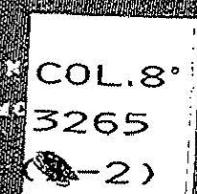


Dépôt
Annexe

CENTRAL
BANKING
LEGISLATION

Volume II. Europe



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CENTRAL BANKING LEGISLATION

A collection of
Central Bank, Monetary and Banking Laws

INTERNATIONAL MONETARY FUND MONOGRAPH SERIES

- No. 1. Central Banking Legislation: A Collection of Central Bank, Monetary and Banking Laws, selected and annotated by Hans Aufricht (1961)
- No. 2. The Fund Agreement in the Courts, by Joseph Gold (1962)
- No. 3. International Monetary Problems, 1957-1963, by Per Jacobsson (1964)
- No. 4. Central Banking Legislation: A Collection of Central Bank, Monetary and Banking Laws; Volume II, Europe, selected and annotated by Hans Aufricht (1967)

Volume II: Europe

Statutes and related materials
selected and annotated by
HANS AUFRICHT

With the assistance of
Jane B. Evensen

Preface by Pierre-Paul Schweitzer

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WASHINGTON, D.C.

NETHERLANDS

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Publication of Statutes and Regulations

Statutes, ordinances, and related materials are published in the *Staatsblad van het Koninkrijk der Nederlanden* (usually cited as *Staatsblad* or *Stbl.*); other official notifications are released through the *Nederlandse Staatscourant: officieel orgaan van het Koninkrijk der Nederlanden* (sometimes cited as *Staatscourant*). Treaties and international agreements are published in the *Tractatenblad van het Koninkrijk der Nederlanden* (usually cited as *Tractatenblad*).

The *Nederlandsche Wetboeken*, edited by J. A. Fruin and N. J. Bink (The Hague, 1959, with supplements), contains a consolidation of statutes and related measures pertaining to principal fields of law, including constitutional law, civil law, criminal law, and certain aspects of commercial law.

The Netherlands Bank Act 1948¹

NOTE:—The Netherlands Bank (De Nederlandsche Bank N.V.) was founded by virtue of a Decree (*besluit*) of March 25, 1814, frequently referred to as the “Octroi of 1814.” The principal law governing the legal status and functions of the Bank prior to the adoption of the Bank Act 1948 was the Act of December 22, 1863. The Bank Acts 1903, 1919, and 1937, which were based on the 1863 Act, are also of interest in any review of the legal history of the Bank.

CHAPTER I. GENERAL PROVISIONS

Art. 1. In this Act the expressions set forth below shall have the following meanings:

- (1) the Bank: the Netherlands Bank [De Nederlandsche Bank N.V.];
- (2) Our Minister: Our Minister of Finance.

Art. 2.—(1) The Bank is a company limited by shares [*naamloze vennootschap*].

(2) The Bank's accounting year runs from January 1 to the following December 31 inclusive.

Art. 3.—(1) The Bank is domiciled at Amsterdam.

(2) It has a Branch Office at Rotterdam, and elsewhere branches and correspondent sub-branches.

(3) In each province there is at least one branch.

(4) The number of correspondent sub-branches will be regulated in accordance with the existing needs.

Art. 4. The Bank's capital amounts to twenty million guilders, fully paid up.

Art. 5.—(1) The Bank has a general reserve fund, which will be supplemented in accordance with the provisions made in Article 36.

¹ Wet van 23 April 1948, houdende nieuwe bepalingen opende het Statuut van De Nederlandsche Bank N.V. (Act of April 23, 1948 Containing New Provisions with Regard to the Netherlands Bank), as amended through July 1, 1966. For the original text in Dutch, see *Staatsblad*, 1948, No. I 166; for a consolidated version in Dutch, see the pamphlet edition published by the Netherlands Bank (August 1957).

(2) The general reserve fund is intended to cover possible losses on the Bank's capital.

Art. 6. The Bank is authorized, with the approval of Our Minister, to form special reserves. Payments into and withdrawals from these reserves require the approval of Our Minister.

Art. 7.—(1) Upon request by the Bank, the general conditions on which it conducts its activities, or any of them, will be published in the *Nederlandse Staatscourant*.

(2) Documents which refer to the general conditions published in accordance with paragraph (1), and which are signed or countersigned on behalf of the Bank, will be deemed to contain the said conditions in full.

Art. 8. The Bank has a pension fund for its staff. The payments into the said fund and the further rules to be made regarding it will be laid down in a regulation to be established by the joint meeting of the Governing Board and the Board of Commissaries, and to be submitted to Our approval.

CHAPTER II. ACTIVITIES OF THE BANK

Art. 9.—(1) The Bank has as its task to regulate the value of the Netherlands currency in such manner as shall be most conducive to the country's welfare, and in that connection to stabilize the said value so far as possible.

(2) It supplies the money circulation in the Netherlands, so far as this consists of bank notes, facilitates money transfer business in the Netherlands and promotes payment transactions with foreign countries.

(3) It exercises supervision over the credit system on the basis of the provisions of the Act on the Supervision of the Credit System.²

(4) [Repealed]

Art. 10.—(1) The Bank is entitled, to the exclusion of all other parties, to issue bank notes.

(2) Its notes have the quality of legal tender.

Art. 11.—(1) The notes of the Bank are exchangeable on presentation at the Head Office, the Branch Office and the branches, each day with the exception of Saturday, Sunday, New Year's Day, Easter Monday, Whitmonday, Christmas Day, Boxing Day, Ascension Day and the day on which the King's birthday is celebrated.

(2) We can designate Good Friday, as well as certain other days, as days on which the Bank's offices shall not be open for the exchange of

² This Act (of June 21, 1956) is summarized below, pp. 484-488.

bank notes. Our Decree will be made public by insertion in the *Nederlandse Staatscourant*.

Art. 12.—(1) The form and size of the bank notes to be issued will be determined by the Governing Board of the Bank and notified to the public.

(2) The Bank shall issue no notes of a denomination lower than f. 5.00 (five guilders).

(3) Notes of the Bank which by reason of wear or for other reasons have been rejected for circulation, and which in evidence thereof have been marked with a mark published at the request of the Governing Board in the *Nederlandse Staatscourant*, shall be valueless.

Art. 13.—(1) In respect of complete or partial destruction of bank notes the Bank need grant no compensation.

(2) Where there is suspicion of an indictable offense, or on written request by interested parties, it is open to the Governing Board to require endorsement of the notes by whoever presents them for exchange or crediting.

(3) The provisions of Articles 229*i*—229*k* of the Commercial Code, and the legal regulations regarding statement of a limited company's name and place of domicile in written or printed documents and announcements to which the said company is a party, or which emanate from it, do not apply to bank notes.

Art. 14.—(1) The Governing Board of the Bank may, after having obtained Our authority therefor, invite holders of notes issued by it to present them for exchange.

(2) When granting the said authority, We shall lay down the date by which such presentation must take place.

(3) The invitation will be inserted at least once in the *Nederlandse Staatscourant*.

(4) After the date mentioned in paragraph (2) the notes mentioned in the invitation will be exchanged solely by the Bank's Head Office, this being done after it has been found by investigation that the request for exchange ought reasonably to be met.

(5) Ten years after the said date the amount of the notes called in but not presented will be added to the profit of the current accounting year. Any notes which thereafter come in will be exchanged, in the cases mentioned at the end of the previous paragraph, by debiting the profit and loss account.

(6) After the expiry of thirty years following the end of the period mentioned in paragraph (2) the right to claim exchange of the notes called in shall cease.

Art. 15. In addition to the issue of bank notes the Bank is authorized to conduct the following activities:

- (1) Issuing bank drafts on its offices and on its correspondents;
- (2) Receiving monies on current account from account holders, carrying out orders for transfer and out-payment, collecting on behalf of account holders and effecting settlements with or between other parties;
- (3) Discounting:
 - (a) bills of exchange and promissory notes on which two or more parties are jointly and severally liable, and which run for periods no longer than trade usage entails;
 - (b) Treasury paper (Treasury Bills and Treasury Bonds) payable by the Government;
 - (c) subject to the discounter's joint liability, bonds repayable within six months;
- (4) Buying and selling:
 - (a) bills of exchange accepted by banks or bankers domiciled in the Netherlands, and running for periods no longer than trade usage entails;
 - (b) Treasury paper payable by the Government;
 - (c) bonds quoted on the Amsterdam stock exchange and payable by, or guaranteed as to interest and redemption by, the Government;
- (5) Buying and selling mail and telegraphic transfers, checks, bills of exchange, other commercial paper and Treasury paper, all being payable abroad;
- (6) Granting advances by way of loans or on current account against pledge of securities, goods, warehouse warrants, coin, bullion and assets as mentioned in (3), (4) and (5);
- (7) Dealing in precious metals, causing them to be coined and causing ores and metals to be assayed and refined;
- (8) Taking into safe custody securities, documents, goods, warehouse warrants, deeds, valuables and other objects of value.

Art. 16.—(1) The Bank shall grant to nobody any unsecured credit or advance. An unsecured credit or advance does not include the entrusting of monies or goods in its own interest to agents that are not in its permanent employ, including the Postal Check and Giro Transfer Service.

(2) If execution is levied on goods, securities or any other pledged item furnished to the Bank by way of security for the meeting of obligations assumed toward it, it shall be entitled wholly or partly to buy, with a view

to conversion into money, the said goods or securities or the item under pledge.

Art. 17. Regarding the limitation on the total amount of circulating bank notes, bank drafts and credit balances on current account at the Bank We shall make regulations, in accordance with rules to be laid down by law, for the purpose *inter alia* of ensuring the stable value of the Netherlands monetary unit.³

Art. 18.—(1) The Bank is authorized to invest its capital and its reserves.

(2) Such investment will be effected in accordance with rules to be laid down by the joint meeting of the Governing Board and the Board of Commissaries.

(3) The earnings obtained from the said investment will be included among the Bank's profits. Any increase or decrease in the value of the holdings in which the capital is invested will be credited or debited to the general reserve fund. Any increase or decrease in the value of the holdings in which the reserves are invested will be credited or debited to the said reserves.

Art. 19.—(1) The Bank is charged with the cost-free custody of the general cash funds of the Treasury at Amsterdam.

(2) It will also undertake free of cost the performance of the functions of cashier to the Government there, as well as at Rotterdam and in all places where it has or may establish branches.

(3) In respect of all these matters it is responsible to Our Minister and accountable to the General Audit Office.

(4) If Our Minister deems it necessary, the Bank will furthermore undertake free of cost the service of cashier to the Postal Savings Bank, and to other institutions to be created by law or by Us, as well as the custody of all monetary assets of the Government and the said institutions and of the assets taken as pledges by the Government and by the said institutions.

Art. 20.—(1) Notwithstanding the provisions laid down by Article 16(1), the Bank is required, whenever Our Minister shall deem it necessary for temporary strengthening of the Treasury's position, to grant advances on current account to the Government against sufficient pledge of Treasury Bonds the issue of which or borrowing against which shall have been permitted by law.

(2) The said advances shall be granted by the Bank free of interest, but may not together amount at the same time to more than one hundred and fifty million guilders.

³ This Article is supplemented by an Act of January 11, 1956 and a Decree of June 27, 1956; see below, pp. 476 and 477.

Art. 21. With Our approval, after the Bank Council has been heard, the Bank may in the general interest conduct activities other than those mentioned in this Act. Our decrees conveying such approval will be inserted in the *Staatsblad* and in the *Nederlandse Staatscourant*.⁴

CHAPTER III. ADMINISTRATION OF THE BANK

Art. 22.—(1) The Governing Board of the Bank consists of a President, a Secretary, and at least three and at most five Directors.

(2) The decision as to the number of Directors lies with the joint meeting of the Governing Board and the Board of Commissaries.

Art. 23.—(1) The President and the Secretary will on each occasion be appointed by Us for seven years. For each such appointment a recommendation list comprising two persons will be drawn up at a joint meeting of the Governing Board and the Board of Commissaries and presented to Us by the Governing Board. To this recommendation list We shall pay as much attention as We shall deem expedient.

(2) The Directors will on each occasion be appointed by Us for a period of seven years from a select list of three persons, to be drawn up by the Governing Board and the Board of Commissaries at a joint meeting and to be presented to Us by the Governing Board.

If appointment has not taken place within three weeks after the date of the said list, a new and similarly prepared list of three persons will be presented to Us by the Governing Board. If again no appointment is made from the new list within three weeks after its date, then We shall make provision for the appointment.

(3) On their retirement all the members of the Governing Board are immediately reappointable.

(4) On the proposal of a joint meeting of the Governing Board and the Board of Commissaries, any member of the Governing Board may be suspended by Us from performance of his duties, or relieved thereof. If a suspension is proposed, a proposal will also be made regarding the temporary performance of those duties.

(5) Any member of the Governing Board who refuses or deliberately neglects to comply with one or more directions as mentioned in Article 26, against which directions the Governing Board has not within three days after receiving them submitted objections to Us in accordance with paragraph (2) of that Article, or in respect of which directions We shall have decided that

⁴ By virtue of three Royal Decrees (of May 14, 1930, October 21, 1952, and September 22, 1954), the Netherlands Bank has been granted authority to participate in the capital and in the activities of the Bank for International Settlements, to participate in the capital of the Maatschappij tot Financiering van het Nationaal Herstel N.V. (Company for Financing National Reconstruction), and to buy and sell Treasury Certificates issued in pursuance of the Loan Act 1954.

they are to be complied with, can be relieved of his duties by Us after the Council of State has been heard.

Art. 24.—(1) The joint meeting of the Governing Board and the Board of Commissaries may appoint substitute Directors for such time and subject to such rules and conditions as the said meeting may lay down on making such appointment.

(2) Appointment of a substitute Director for a period longer than six months may be made only with Our approval.

Art. 25.—(1) The Governing Board represents the Bank in legal proceedings and otherwise. It is charged with the administration of the Bank in the fullest sense of the word and with the control of the things owned by the Bank, and is authorized to dispose of the said things insofar as such authorization is not limited by the Bank's By-Laws.

(2) The procedure for and the method of conducting the Governing Board's activities will be laid down in a regulation to be established by the joint meeting of the Governing Board and the Board of Commissaries. This regulation may contain no further restrictions, as mentioned in Article 47 of the Commercial Code, than are comprised in the Bank's By-Laws.

(3) The management of the Branch Office, the agents, the correspondents and all the officials and other members of the Bank's staff will be appointed and dismissed by the Governing Board.

Art. 26.—(1) In cases in which Our Minister deems it necessary for the purpose of coordinating the Government's monetary and financial policy and the policy of the Bank, he will give to the Governing Board, after the Bank Council has been heard, the directions required for the attaining of that object. Except as provided in the following paragraph, the Governing Board is bound to comply with the said directions.

(2) If the Governing Board has objections to complying with directions as mentioned in the previous paragraph, it is free to bring the said objections in writing to Our notice within three days after it has received the directions. We shall decide whether the directions are to be complied with.

(3) In regard to any dispute as mentioned in the previous paragraph, Article 23 of the Act of December 21, 1861 (*Staatsblad*, No. 129), last amended by the Act of May 31, 1934 (*Staatsblad*, No. 275), does not apply.

(4) In case We decide that the directions are to be complied with, the Governing Board's objections and Our decision—supported by a statement of reasons—will, if in Our view the national interest is not opposed thereto, be made known by publication in the *Nederlandse Staatscourant*.

Art. 27.—(1) The Board of Commissaries consists of twelve members.

(2) Except as provided in Article 38, the members of the Board of Commissaries will be appointed by the shareholders from a select list of

three persons for each place to be filled, the said list being drawn up at a joint meeting of the Board of Commissaries and the Bank Council.

(3) Except as provided in Article 38, the appointment of the members of the Board of Commissaries will be made for a period of four years. Each year three of them will retire. Those retiring are immediately reappointable. In case of any intervening vacancy, the person newly appointed will as regards the duration of his mandate take the place of his predecessor.

Art. 28.—(1) The Board of Commissaries supervises the management of the Bank and establishes the annual 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 so established shall constitute full discharge for the Governing Board.

(2) If the Board of Commissaries has objections to the balance sheet and profit and loss account presented to it by the Governing Board, it will communicate the said objections to the Governing Board in writing. If the objections cannot be resolved by joint consultation, the annual statements of account will be subjected to the opinion of a committee of five experts. Of this committee, two members will be appointed by the Governing Board and two by the Board of Commissaries; the choice of the fifth member, who shall act as chairman of the committee, will be made by the four first mentioned. The committee will introduce into the balance sheet and into the profit and loss account such changes as it judges necessary, and will as quickly as possible present the said statements so amended to the Board of Commissaries, which, subject to observance of the changes made by the committee, will then establish the balance sheet and the profit and loss account.

Art. 29. By a regulation to be adopted by a joint meeting of the Governing Board and the Board of Commissaries, further rules shall be made regarding the functions of the Board of Commissaries.

CHAPTER IV. ROYAL COMMISSIONER

Art. 30.—(1) Supervision of the Bank's actions will be exercised on behalf of the Government by a Royal Commissioner, to be appointed and dismissed by Us.

(2) The Royal Commissioner is entitled to attend all meetings of shareholders and of the Board of Commissaries, including the joint meetings of the Governing Board and the Board of Commissaries, and to speak there in an advisory capacity.

(3) The Governing Board of the Bank is bound in each case on the Royal Commissioner's request to provide him with all the information which he deems necessary for proper exercise of his supervision.

(4) The further instructions for the Royal Commissioner will be laid down by Us.

(5) His remuneration will be borne by the Government.

Art. 31.—(1) The Royal Commissioner will ensure that the Bank's balance sheet and profit and loss account are in accordance with the provisions of the law and of the Bank's By-Laws.

(2) If the Royal Commissioner does not consider the balance sheet and profit and loss account presented by the Governing Board to be in accordance with the provisions of the law and of the Bank's By-Laws, he will notify the same in writing to the Governing Board with a statement of his objections. If the said objections cannot be resolved by joint consultation, the question whether the balance sheet and the profit and loss account are in accordance with the said provisions will be decided in the last resort by three arbitrators. Of the said arbitrators, one will be chosen by Our Minister and one by the Governing Board of the Bank; the third will be appointed by the President of the Court of First Instance at Amsterdam.

CHAPTER V. BANK COUNCIL

Art. 32.—(1) There shall be a Bank Council consisting of seventeen members, namely:

- (a) the Royal Commissioner;
- (b) four members to be appointed by and from the Board of Commissaries;
- (c) twelve members to be appointed by Us in the manner indicated in the following paragraph.

(2) Pending the establishment of a public-law business organization, the appointment of members mentioned at (c) will be made from an alphabetical list comprising two persons for each place to be filled, the said list to be drawn up by the institutions or authorities to be designated by Us for that purpose, in which designation an effort will be made to ensure representation of trade (including transport), industry and farming each with two persons, and of all wage and salary earners' central organizations and of the monetary and banking experts not belonging to one of the four groups mentioned, each with three persons.

(3) The members of the Bank Council mentioned in paragraph (1)(b) shall each hold office until the time when they retire as Commissary. Those retiring are immediately reappointable.

(4) The members of the Bank Council mentioned in paragraph (1)(c) shall each hold office for four successive years. Each year one fourth of the said members shall retire. Those retiring are immediately reappointable. In case of any intervening vacancy, the person newly appointed will as regards the duration of his mandate take the place of his predecessor.

(5) The Bank Council will meet not less than six times each year, and in addition, as often as the Chairman or at least four members shall deem necessary.

(6) At the meetings of the Bank Council the Royal Commissioner will take the chair. In the absence or unavailability of the Chairman, the chair will be taken by one of the members designated by Our Minister for that purpose. The Secretary of the Bank will serve as secretary of the Bank Council.

Art. 33.—(1) The Governing Board of the Bank, the Treasurer General or his substitute, and three representatives appointed respectively by Our Ministers for Economic Affairs, for Agriculture, Fisheries and Food Supply, and for Social Affairs shall attend the meetings of the Bank Council, and may speak at them in an advisory capacity.

(2) The President of the Bank will present to the Bank Council a report regarding general economic and financial conditions as well as the policy pursued by the Bank. Matters which are brought up by one or more members in connection with the position and functions of the Bank will also be considered.

(3) After having consulted the Governing Board on the matter, Our Minister may hear the views of the Bank Council with regard to matters which are relevant to the principles by which the Bank shall be guided in its policy.

(4) The Bank Council is authorized to offer advice to Our Minister of its own motion with regard to matters which are relevant to the principles by which the Bank shall be guided in its policy.

Art. 34. The Chairman may require secrecy of the members and the secretary of the Bank Council regarding matters known to them by virtue of their function.

CHAPTER VI. ABBREVIATED BALANCE SHEET

Art. 35. Once each week the Governing Board of the Bank will publish, by insertion in the *Nederlandse Staatscourant*, an abbreviated balance sheet in a form to be approved by Us.

CHAPTER VII. DISTRIBUTION OF PROFIT

Art. 36. Of the Bank's profits as recorded in the annual profit and loss account established by the Board of Commissaries, insofar as the said account is in accordance with the provisions of the law and of the Bank's By-Laws, twenty per cent shall be paid into the general reserve fund until this has reached the amount of the Bank's capital. The surplus shall go to the Government.

CHAPTER VIII. TRANSITIONAL AND CONCLUDING PROVISIONS

Art. 37. Notwithstanding the provisions of Article 23, the members of the Bank's Governing Board who are in office on the coming into force of this Act shall remain in office for the duration of their term.

Art. 38.—(1) The appointment for the first time of the members of the Board of Commissaries mentioned in Article 27 will be made by Our Minister in consultation with the Governing Board of the Bank within one month after the coming into force of this Act. At that time the Commissaries appointed in accordance with Article 28 of the Netherlands Bank Act 1937 shall retire.

(2) Notwithstanding the provisions of Article 27, the members of the Board of Commissaries who are appointed for the first time shall severally hold office for periods of one to four years. The year in which they retire for the first time in rotation shall be determined by lot.

Art. 39.—(1) The appointment for the first time of the members of the Bank Council will be made within three months after the coming into force of this Act.

(2) The members mentioned in Article 32(1)(c) shall for the first time severally hold office for periods of one to four years, subject to the proviso that three of them shall in each case retire after one, two, three and four years. The year in which these members are to retire in rotation shall be decided by lot.

(3) Without prejudice to the provisions contained in Article 41(1)(e), Article 6 of Our Decree of October 1, 1945 (*Staatsblad*, No. F 204) shall remain in force until the time mentioned in paragraph (1). The members of the Bank Council to which our above-mentioned decree refers shall then retire.

Art. 40. The provisions made in Article 16(1) of this Act do not apply in the case mentioned in Article 2 of the Act of August 30, 1946 (*Staatsblad*, No. G 226).

Art. 41.—(1) The following are repealed:

- (a) The Bank Act 1937 (*Staatsblad* 1937, No. 401);
- (b) the Act of July 18, 1904 (*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) Our Decrees based on the Act mentioned in the previous paragraph at (a) and on the decree mentioned at (e) are deemed to be based on the present Act insofar as they are not in conflict with it.

Art. 42. The By-Laws of the Bank shall as speedily as possible be brought into accordance with the provisions of the present Act.

Art. 43.—(1) This Act may be cited as the Bank Act 1948 [Bankwet 1948].

(2) It shall come into force at a time to be fixed by Us.⁵

⁵ By Royal Decree of July 12, 1948 (*Staatsblad*, No. I 291), the date fixed for the entry into force of this Act was August 1, 1948.

Measures to Give Effect to Article 17 of the Netherlands Bank Act 1948

Act of January 11, 1956¹

WHEREAS: We have taken into consideration the fact that, in pursuance of Article 17 of the Netherlands Bank Act 1948, regulations have to be laid down by law according to which We shall give directions, for the purpose among others of ensuring the stable value of the Netherlands currency, as to limitations on the total amount of circulating bank notes, bank drafts and credit balances on current account at the Netherlands Bank;

NOW THEREFORE: We, having heard the Council of State, and in common accord with the Staten-Generaal, have approved and do approve the following:

Art. 1. In this Act the expressions set forth below have the following meanings:

the Bank: the Netherlands Bank [De Nederlandsche Bank N.V.];

circulating bank notes: notes issued by the Bank in respect of which the right to demand payment has not expired, or in respect of which when they are exchanged the countervalue is not debited in pursuance of Article 14(5) of the Netherlands Bank Act 1948 to the Bank's profit and loss account.

¹ Wet van 11 januari 1956, houdende bepalingen ter uitvoering van artikel 17 van de Bankwet 1948 (Act of January 11, 1956 Containing Provisions for Giving Effect to Article 17 of the [Netherlands] Bank Act 1948).

Art. 2.—(1) The provisions on limiting the total amount of circulating bank notes, bank drafts and credit balances on current account at the Bank, as contemplated in Article 17 of the Netherlands Bank Act 1948, shall define the percentage ratio in which the Bank must hold a stock of gold and foreign exchange in relation to the said liabilities.

(2) The said provisions shall also contain:

- (a) a definition of the Bank's liabilities which are regarded as credit balances on current account;
- (b) a definition of the claims, negotiable instruments and means of payment the whole amount of which, after deduction of liabilities which shall also be defined, is regarded as the Bank's foreign exchange holding;
- (c) a determination of the basis on which the valuation in guilders of the Bank's gold and foreign exchange holding shall take place; all insofar as relates to application of the said provisions.

Art. 3.—(1) Our Decree containing the provisions contemplated in Article 2, and Our Decrees in amendment thereof, will be made only after the advice of the Bank and of the Bank Council with regard to them has been taken.

(2) If We depart from the advice of the Bank Council, the said advice and the considerations which afforded ground for departing from it shall be notified by publication in the *Staatsblad* unless this is in Our view contrary to the national interest.

Art. 4. Our Decrees made in virtue of this Act will be inserted in the *Staatsblad*.

Order that this Act shall be published in the *Staatsblad*, and that all ministerial departments, authorities, boards and officials who may be concerned shall see to the precise execution of the same.

Decree of June 27, 1956²

On the proposal of Our Minister of Finance made on June 20, 1956, No. B 6/6973, General Treasury, Home Finance Directorate;

In pursuance of Article 17 of the Netherlands Bank Act 1948, and of the Act of January 11, 1956;

² Besluit van 27 juni 1956, houdende voorschriften omtrent de begrenzing van het gezamenlijk bedrag der omlopende bankbiljetten, bankassignatien en credit-saldo's in rekening-courant bij De Nederlandsche Bank N.V. (Decree of June 27, 1956 Containing Provisions in Regard to Limitation of the Total Amount of the Circulating Bank Notes, Bank Drafts and Credit Balances on Current Account at the Netherlands Bank).

Having seen the recommendations made on June 1, 1956 by the Netherlands Bank and on June 8, 1956 by the Bank Council;
 [We] have approved and do approve the following:

Art. 1. For the application of the provisions of this Decree the expressions set forth below shall have the following meanings:

- (a) the Bank: the Netherlands Bank [De Nederlandsche Bank N.V.];
- (b) circulating bank notes: notes issued by the Bank in respect of which the right to demand payment has not expired, or in respect of which when they are exchanged the countervalue is not debited in pursuance of Article 14(5) of the Netherlands Bank Act 1948 to the Bank's profit and loss account;
- (c) credit balances on current account at the Bank: all guilder amounts standing at the Bank on account of outside parties, in respect of which any orders by account holders for out-payment or transfer must be immediately carried out;
- (d) gold: the Bank's stock of gold as it appears in the Bank's weekly return mentioned in Article 35 of the Netherlands Bank Act 1948 under the subhead "Gold coin and gold bullion";
- (e) foreign exchange: all claims of the Bank on its foreign correspondents together with its holding of foreign negotiable instruments and of lawful foreign means of payment, all insofar as they are expressed in currencies which can be exchanged in the country where the currency in question is legal tender into gold, or else into another foreign currency which can be exchanged into gold in the country where this latter currency is legal tender, all after deduction of the balances held at the Bank and expressed in foreign currencies.

Art. 2. Against the total amount of the circulating bank notes, bank drafts and credit balances on current account at the Bank the Bank will hold a stock of gold and foreign exchange which, expressed in guilders, represents a value of not less than fifty per cent of the said amount.

Art. 3. For the application of the provisions of this Decree, the items set forth below shall be valued as follows:

- (a) the gold: at the price which is to be derived from the parity for the guilder in relation to gold notified by the Netherlands to the International Monetary Fund, less one half of one per cent;
- (b) the foreign exchange: at the Bank's official buying prices as these are fixed by the Bank in agreement with Our Minister of Finance and, insofar as the Bank has fixed no official buying prices, at the last known buying rates;
- (c) the balances held at the Bank and expressed in foreign currencies: at rates in conformity with the official mint parity of the currency in

question in relation to the guilder; insofar as there are no mint parities, the valuation will be effected at the last known selling rates for the foreign currencies in question.

Our Minister of Finance is charged with the execution of this Decree, which shall be inserted in the *Staatsblad*.

The By-Laws of the Netherlands Bank¹

CHAPTER I. GENERAL PROVISIONS

Art. 1. In these By-Laws the expressions set forth below shall have the following meanings:

- (1) the Bank: the Netherlands Bank [De Nederlandsche Bank N.V.];
- (2) the Minister: the Minister of Finance.

Arts. 2-3. [See Arts. 2-3 of the Act.]

Art. 4. [See Art. 4 of the Act.]

Art. 4a.—(1) The Bank's capital is divided into twenty shares of one million guilders each.

(2) The Bank shall keep a register in which the names of all holders of shares shall be entered.

(3) No share certificates will be made out for the shares.

Arts. 5-8. [See Arts. 5-8 of the Act.]

Art. 8a.—(1) The pension fund mentioned in Article 8 has legal personality in pursuance of the provisions laid down in paragraph 4 of Article 4 of the Pension and Savings Fund Act.

(2) With due regard for the provisions made in paragraph 1 of Article 4 of the Pension and Savings Fund Act, the regulation mentioned

¹ Statuten van De Nederlandsche Bank N.V., as amended through July 31, 1966. The By-Laws were originally published as appendices to the *Nederlandse Staatscourant*, No. 134 of July 13, 1949 and No. 140 of July 23, 1957.

A considerable number of the articles of these By-Laws are identical with corresponding provisions of the Netherlands Bank Act 1948 (see above, pp. 465-476). Such articles of the By-Laws are not published here, but the corresponding article of the Netherlands Bank Act 1948 is indicated in brackets.

in Article 8 may be amended by resolution of the joint meeting of the Governing Board and the Board of Commissaries after the board of administrators of the pension fund has been heard, and subject to the proviso that any amendment which would result in a diminution of rights to or promises of pensions also requires the approval of the majority of interested participants in the pension fund. Each amendment is subject to the approval of the Crown.

CHAPTER II. ACTIVITIES OF THE BANK

Arts. 9–21. [See Arts. 9–21 of the Act.]

CHAPTER III. ADMINISTRATION OF THE BANK

Arts. 22–25. [See Arts. 22–25 of the Act.]

Art. 25a.—(1) The Bank shall be bound by the signature of all those persons in whom the management is vested in accordance with the Netherlands Bank Act 1948 and these By-Laws.

(2) The Governing Board is authorized to appoint persons with full powers to act.

Art. 25b.—(1) In case of absence or unavailability of one or more members of the Governing Board, the management shall be temporarily vested in the remaining members or the remaining member together with the substitute member or the substitute members appointed in accordance with Article 23 or Article 24.

(2) In case of absence or unavailability of all the members and substitute members of the Governing Board but one, the management shall be temporarily vested in the remaining member together with the President Commissary.

(3) In case of absence or unavailability of all the members and substitute members of the Governing Board, the management shall be vested in the Board of Commissaries.

Art. 25c.—(1) In case of absence or unavailability of the President, his function will be performed by the oldest in length of service of the other members of the Governing Board.

(2) In the cases mentioned in paragraphs (2) and (3) of Article 25b, the President's function will be performed, except where the President is the only remaining member, by the President Commissary.

(3) In case of absence or unavailability of the Secretary, his function will be jointly performed by the persons in whom the management is vested in accordance with Article 25b, and who in that event may charge one of their number with that function.

(4) The provisions made in paragraphs (1), (2) and (3) will be subject to exception in case the functions of President and Secretary are being temporarily performed in accordance with Article 23(4).

Art. 25d.—(1) The salaries of the members of the Governing Board shall be determined, subject to the Crown's approval, by the Board of Commissaries.

(2) The provision contained in paragraph (1) does not apply to substitute Directors appointed in accordance with Article 24.

Art. 25e. Strict secrecy regarding all the Bank's actions will so far as necessary be observed by the Bank's administration, as well as by all its officials and other members of its staff.

Arts. 26–27. [See Arts. 26–27 of the Act.]

Art. 27a. Only Netherlands nationals in the full enjoyment of their civil rights may be appointed Commissaries of the Bank.

Arts. 28–29. [See Arts. 28–29 of the Act.]

Art. 29a.—(1) The Board of Commissaries shall meet at Amsterdam as often as the President of the Bank, or the Chairman appointed by the Board from among its number, shall deem necessary. Whether assembled as the Board or in a committee set up by the Board, the Commissaries have the right, whenever they deem it advisable, to require from the Governing Board information and the production of all documents relating to the Bank, and to make such observations as they deem expedient.

(2) On the request of five Commissaries the President Commissary is bound to 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 meetings.

Art. 29b.—(1) The President of the Bank may at any time call a joint meeting of the Governing Board and of the Commissaries with a view to considering at the said meeting all such proposals and points as he shall deem expedient in the Bank's interest.

(2) Any joint meeting for the purpose of deciding on a proposal concerning suspension or dismissal of the President of the Bank shall be convened by the oldest in length of service of the other members of the Governing Board, and the said oldest member shall also take the chair at that meeting.

(3) Except in the case mentioned in the previous paragraph, the President of the Bank shall take the chair at the joint meetings of the Governing Board and of the Commissaries. The functions of secretary will be performed by the Secretary of the Bank.

(4) The joint meeting will lay down its rules of procedure, which may contain no provisions in conflict with these By-Laws.

Art. 29c. Besides the activities mentioned elsewhere in these By-Laws, the function of the joint meeting of the Governing Board and of the Commissaries includes the taking of decisions to establish or discontinue branches, and to determine the remuneration of the management of the Branch Office and of the branches.

Art. 29d. The Commissaries will be paid costs of travel and stay. They shall moreover receive an attendance fee, to be fixed by the shareholders' meeting, for each meeting attended by them.

CHAPTER IV. ROYAL COMMISSIONER

Arts. 30-31. [See Arts. 30-31 of the Act.]

CHAPTER V. BANK COUNCIL

Arts. 32-34. [See Arts. 32-34 of the Act.]

Art. 34a. The Bank Council may draw up rules of procedure for its deliberations, not inconsistent with these By-Laws.

Art. 34b.—(1) At the joint meetings of the Board of Commissaries and the Bank Council, the President Commissary will take the chair. The Secretary of the Bank will serve as secretary.

(2) The joint meeting of the Board of Commissaries and the Bank Council may draw up rules of procedure for its deliberations, not inconsistent with these By-Laws.

Art. 34c. The members of the Bank Council shall be paid costs of travel and per diem. They shall moreover receive an attendance fee, to be fixed by the shareholders' meeting, for each meeting attended by them.

CHAPTER VI. ABBREVIATED BALANCE SHEET

Art. 35. [See Art. 35 of the Act.]

CHAPTER VII. DISTRIBUTION OF PROFIT

Art. 36. [See Art. 36 of the Act.]

CHAPTER VIIa. GENERAL MEETINGS OF SHAREHOLDERS AND DRAWING UP AND ESTABLISHING THE BALANCE SHEET

Art. 36a. General meetings of shareholders shall be held at Amsterdam under the chairmanship of the President of the Bank.

Art. 36b.—(1) The ordinary general meeting shall be held each year not later than May 1. At this meeting the President shall present a report on the past accounting year.

(2) Extraordinary general meetings of shareholders shall be held:

(a) on a motion of the joint meeting of the Governing Board and of the Commissaries;

(b) whenever one or more shareholders together representing not less than one tenth of the capital so request of the Governing Board and the Commissaries in writing and with a precise statement of the matters to be discussed.

(3) The notice convening any general meeting shall be communicated in writing to the shareholders.

Art. 36c.—(1) The Bank's books will be closed as of the last day of December in each year, and there will be drawn up from them a balance sheet and profit and loss account which shall be presented to the Board of Commissaries as soon as possible by the Governing Board.

(2) The Board of Commissaries shall examine the balance sheet and the profit and loss account within one month after such presentation, and shall give their approval or rejection in writing.

CHAPTER VIII. TRANSITIONAL AND CONCLUDING PROVISIONS

Arts. 37-40. [See Arts. 37-40 of the Act.]

Art. 40a. These By-Laws have been drawn up with due regard for the provisions of the Netherlands Bank Act 1948.

The Act on the Supervision of the Credit System, 1956¹

SUMMARY

The Act on the Supervision of the Credit System is divided into two principal articles. Article I, in turn, is divided into 33 individual articles, which are grouped in 6 chapters, as follows: Chapter I, Introductory Provisions (Art. 1); Chapter II, Register of Credit Institutions (Arts. 2-8); Chapter III, Supervision and the Manner in Which It Will Be Carried Out (Arts. 9-18); Chapter IV, Provisions of a Special Nature (Arts. 19-26); Chapter V, Appeals (Arts. 27-28); Chapter VI, Concluding Provisions (Arts. 29-33). Article II, which is in the nature of a final clause, provides that the Act shall enter into force from the day following its promulgation; that it shall be published in the *Staatsblad*; and that all government departments, authorities, boards, and officials concerned shall carry out the provisions of the Act.

The credit system that is the principal object of supervision under the Act comprises credit institutions, which are designated as commercial banks, agricultural credit banks, security credit institutions, and general savings banks (Art. 1(1)(a)); the legal definitions of these terms are given in Art. 1(b) through (e). In addition, the Act applies to central credit institutions, that is, to "central institutions set up by a group of credit institutions, insofar as the said central institutions themselves carry on the business of a credit institution" (Art. 1(1)(f).² Art. 1(1)(h) defines registered credit institutions as "all enterprises which are entered in the register

¹ Wet van 21 juni 1956, houdende gewijzigde vaststelling van de Wet toezicht kredietwezen (Act of June 21, 1956 Establishing an Amended Version of the Act on Supervision of the Credit System). The short title, Act on the Supervision of the Credit System (Wet toezicht kredietwezen) is provided for in Art. 33 of the Act. The Act entered into force on August 15, 1956. For the text in Dutch and in English, see the Dutch and English editions, respectively, of the Netherlands Bank's annual report for the year 1956; the Dutch text was also published in *Staatsblad*, 1956, No. 427. For selected provisions of the Act, see below, pp. 488-491.

² Art. 1(2) of the Act provides: "Money-lending institutions within the meaning of the Money-Lenders Act, the Netherlands Postal Savings Bank, departments or services to which the Giro Act of 1936 (*Staatsblad* No. 307) applies, the Postal Check and Giro Transfer Service, the Netherlands Bank, and offices, branches, agencies, or permanent representatives of other central banks established in the Netherlands are not regarded as credit institutions within the meaning of this Act."

provided for in Article 2." The Netherlands Bank is required to maintain a register of credit institutions (hereafter referred to as the register), which is to be divided into four sections; on the whole these correspond to the four categories of credit institutions mentioned above, except that the Act provides that central credit institutions are to be registered with commercial banks in the first section (Art. 2).

All credit institutions which were engaged in business at the time the Act entered into force were to be entered in the appropriate section of the register, except those commercial banks and security credit institutions whose resources were below an amount determined by the Minister of Finance under Art. 3(2) and (6) of the Act (Art. 3). Credit institutions which are set up after the Act has entered into force shall, within 60 days after they have been set up, notify the Netherlands Bank (Art. 4).

The Netherlands Bank shall give notice to the credit institution concerned of any decision to make or cancel an entry in the register not later than 30 days before such action is to be taken; such notice may be appealed in accordance with the provisions of Chapter V (Art. 5). Arts. 6 and 8 set forth procedures related to making and canceling entries in the register.

The register is open to inspection by any person, free of charge (Art. 7(3)). Within 14 days after it has effected a registration or cancellation, the Netherlands Bank shall cause such action to be published in the *Nederlandse Staatscourant*, and in the first half of January each year the Bank shall have a copy of the register published in the *Staatscourant* (Art. 7(1) and (2)).

The Netherlands Bank supervises the registered credit institutions (Art. 9(1)).³ However, the Crown, upon the recommendation of the Bank and having heard the institutions concerned, may issue regulations which confer on organizations other than the Bank the right and responsibility to supervise specified groups of credit institutions (Art. 9(2)).

Arts. 10 and 11 of the Act⁴ empower the Netherlands Bank, with the concurrence of the Minister of Finance (and after consultation with the Minister of Economic Affairs), to impose specific credit controls. Beyond that the Netherlands Bank may,

³ See also Art. 9 of the Netherlands Bank Act 1948, p. 466, above.
⁴ For the text of Arts. 10 and 11, see below, pp. 488-491.

under Art. 10(3), give to a group or groups of registered credit institutions "general directions for the conduct of their business."⁵

Registered credit institutions may not, except with the express concurrence of the Netherlands Bank, reduce their authorized or paid-up capital; make a long-term investment in the stock of other credit institutions or take over such institutions entirely; merge with other enterprises or institutions; or undertake a financial reorganization (Art. 13(1)). The Bank will refuse to concur if it finds that such action would lead to an undesirable development of the credit system (Art. 13(2)). The credit institution concerned may appeal the decision of the Bank in accordance with Chapter V (Art. 13(3)).

The Netherlands Bank is authorized to obtain or cause to be obtained from every registered credit institution all the information which it considers necessary to carry out the functions conferred on it by the Act (Art. 14(1)). Information so obtained in respect of individual registered credit institutions shall not be published; it shall be treated as confidential, subject to the provisions of Art. 29 of the Act, which relates to procedures involving the suspension of payments by a credit institution (Art. 14(5)).

Every registered credit institution is required once each year, within a period to be fixed by the Netherlands Bank, to deliver to the Bank—or to a supervisory organization designated under Art. 9(2)—a balance sheet and a profit and loss account (Art. 15(1)). The Bank may require that these documents be examined and verified by an accountant designated in agreement with the Bank (Art. 15(2)).

Every registered credit institution shall deliver to the Netherlands Bank periodic statements regarding its business, to be presented in the form and at the time prescribed by the Bank (Art. 16).

The Netherlands Bank shall periodically publish in the *Nederlandse Staatscourant* a statement of the principal data contained in the documents and statements referred to in Arts. 15 and 16. Data relating to individual registered credit institutions may not be published without the written consent of the institution concerned (Art. 24).

Each year the Netherlands Bank shall report to the Minister of

⁵See also the text of the related Arts. 17 and 18, p. 491, below.

Finance on the implementation of the Act and of the decrees issued under the authority of the Act; the report shall be published by the Minister (Art. 25).⁶

The Crown is expressly empowered to issue regulations, after consultation with the Netherlands Bank, which would preclude credit institutions (other than general savings banks listed in the fourth section of the register, the Netherlands Postal Savings Bank, and agricultural credit banks which function exclusively as savings banks) from using the term "savings bank" in any form in their name or on deposit receipts (Art. 19).

The Act is also applicable to credit institutions established outside the Netherlands which maintain one or more branches, agencies, or permanent representatives in the Netherlands; such institutions are required to keep separate accounts in respect of their business activities in the Netherlands (Art. 21(1) and (2)).

Any person who as a result of the application of this Act is supplied with data by, or obtains information relating to, credit institutions is not to make any use of them or to give further publicity to them than is necessary to the exercise of his functions or duties under this Act (Art. 22).

The expenses incurred in supervising the registered credit institutions may be recovered by the Netherlands Bank (or by other supervisory organizations designated under Art. 9(2) of the Act) in accordance with regulations to be approved by the Minister of Finance (Art. 23).

In all cases in which appeals are permissible under this Act, they shall be addressed to the Crown, must be in writing, and must include a statement of the reasons for the appeal; a copy shall be sent to the Netherlands Bank by registered mail. The Crown will give its decision within three months, having heard the Council of State and the Department for Disputes relating to the State Service; the decision will be accompanied by a written statement of the reasoning on which the decision is based. If the effect of the Crown's decision is wholly or in part to annul the decision against which the appeal was made, the Netherlands Bank will consider

⁶ Such reports have been issued annually, beginning with 1952: see, for example, *Verslag ingevolge Artikel 25 van de Wet toezicht kredietwezen uitgebracht door De Nederlandsche Bank N.V. over de uitvoering dier wet gedurende het jaar 1965*.

the matter anew, with due regard to the decision of the Crown (Art. 27).

ARTICLES 10, 11, 17, 18, AND 28⁷

Art. 10.—(1) If the Bank detects in the field of credit signs of a development which in its opinion endangers or might endanger the carrying out of the task laid upon it by Article 9(1) of the [Netherlands] Bank Act 1948, the Bank will inaugurate, regarding the course of conduct to be followed in view of such development by the groups of registered credit institutions concerned thereby, consultations with the representative organizations in the field of credit which have been designated for the said groups by Our Minister of Finance.

(2) If within a period which the Bank regards as acceptable in view of the nature of the development as mentioned in paragraph (1) such consultations lead to agreement between the Bank and the representative organization concerned regarding the course of conduct to be followed, but in the Bank's opinion no sufficient degree of cooperation is obtained from one or more of the individual registered credit institutions concerned, the Bank can give the said individual credit institutions directions for the conduct of their business. Such directions may provide only that the individual registered credit institutions concerned must follow the course of conduct regarding which there is agreement between the Bank and the representative organization concerned. The Bank will by registered letter notify the credit institution concerned of the said directions and of the course of conduct to be followed.

(3) If within a period which the Bank regards as acceptable in view of the nature of the development as mentioned in paragraph (1) such consultation does not lead to agreement between the Bank and the representative organization concerned, the Bank can give, to the group of registered credit institutions concerned thereby, general directions for the conduct of their business.

(4) The general directions mentioned in paragraph (3) may differ for different groups of registered credit institutions. To a central credit institution as mentioned in Article 1 (1)(f) there may also be given general directions of the kind mentioned in paragraph (3) which relate to all of the registered credit institutions attached to the central credit institution concerned, either in conjunction with the central credit institution itself or otherwise. General directions of the kind mentioned in paragraph (3), even if they have in the meantime been amended, cannot remain in force for longer than one year at most after their first publication in the *Nederlandse Staatscourant*, without prejudice to the Bank's power to prolong their validity once for a period corresponding to not more than the original

⁷ In these articles, the expression "the Bank" means the Netherlands Bank.

period of validity. Further prolongation will be effected in accordance with the provisions of paragraphs (5) and (6) for not more than a year on each occasion.

(5) General directions of the kind mentioned in paragraph (3) can be given, amended and, subject to the provisions of paragraph (4) prolonged, only with the approval of Our Minister of Finance given after consultation with Our Minister of Economic Affairs. Before taking any decision to accord such approval Our Minister of Finance will hear the Bank Council, and will give the representative organization concerned an opportunity to make known its views thereon within a period to be determined by him.

(6) Within three months after approval by Our Minister of Finance as provided in paragraph (5) We shall introduce into the Staten-Generaal a bill for the purpose of legally confirming the general directions, or their amendment or prolongation. If such bill is withdrawn, or rejected by one of the two Chambers of the Staten-Generaal, then the said general directions or their amendment or prolongation shall be immediately canceled.

(7) The general directions of the kind mentioned in paragraph (3) may contain only:

- (a) provisions regarding the minimum amount of the liquid resources, or of specified categories of such resources, in relation to the deposited funds or specified categories of such funds, this being subject to the proviso that the registered credit institutions shall always remain entitled to hold, in place of other prescribed liquid resources, a credit balance of equal amount on current account at the Bank;

- (b) provisions regarding the maximum extent of the credits granted or investments, or of specified categories of such assets;

- (c) prohibition or limitation of the granting of specified types or forms of credits.

(8) In any general direction of the kind mentioned in paragraph (3) the Bank may reserve to itself the right to amend, within limits to be stated in the direction, the regulations laid down therein.

(9) In any general direction of the kind mentioned in paragraph (3) the Bank may reserve to itself power, in special cases or special circumstances, to grant one or more registered credit institutions complete or partial exemption from the direction.

(10) In any general direction of the kind mentioned in paragraph (3) the Bank is entitled to set a period within which the said direction must be complied with, and to prolong the said period for all the registered credit institutions or for one or more of them.

(11) In general directions as mentioned in paragraph (3) there will be a definition of what is to be understood as included among the assets and liabilities in regard to which regulations are made.

(12) Decisions for approval as mentioned in paragraph (5) will be published through the intermediary of Our Minister of Finance in the *Nederlandse Staatscourant* together with the approved direction, the amendment made therein or the prolongation thereof. Prolongations in accordance with the provisions of paragraph (4) and amendments as mentioned in paragraph (8) will be published in the *Nederlandse Staatscourant* through the intermediary of the Bank.

Art. 11.—(1) The Bank can give the registered credit institutions directives for the conduct of their business in the interest of the solvency and liquidity of the said institutions.

(2) Such directives will be given and amended only after consultation with the representative organizations in the field of credit which are designated by Our Minister of Finance and are concerned therewith. The consultation with regard to amendment of the directives may be inaugurated by the Bank or by the representative organization concerned. The directives may differ for different groups of registered credit institutions. To a central credit institution of the kind mentioned in Article 1(1)(f) there may also be given directives which relate to the whole of the registered credit institutions attached to the central credit institution concerned, either in conjunction with the central credit institution itself or otherwise.

(3) Subject to the provisions of paragraph (4) the directives may contain only:

- (a) provisions regarding the minimum amount of the liquid resources in relation to the deposited funds or specified portions of such funds;
- (b) provisions regarding the maximum extent of the credits granted, or of the investments, in relation to the institution's own resources;
- (c) prohibition or limitation of the granting of specified types or forms of credits, or of credits exceeding a specified amount;
- (d) prohibition or limitation of the effecting of specified types or forms of investment, or of investments exceeding a specified amount.

(4) For the general savings banks the directives may in addition contain:

- (a) provisions regarding the maximum amount of specified categories of the investments in relation to the institution's own resources;
- (b) provisions regarding the maximum amount of the investments, or of specified categories of such investments, in relation to the deposited funds or specified portions of such funds;
- (c) prohibition or limitation of the effecting of specified types or forms of investment, or of investments exceeding a specified amount, without the previous consent of the Bank.

(5) In the directives there will be a definition of what is to be understood as included among the assets and liabilities in regard to which directives are given.

Art. 17.—(1) If the Bank finds that a registered credit institution is not complying with the directives given in accordance with Article 11, or if the Bank detects other signs of a development which in its opinion is or might become dangerous to the solvency or liquidity of the said registered credit institution, the Bank will if necessary draw the attention of the registered credit institution thereto. If necessary, the Bank will accompany such notification with an instruction, together with a statement of reasons for the same, that a specified course of conduct shall be followed within a stated period in such respects as shall be expressly indicated.

(2) When giving an instruction of the kind mentioned in the previous paragraph, the Bank will lay down a period within which such instruction must be carried out, or within which an answer must be given, together with a statement of reasons, saying why the instruction has not been carried out. If within such period the instruction has not been carried out, nor has any satisfactory answer been received, the Bank, after having given the registered credit institution an opportunity to be heard, may proceed to publish the instruction.

(3) In case of such publication, if the registered credit institution to which the instruction has been given so requests, there shall at the same time be published the correspondence which passed between the Bank and the registered credit institution regarding the instruction.

Art. 18.—(1) In case of a decision to publish as mentioned in Article 17, the Bank must give notice of such decision by registered letter to the registered credit institution concerned at least twenty days before publication is effected.

(2) Within fourteen days after the dispatch of such notice, a registered credit institution to which the said notice has been addressed may appeal against such decision in accordance with the provisions of Chapter V. Publication is suspended by the lodging of the appeal.

Art. 28.—(1) In case an appeal is lodged in accordance with Article 18(2), then notwithstanding the provisions in Article 38 of the Act of December 21, 1861 (*Staatsblad* No. 129) as amended, the delivery of the report mentioned therein and the statements of their cases by the parties or their attorneys will be made behind closed doors.

(2) In the case mentioned in paragraph (1), if the effect of Our decision is that the Bank's instruction shall not be published, Our decision will not be made public but will be notified only to the registered credit institution, to the Bank and to the Council of State.

(3) In the case mentioned in paragraph 2, Articles 40 and 41 of the Act of December 21, 1861 (*Staatsblad* No. 129) are not applicable.