

# **LAW OF THE REPUBLIC OF UZBEKISTAN “ON THE CENTRAL BANK OF THE REPUBLIC OF UZBEKISTAN” No. 154-I DATED 12/21/95, AMENDED AS OF DECEMBER 15, 2000**

Changes have been made to this Law in accordance with:

Law No. 68 1-I dated August 29, 1998

Chapter X of Law of the Republic of Uzbekistan No. 772-I dated April 15, 1999, and item 12 of Law of the Republic of Uzbekistan No. 175-II dated December 15, 2000

## **Chapter I - General Provisions**

### **Article 1. Legal Status**

The legal status, tasks, functions, powers, and the principles of organization and activity of the Central Bank shall be determined by the Constitution of the Republic of Uzbekistan, by this Law, and by other legislative acts.

The Central Bank shall be a legal entity, and it shall be under the exclusive ownership of the state.

The Central Bank shall be an economically independent institution paying its expenses out of its own income.

The Central Bank and its institutions shall have a seal bearing an image of the State Seal of the Republic of Uzbekistan and their name.

### **Article 2. Property**

The property of the Central Bank shall consist of its monetary and other material assets, the value of which shall be reflected on the balance sheet of the Central Bank.

Buildings and structures of the Central Bank as well as the land parcels on which they sit shall not be subject to alienation.

### **Article 3. Main Goal and Major Tasks**

The main goal of the Central Bank shall be to ensure stability of national currency.

The major tasks shall be:

- (a) shaping, adopting, and implementing monetary policy and policy in the area of foreign exchange regulation;
- (b) organizing and supporting an effective system of settlements in the Republic of Uzbekistan;
- (c) banking regulation and banking supervision;
- (d) safeguarding and managing the official gold and foreign exchange reserves of the Republic of Uzbekistan, including government reserves by arrangement;
- (e) organizing cash execution of the state budget jointly with the Ministry of Finance.

### **Article 4. Prohibited Forms of Activity of the Central Bank**

The Central Bank shall not have the right:

- (a) to provide financial assistance;
  - (b) to engage in commercial activity;
  - (c) to participate in the capital of banks and other legal entities, with the exception of participating in the capital of the Narodnyy Bank [People's Bank] of the Republic of Uzbekistan and also in enterprises and organizations supporting the Central Banks activity.
- (Edited in accordance with item 1 of chapter X of Law of the Republic of Uzbekistan No. 772-I dated April 15, 1999)

#### **Article 5. Accountability**

The Central Bank shall be accountable to the Oliy Mazhlis of the Republic of Uzbekistan. The Oliy Mazhlis shall:

- (a) appoint and dismiss the chairman of the Central Bank by request of the President of the Republic of Uzbekistan;
- (b) review the annual report and auditor's conclusion.

The Central Bank shall annually publish a report in the press on the current monetary situation and the major directions of monetary policy.

#### **Article 6. Independence of the Central Bank**

The Central Bank shall make decisions independently within the limits of its powers.

The state shall not be liable for obligations of the Central Bank, nor shall the Central Bank be liable for obligations of the state, unless they themselves have accepted such obligations, or unless foreseen otherwise by legislative acts.

#### **Article 7. Normative Acts**

The Central Bank shall issue normative acts within the limits of its competency, binding upon all persons in the territory of the Republic of Uzbekistan.

Normative acts of the Central Bank shall become effective from the day of their publication, unless foreseen otherwise in the act itself

Paragraph three has been deleted in accordance with Law No. 681-I dated August 29, 1998.

Normative acts of the Central Bank within the limits of its competency shall not be subject to registration with other bodies.

#### **Article 8. Organizational Structure**

The Central Bank shall create the corresponding services and institutions to carry out its assigned tasks.

The Central Bank shall create main branches not having the status of a legal entity in the capital of the Republic of Karakalpakstan, in oblast centers, and in the city of Tashkent.

Services and institutions of the Central Bank shall act on the basis of regulations approved by the Board of Directors of the Central Bank (henceforth the Board).

#### **Article 9. Foreign Economic Activity**

The Central Bank shall have the right:

- (a) to represent the interests of the Republic of Uzbekistan in central banks of other states, international banks, and other financial and credit institutions;
- (b) to carry out financial operations, including those of providing banking services to foreign governments, foreign central banks and bodies responsible for monetary regulation, and international organizations of which the Republic of Uzbekistan is a member;
- (c) to open representative offices in foreign states;
- (d) to accredit representative offices of foreign banks in the Republic of Uzbekistan.

Mutual relations of the Central Bank with banks and credit institutions of other states shall be in accordance with international agreements of the Republic of Uzbekistan and interbank arrangements.

## **Chapter II - The Bank's Financial Position**

### **Article 10. The Central Bank's Authorized Capital**

The Central Banks authorized capital shall amount to 2 billion sums. Authorized capital shall be increased by decision of the Oliy Mazhlis of the Republic of Uzbekistan.

The Central Bank's authorized capital shall not be subject to transfer or to use as pledged security.

### **Article 11. Determination and Distribution of Profit**

The profit of the Central Bank shall be determined every fiscal year after:

- (a) reserves are formed and possible losses under bad and problem debts and other assets are covered;
- (b) all income and expenses and the actual value of assets and liabilities are accounted for in accordance with commonly accepted accounting practice.
- (c) The profit of the Central Bank shall be distributed according to procedure established by the Board concurrently with approval of the annual report.

Various reserves and funds may be formed for earmarked purposes by decision of the Board.

Profit remaining after funds and required reserves are replenished according to established procedure shall be transferred to the republican budget as revenue.

Transfer of profit to the republican budget prior to review of the annual report shall not be permitted.

### **Article 12. Exemption of the Central Bank From Taxes, Charges, and Duties**

The Central Bank and its institutions shall be exempt from taxes, charges, duties, and other payments.

### **Article 13. Reporting**

The reporting period of the Central Bank shall be set from January 1 to December 31 inclusively. The annual report shall be presented to the Oliy Mazhlis for review no later than May 15.

#### **Article 14. Audit of the Central Bank**

The Central Bank shall be audited annually by independent auditing organizations.

### **Chapter II - Management of the Central Bank**

#### **Article 15. The Board of the Central Bank**

The Board shall be the supreme body of the Central Bank.

The Board shall determine the basic directions of the Central Bank's policy and activity, and manage the bank.

#### **Article 16. Board Personnel**

The Board shall consist of eleven persons. Board personnel shall include the chairman of the Central Bank, his deputies, and the directors of the bank's main subdivisions. The chairman of the Central Bank shall be the chairman of the Board. Board members (with the exception of the first deputy chairman and deputy chairmen of the Central Bank) shall be approved by the Kengash of the Oliy Mazhlis as requested by the chairman of the Central Bank. *(Edited in accordance with sub-item 1 of item 12 of Law of the Republic of Uzbekistan No. 175-II dated December 15, 2000) See Commentary.*

#### **Article 17. Powers of the Board**

The Board shall possess the following powers:

- (a) determining the main directions of monetary policy, including the scale of the Central Bank's operations on the open market, the discount and loan interest rates of the Central Bank, and the standard for the required reserves of banks held in the Central Bank;
- (b) deciding on the Central Bank's participation in international organizations;
- (c) determining the nominal value and types of bills and coins, and the conditions for withdrawal of currency from circulation;
- (e) approving the amounts and conditions of loans to the government of the Republic of Uzbekistan;
- (f) economic standards for banks, and reviewing their observance~ approving making decisions to issue and revoke banking licenses;
- (g) determining the organizational structure of the Central Bank;
- (h) creating, reorganizing, and liquidating institutions and enterprises of the Central Bank;
- (i) approving the Central Bank's income and expense estimate; reviewing annual and financial reports of the Central Bank;
- (j) approving the directors of the structural subdivisions, institutions, and enterprises of the Central Bank;
- (k) entertaining reports from directors of structural subdivisions of the Central Bank and its institutions and organizations;

- (l) establishing the conditions for hiring, firing, and paying workers of the Central Bank in accordance with legislation, and the procedure by which they may obtain credits and stocks;
- (m) examining and resolving other issues within the competency of the Central Bank.

### **Article 18. Meetings of the Board**

The Board shall meet not less than once a month.

Meetings of the Board shall be convened by the chairman of the Central Bank. They may also be convened at the demand of not less than three members of the Board.

The chairman of the Central Bank and, in his absence, one of his deputies shall preside over meetings of the Board.

A meeting of the Board shall be competent if not less than two-thirds of its members participate. A decision of the Board shall be made by a simple majority of attending members. In the event of a tie, the Central Bank chairman's shall be the deciding vote.

Board meetings shall be closed as a rule.

### **Article 19. Decisions of the Board**

A decision of the Board shall be adopted in the form of a resolution.

### **Article 20. The Chairman of the Central Bank**

The chairman of the Central Bank shall:

- (a) direct the activity of the Central Bank and its Board, dispose of bank funds, and be responsible for fulfillment of the tasks imposed on the Central Bank;
- (b) resolve issues concerning the Central Bank's activity, with the exception of those placed by this Law within the competency of the Board;
- (c) sign Board resolutions, and issue orders and instructions;
- (d) manage on an ongoing basis the activities and current operations of the Central Bank;
- (e) represent the Central Bank to the Oliy Mazhlis, the government, ministries and departments, courts, banks, institutions, and international and foreign organizations in regard to all banking issues;
- (f) delegate resolution of certain issues to his deputies, to the directors of structural subdivisions of the central administration, and to directors of territorial institutions.
- (g) The term of the chairman of the Central Bank shall be five years.

In the absence of the chairman of the Central Bank his duties shall be carried out by one of his deputies.

### **Article 21. Grounds for Dismissing the Chairman of the Central Bank**

The chairman of the Central Bank may be dismissed on the following grounds:

- (a) expiration of his term;
- (b) a personal letter of retirement indicating the reasons;
- recognition of his guilt in a crime by legally established procedure;

(c) the impossibility of carrying out his official duties for health reasons, on the basis of the conclusion of a state medical commission;

(d) actions incompatible with his position, including grossly violating this Law and significantly damaging the interests of the Central Bank.

The chairman of the Central Bank may also be dismissed on other grounds foreseen bylaw.

#### **Article 22. Deputy Chairmen of the Central Bank**

The text of Article 22 has been edited in accordance with sub-item 2 of item 12 of Law of the Republic of Uzbekistan No. 1 75-II dated December 15, 2000. Previous version .See the Commentary.

The first deputy and the deputy chairmen of the Central Bank shall be appointed and dismissed by the President of the Republic of Uzbekistan at the request of the chairman of the Central Bank.

### **Chapter IV - Monetary Operations of the Central Bank**

#### **Article 23. Main Directions of Monetary Policy**

The Central Bank shall develop the main directions of the monetary policy of the Republic of Uzbekistan for the forthcoming year, and it shall inform the Oliy Mazhlis regarding this policy each year, no later than 30 days prior to the beginning of the next fiscal year.

The main directions of monetary policy must include:

- (a) analyzing and forecasting economic conditions;
- (b) the economically justified limits of circulating money supply;
- (c) targets for the rate of annual growth of the money supply, including changes in the Central Bank's internal assets;
- (d) the basic directions of foreign exchange and interest policy;
- (e) the main target parameters of actions to be taken under monetary regulation.

#### **Article 24. Guidelines for Changes in the Money Supply**

The Central Bank may set guidelines for changes in one or several indicators of the circulating money supply on the basis of the state of monetary, financial, foreign exchange, and price relations in the Republic of Uzbekistan.

#### **Article 25. Operations on the Open Market**

The Central Bank may buy and sell state securities and long-term obligations issued by the Central Bank itself on the open market.

The Central Bank may not use operations on the open market to finance a budget at any level, or buy state securities when they are first floated.

The limit on operations on the open market shall be approved by the Board.

#### **Article 26. Discount Operations of the Central Bank**

The Central Bank may discount short-term treasury bills, as well as commercial bills for which payment is guaranteed by banks.

The conditions of discount operations, including the discount rate, shall be established by the Central Bank.

#### **Article 27. Interest Rates of Discount and Credit Operations**

The Central Bank shall independently set interest rates for its discount and credit operations.

#### **Article 28. Required Reserves**

The Central Bank shall direct banks to maintain reserves at a minimum level established for them. The minimum level of required reserves deposited with the Central Bank shall be determined by normative acts of the Central Bank, and it shall depend on the amount, type, and term of deposits and other obligations of banks. The amounts of required reserves shall be the same for all banks in each category of attracted resources and deposits.

Required reserves shall be deposited with the Central Bank in the form of cash or contributions according to procedure established by the Central Bank.

Directives regarding establishment or change of standards or of the make-up of required reserves shall indicate periods of not less than one month within which banks must fulfill new requirements regarding the make-up or amount of reserves.

The decision to pay interest on required reserves shall be made by the Central Bank.

#### **Article 29. Sanctions for Not Fulfilling the Norms of Required Reserves**

Should a bank fail to fulfill the rules of Article 28 regarding maintenance of minimum required reserves, the Central Bank shall collect without recourse from this bank the amount of unpaid resources and a fine in an amount not exceeding double the refinancing rate.

#### **Article 30. Refinancing of Banks by the Central Bank**

The Central Bank shall have the right to offer credit to banks under conditions set by it for a term of up to three months under pledge of the following assets:

- (a) gold, foreign currency, and foreign exchange and other values falling within the category of international reserves;
- (b) state debt obligations and other debt instruments guaranteed by the government;
- (c) assets deposited with the Central Bank and depositories acceptable to it, and cleared for purchase/sale or other operations of the Central Bank within the framework of this Law;
- (d) commercial bills for which payment is guaranteed by banks.

The Central Bank shall publish the conditions for participation of banks in its refinancing system.

#### **Article 31. Customer Services by the Central Bank**

The Central Bank may carry out banking operations according to procedure and under conditions foreseen by legislation to service the main accounts of bodies of state government and administration, their institutions and organizations, bodies of the Ministry of Defense, the Ministry of Internal Affairs, the National Security Service of the Republic of Uzbekistan, and enterprises, institutions, and organizations under the Central Bank.

## **Chapter V - The Monetary System and Organization of Monetary Circulation**

### **Article 32. The Monetary System**

The monetary system of the Republic of Uzbekistan shall include the official monetary unit and organization and regulation of monetary circulation.

The sum shall be the official monetary unit of the Republic of Uzbekistan. One sum shall consist of 100 tiyins.

The sum shall be the sole unrestricted legal tender in the Republic of Uzbekistan.

The Central Bank shall have the exclusive right to issue currency into circulation in the form of bills and coins as legal tender in the Republic of Uzbekistan. Their falsification and counterfeiting shall incur liability in accordance with the law.

Circulating bills and coins shall be direct liabilities of the Central Bank, and they shall be secured by all of its assets.

The Central Bank shall not compensate for destroyed, lost, counterfeit, falsified, and invalidated bills and coins.

Types of bills and coins and their design shall be approved by the Central Bank in coordination with the Kengash of the Oliy Mazhlis. The design of bills and coins shall be the property of the Central Bank. Reports of issue of bills and coins of new types and their description shall be published by the Central Bank in the mass media.

The Central Bank and banks authorized by it shall exchange denominations of bills and coins for others on demand without any fee or commission.

### **Article 34. Manufacture and Storage of Currency**

The Central Bank shall provide for the printing of bills and for coining, for storage of currency not released into circulation, and for storage and destruction of plates and dyes, and it shall establish the rules of storage, transportation, and encashment of cash, and its destruction.

### **Article 35. Requirements on the Use of Circulating Currency**

Bills and coins placed into circulation by the Central Bank shall be accepted mandatorily at their nominal value for all forms of payments, for placement in accounts and deposits, and for transfer over the entire territory of the Republic of Uzbekistan.

### **Article 36. Payments**

Payments shall be made in the territory of the Republic of Uzbekistan in the form of cash or noncash settlements.

Noncash settlements shall be made in the territory of the Republic of Uzbekistan through banks. The forms and rules of noncash settlements shall be established by the Central Bank.

The procedure of cash operations by legal entities shall be determined by the Central Bank.

The Central Bank shall establish the procedure for determining the fitness of currency for use and replacing damaged bills and coins. The procedure for determining the fitness of currency and for its exchange shall be subject to publication.



Banks shall exchange damaged bills and coins without restrictions in accordance with established rules.

#### **Article 38. Placement of Cash Into Circulation**

Cash shall be placed into circulation and withdrawn from circulation exclusively by the Central Bank.

#### **Article 39. Withdrawal of Currency**

The Central Bank shall have the right to withdraw any bills and coins from circulation in the Republic of Uzbekistan in conjunction with compulsory emission of an equal volume of bills and coins to replace the former. A standard document of the Central Bank indicating the exchange procedure and the exchange period shall be grounds for this.

After the exchange period established by the Central Bank ends, the bills and coins shall cease to be legal tender.

### **Chapter VI - Foreign Exchange Regulation, and Management of International Reserves**

#### **Article 40. Foreign Exchange Regulation**

The Central Bank shall be the body of state foreign exchange regulation and foreign exchange control.

The Central Bank shall:

- (a) issue normative acts on foreign exchange regulation binding upon all persons in the Republic of Uzbekistan;
- (b) grant and revoke foreign exchange licenses to banks, other legal entities, and individuals, and oversee and regulate their activity;
- (c) set limits on the open foreign exchange position and other economic standards for banks;
- (d) establish the procedure for determining the rate of exchange of national currency for foreign currency;
- (e) possess and manage the international reserves of the Republic of Uzbekistan.

#### **Article 41. International Clearing and Payment Agreements**

The Central Bank shall have the right to conclude clearing and payment agreements as well as any contracts with clearing institutions located abroad in its own name, or in the name of the Republic of Uzbekistan when so directed by the government.

#### **Article 42. International Reserves**

The Central Bank shall form the international reserves of the Republic of Uzbekistan in its own balance-sheet accounts containing:

- (a) gold and other precious metals;
- (b) foreign cash;

(c) the balances of foreign exchange in accounts and deposits with foreign banks and international financial organizations;

(d) securities in foreign exchange issued or guaranteed by foreign governments, banks, and international financial organizations.

The Central Bank shall assist in maintaining international reserves at a level sufficient for implementation of the monetary and foreign exchange policy of the Republic of Uzbekistan, and for settlements in international operations.

#### **Article 43. Operations in Foreign Currency**

The Central Bank shall have the right to conduct operations in foreign currency in the territory of the Republic of Uzbekistan and beyond its borders in accordance with legislation of the Republic of Uzbekistan and international practice.

### **Chapter VII. The Central Bank's Relations With the Government**

#### **Article 44. Functions of the Central Bank**

The Central Bank shall act as banker, advisor, and fiscal agent of the government of the Republic of Uzbekistan.

The Central Bank shall advise the government in all important matters related to the tasks and competency of the Central Bank.

Each year the Central Bank shall submit a report on economic and financial matters containing recommendations on drafting the state budget.

#### **Article 45. Consultation on Borrowing of the State Sector**

The government shall consult with the Central Bank on plans to borrow from domestic and foreign credit sources in the forthcoming fiscal year, including on the amounts to be paid under such borrowing, and on the proposed periods and conditions under which credits are to be granted. The Ministry of Finance shall inform the Central Bank of all loans obtained by the Republic of Uzbekistan and its state bodies.

#### **Article 46. Depository and Cashier Functions**

The Central Bank may accept monetary resources from the government and other state bodies for deposit when the latter have permission from the Ministry of Finance. As a depository, the Central Bank shall receive and issue monetary resources, and maintain records on them. The Central Bank may pay interest on the indicated deposits.

#### **Article 47. Fiscal Agent Functions**

Acting under conditions coordinated with the Ministry of Finance, the Central Bank may play the role of fiscal agent of the government of the Republic of Uzbekistan and of state bodies when:

(a) debt obligations issued by the Ministry of Finance and other state bodies are floated, when floated obligations are registered, and when performing the role of agent in their transfer;

(b) redeeming the indicated securities, and making interest and other payments on them;

(c) maintaining accounts on the indicated securities and executing payment operations on them;

(d) carrying out other operations with the indicated securities.

The Central Bank shall consult with the Ministry of Finance on matters concerning the schedule and volume of issuance of state securities, and repayment of the state debt, with regard for their effect upon the liquidity of the banking system and the priorities of monetary policy.

#### **Article 48. Crediting the Government**

Credits shall be granted to the government in an amount approved by the Oliy Mazhlis, under the pledge of state securities certified as freely circulating debt obligations with a redemption period of up to six months. Such securities shall be issued by the Ministry of Finance, they shall pay earnings at the market rate, and they shall be transferred to the Central Bank. The duration of the credit must correspond to the redemption period of the freely circulating debt obligations.

The act of issuing credit shall be documented by a separate credit agreement between the government and the Central Bank stipulating the amount, repayment period, interest, and the loan repayment procedure.

The Central Bank shall have the right to grant credits to the government for a longer period to cover subscription dues or other payments incurred by the republic's membership in a particular international organization.

The Central Bank shall not have the right to grant financial assistance to the government except in cases foreseen in this article.

#### **Article 49. Information Exchange Between the Government and the Central Bank**

The government and the Central Bank shall maintain constant statistical information exchange to permit monitoring of the main macroeconomic parameters of the economy.

The government, ministries, and departments shall provide the Central Bank with financial and economic information and the documents it requires for fulfillment of its functions.

### **Chapter VIII - Banking Supervision. Banking Regulation**

#### **Article 50. Banking Supervisory and Regulatory Functions**

The Central Bank shall carry out banking supervision and regulate banking with the goal of maintaining the stability of the banking system and protecting the interests of depositors and creditors.

The Central Bank shall register banks and issue banking licenses. Banks shall be registered and licenses shall be issued to them for a fee.

The Central Bank shall maintain a State Bank Registration Book. Bank registration information shall be subject to publication.

#### **Article 51. Powers of the Central Bank in Supervisory Functions**

The Central Bank shall establish the rules of banking, accounting, and bank statistical reporting, and of drafting annual reports, binding upon banks.

The Central Bank shall have the right;

- (a) to receive and verify reports and other documents from banks, and to request and receive
- (b) information on their activity, including in regard to operations;
- (c) to demand explanations of information received;
- (d) to examine the activity of banks, their branches, and legal entities affiliated with a bank, and to impose sanctions on violators;
- (e) to set requirements on internal auditing of banks;
- (f) to classify bank assets as to their quality, and to require creation of adequate reserves to cover possible losses under assets;
- (g) to determine the conditions and procedure for writing off bad assets;
- (h) to send binding instructions to banks on correcting violations revealed in their activity;
- (i) to request and receive information on the financial position and reputation of bank stockholders acquiring a portion of the authorized capital in excess of the amount established by legislation; (*Edited in accordance with item 2 of chapter X of Law of the Republic of Uzbekistan No. 772-I dated April 15, 1999*)
- (j) to impose qualification requirements on the directors and chief accountants of banks and their branches.

Examinations shall be conducted by authorized representatives of the Central Bank and by auditors designated by the Central Bank.

Acquisition of stocks of a bank in instances stipulated by legislation shall require the prior consent of the Central Bank.

When the financial position of the buyers of stocks is found to be unsatisfactory, the Central Bank shall have the right to refuse consent for the execution of a transaction for the purchase and sale of the bank's stocks. The Central Bank shall communicate its decision in writing to the applicant no later than 30 days from the moment of receipt of the petition. (*Edited in accordance with item 2 of chapter X of Law of the Republic of Uzbekistan No. 772-I dated April 15, 1999*)

The Central Bank shall have the right to require auditors to comply with normative acts of the Central Bank, including procedures and methods, and to receive information associated with a bank audit directly from them.

## **Article 52. Economic Standards**

The Central Bank shall set binding economic standards for banks, to include:

- (a) the capital adequacy ratio;
- (b) the maximum risk per borrower or group of mutually associated borrowers;
- (c) the maximum amount of major credit risks and investments;
- (d) the liquidity ratio;
- (e) requirements on classifying and appraising assets, and on forming reserves against problem and bad loans created on the basis of such a classification, transfers into which shall be charged to a bank's operating expenses;
- (f) requirements on accruing loan interest and charging it to bank income;

(g) open foreign exchange position limits.

The Central Bank shall announce future changes in economic standards no less than one month in advance.

### **Article 53. Measures and Sanctions Imposed by the Central Bank**

In the event that banks and their branches violate banking legislation and economic standards, the Central Bank shall have the right to collect a fine of up to 0.1 percent of the minimum amount of authorized capital, or to impose restrictions on certain operations for a period of up to six months.

If a banks violations or operations create a real threat to the interests of depositors and creditors, the Central Bank shall have the right:

- (a) to collect a fine from banks of not more than one percent of the minimum authorized capital;
- (b) to require the bank to implement measures for its financial rehabilitation, including changing the asset structure, reducing bank expenses, terminating payment of dividends to stockholders, replacing executives of the bank or branch, reorganizing the bank, and liquidating a branch;
- (c) to change economic standards for the bank for a period of up to six months;
- (d) to prohibit certain banking operations by the bank for a period of up to one year, and the opening of branches for the same period;
- (e) to adopt decisions to establish trusteeship over the bank and provide the trustee with all of the powers of the bank's officials and stockholders for the time necessary for financial rehabilitation or fulfillment of the Central Bank instructions;
- (f) to revoke a banking license.

In the event that bank branches make late payments and the state of their correspondent accounts is unsatisfactory, the Central Bank shall collect without recourse any income received as a result of these actions by the bank branch, and impose a fine of the same amount.

### **Article 54. Cooperation With Foreign Bodies of Banking Supervision**

The Central Bank shall support cooperation with the bodies of banking supervision of foreign countries, and exchange information with them.

## **Chapter IX - Mutual Relations With Banks**

### **Article 55. Delimitation of Liability**

The Central Bank and banks shall not be liable for one another's obligations, except in cases when they have themselves accepted such an obligation.

### **Article 56. Accounts of Banks With the Central Bank**

The Central bank shall be permitted to maintain accounts for banks and accept deposits from them.

### **Article 57. Organization of Clearing and Settlement**

The Central Bank shall have the right to assist banks in organizing settlement and clearing services for interbank payments, to include payment by checks and other payment instruments, to determine the procedure of such operations at its discretion, and to provide the corresponding instructions.

#### **Article 58. The Bank Information Network and Collection of Statistical Information**

The Central Bank shall create and support an information network for the needs of the directly from subjects of economic activity according to procedure foreseen by legislation.

The Central Bank shall take part within the limits of its competency in creating the rules and practices of collecting, processing, storing, and disseminating statistics in coordination with the appropriate organizations.

#### **Article 59. Priority Right of the Central Bank**

The Central Bank shall be given the undisputed priority right to satisfying all of its demands out of the balances on a debtor's accounts and his other assets in the Central Bank, with the exception of resources of banks deposited with the Central Bank as required reserves.

The Central Bank may exercise its priority right by retaining the balances in the accounts, or by selling other assets at a reasonable price and retaining an amount of the proceeds equal to the payment due to it, after subtracting the sales expenses.

#### **Article 60. Appealing Decisions of the Central Bank**

Decisions and actions of the Central Bank may be appealed according to procedure established by legislation.

I. Karimov, President  
Republic of Uzbekistan  
Tashkent  
December 21, 1995