the provisions of the law and of these by-laws.

(2) If the Royal Commissary should not consider the balance sheet and profit and loss account submitted to him by the Governing Board to be in conformity with the provisions of the

law and with these by-laws, he shall bring his objections in writing to the knowledge of the Governing Board. If those objections cannot be removed through mutual consultation the question whether the balance sheet and profit and loss account are in conformity with the relative provisions shall be decided upon by three arbiters in the last resort. One of those arbiters shall be appointed by the Minister and one by the Governing Board; the third arbiter shall be appointed by the President of the Court of Justice at Amsterdam.

CHAPTER V

BANK COUNCIL

Article 32

(1) There shall be a Bank Council, consisting of 17 members, *viz.*

- a. the Royal Commissary;
- b. four members to be appointed by and from the Board of Commissaries;
- c. twelve members to be appointed by the Crown in the way indicated in the next paragraph.

(2) The appointment of the members, mentioned under c. shall take place, awaiting the coming into being of a public organization of trade and industry, from an alphabetic nomination list containing the names of two persons for each vacancy, to be drawn up by organizations and associations to be designated by the Crown, which designation shall aim at a representation of commerce (inclusive of transport), industry and agriculture each with two members, and of the central labor organisations and the experts on finance and banking not belonging to any of the aforementioned four groups, each with three persons.

(3) The members of the Bank Council, mentioned in the first paragraph under b. shall each hold office until the moment they resign their office as Commissary. Those resigned shall be eligible for immediate re-appointment.

(4) The members of the Bank Council, mentioned under c. each hold office for four consecutive years. Every year one

fourth of them shall resign. The resigning members are eligible for immediate re-appointment. In case of an interim vacancy the member newly appointed shall, as to the duration of his mandate, take the place of his predecessor.

(5) The Bank Council meets at least six times a year and further as often as the chairman or at least four of its members shall deem necessary.

(6) The Royal Commissary shall preside over the meetings of the Bank Council. In the absence of the chairman, the chair shall be taken by one of the members whom the Minister has assigned. The Secretary of the Bank shall officiate as secretary.

Article 33

(1) The Governing Board of the Bank, the Treasurer-General or his deputy, together with three representatives, to be appointed by the Ministers of Economic Affairs, of Agriculture, Fishing and Food and of Social Affairs respectively, shall be entitled to attend the meetings of the Bank Council and shall have an advisory vote at such meetings.

(2) The President of the Bank shall deliver a report to the Bank Council on the general economic and financial situation and on the policy pursued by the Bank. Next the subjects shall be discussed which one or more members lay on the table in connection with the position and the task of the Bank.

(3) The Minister may, after having consulted the Governing Board, obtain the advice of the Bank Council in matters which are of importance for guiding the Bank's policy.

(4) The Bank Council is entitled to advise the Minister of its own accord on matters which are of importance for guiding the Bank's policy.

Article 34

The chairman may impose upon the members and the Secretary of the Bank Council the obligation of keeping secret anything they have learned by reason of their function.

Article 34a

The Bank Council may lay down its own regulations with regard to the order and method of fulfilling its functions;

these regulations shall not contain provisions which are incompatible with these by-laws.

Article 34b

(1) The chairman of the Board of Commissaries shall preside over the combined meeting of the Board of Commissaries and the Bank Council. The Secretary of the Bank shall officiate as secretary.

(2) The combined meeting of the Board of Commissaries and the Bank Council may lay down its own regulations with regard to the order and method of fulfilling its functions; these regulations may not contain provisions which are incompatible with these by-laws.

Article 34c

The members of the Bank Council shall receive, for each meeting they attend, in addition to reimbursement of travelling and hotel expenses, an attendance allowance, to be determined by the meeting of shareholders.

CHAPTER VI

ABRIDGED BALANCE SHEET

Article 35

The Governing Board shall publish once a week by insertion in the *Nederlandse Staatscourant* a condensed statement of assets and liabilities in a form to be submitted to the approval of the Crown.

CHAPTER VII

DISTRIBUTION OF PROFITS

Article 36

Twenty per cent. of the profits of the Bank, as appearing from the yearly profit and loss account as approved by the Board of Commissaries and in so far same has been found to be in conformity with the provisions of the law and of these by-laws, shall be applied to the general reserve fund until this fund equals the amount of the social capital. Any surplus goes to the State.

CHAPTER VIIa

GENERAL MEETING OF SHAREHOLDERS DRAWING UP AND APPROVAL OF BALANCE SHEET

Article 36a

The General Meeting of shareholders shall be held at Amsterdam; the President of the Bank shall preside over the meeting.

Article 36b

(1) The ordinary General Meeting shall be held annually not later than May 1. At this meeting the President reports about the past financial year.

(2) Extraordinary General Meetings of shareholders shall be held:

a. if a combined meeting of the Governing Board with the Board of Commissaries decides to convene such a meeting;

b. if one or more shareholders representing between them not less than one tenth part of the social capital, make a written request to that effect to the Governing Board and the Board of Commissaries, accompanied by a description of the subjects to be dealt with at the meeting.

(3) A General Meeting of shareholders shall be convened by means of written notices to the shareholders.

Article 36c

(1) The books of the Bank shall be closed on the last day of the month of December of each year and a balance sheet and profit and loss account shall be drawn up as per that date. This balance sheet and profit and loss account shall be submitted as soon as possible to the Board of Commissaries together with the documents pertaining thereto.

(2) The Board of Commissaries shall examine the balance sheet and profit and loss account within one month after they have been submitted and shall give evidence of its approval or disapproval by a report in writing.

CHAPTER VIII

TRANSITIONAL PROVISIONS

Article 37

The members of the Governing Board holding office at the time the Bank Act 1948 comes into force shall, notwithstanding the provisions of article 23, remain in office for the remainder of their term of office.

Article 38

(1) The first appointment of the members of the Board of Commissaries, referred to in article 27, shall be made by the Minister in concurrence with the Governing Board, within one month from the date on which the Bank Act 1948 comes into force. At that moment the Commissaries, appointed according to article 28 of the Bank Act 1937, shall resign.

(2) The members of the Board of Commissaries, appointed at the first nomination, shall, in contravention of the provisions of article 27, hold office for a period of from one to four years. The year in which the term of office of each of these members will end in rotation shall be determined by ballot.

Article 39

(1) The first appointment of the members of the Bank Council shall take place within three months from the date the Bank Act 1948 comes into force.

(2) The members, meant under c. of the first paragraph of article 32, shall hold office for the first time for a period of from one to four years, on the understanding that at the end of each of the four years, three of them shall resign. The year in which the term of office of each member will end in rotation shall be determined by ballot.

(3) Without prejudice to the provisions of article 41, paragraph (1) under e. of the Bank Act 1948, the article 6 of the Royal decree of October 1, 1945, (*Staatsblad* No. F 204) remains in force until the moment meant in the first paragraph of this article. The members of the Bank Council meant in the aforementioned Royal decree shall then resign.

Article 40

The provision of paragraph(1) of article 16 of the Bank Act 1948 does not apply in the case meant in article 2 of the Act of August 30, 1946, (*Staatsblad* No. G 226).

Article 40a

These by-laws have been drawn up observant of the provisions of the Bank Act 1948.

