

The Norges Bank and the Monetary System (Bank Act)

Chapter I - General Provisions

§ 1 Norges Bank's objectives and scope

Norges Bank is the central bank. The Bank shall be the executive and advisory body for monetary, credit and exchange rate policy. It shall issue banknotes and coins, promote an efficient payment system domestically and abroad and monitor monetary, credit and currency markets.

The bank may take measures which are common or natural for a central bank. In furtherance of its purposes the Bank perform all types of banking business and banking.

§ 2 The relationship with government authorities

The Bank shall operate in accordance with the economic policy guidelines laid down by the government authorities and with the international obligations country is bound.

Before the bank makes decisions of special importance, the matter shall be submitted to the Ministry.

The King in Council may make a decision about the bank's business. These decisions may be general rules or orders in individual cases. The Bank shall have the opportunity to speak before such a decision. Notification of the decision shall be sent to Parliament as soon as possible.

The bank is a separate legal entity, owned by the state. Auditor General supervises the minister's exercise of authority by the instructions laid down by Parliament.

§ 3 bank statements

The Bank shall give its opinion on matters that are referred to it by the King or Ministry.

The Bank shall inform the Ministry when the Bank, there is a need for measures of monetary, credit and foreign exchange policy other than the bank.

The Bank shall inform the public about monetary, credit and exchange conditions.

§ 4 The monetary unit and its international value

The Norwegian monetary unit is a penny. The crown is divided into one hundred cents.

King makes a decision on the exchange rate arrangement for the krone and changes in the exchange rate rent.

Decisions on changes in the exchange rate system for the crown and in the exchange must be notified Parliament.

Chapter II. - The Bank's organization

§ 5 The bank's top management

The supreme bodies is an Executive Board and a Supervisory Board.

The Executive Board is the executive and advisory powers under this Act. It manages the Bank's operations and manages its resources.

The Supervisory Board supervises the policies of the Bank are followed. It organizes the audit, including the appointment of necessary staff and shall issue instructions to the audit. The Supervisory Board adopts the annual accounts and approves the recommendation of the Executive Board, approves the budget. It may on recommendation of the Executive Board establish and close down branches in Norway and abroad, and appoints the members of the department's control, except the manager. The Supervisory Board issues a statement on Executive Board meetings and matters submitted to it by the Executive Board. Supervisory Board decides in case of doubt whether a matter is of an administrative nature, see § 6 subsection, § 7 , sixth paragraph, § 8 , fourth paragraph and § 11 second paragraph. The Supervisory Board establishes detailed rules for bank loans to employees, cf. § 23

The Governor is responsible for the bank's management and implementation of the decisions.

§ 6 The Executive Board

The Executive Board consists of seven members, appointed by the King.

The Governor and Deputy Governor shall be the Chairman and Deputy Chairman of the Executive Board. They are appointed to full-time position for six years. Reappointment in the same position may be for a period of a further six years. The other five members are appointed for four years. Every two years, retire alternately two and three members. Reappointment of these members can be for a total period of twelve years.

Sometimes the employees are elected two members to supplement the Executive Board when administrative matters. Election Methods for these representatives may be agreed in negotiations with the employees. The Supervisory Board may in the case of a negotiation result is not achieved, adopt rules on the selection of ways.

The head of the Executive Board convenes the Executive Board to meet as often as deemed desirable, or when at least three members require. A valid resolution requires that more than half of the electorate votes for it. There be kept of the proceedings.

Government officials, state secretaries, other political staff in ministries and members of parliament can not serve as members or alternates to the Executive Board.

The King may issue regulations on members' relationship to other financial institutions and companies.

Central Bank Governor and Deputy Governor allowances and pensions and the other members' remuneration is determined by the King.

§ 7 The Supervisory Board

The Supervisory Board consists of fifteen members elected by the Parliament for four years.

Every two years, retire alternating seven and eight members. The Starting chair and vice chair for two years. Re-election of members can be for a total period of twelve years.

Government officials, state secretaries, other political staff of the Ministry and members of parliament can not serve as members or alternates to the Supervisory Board.

The Supervisory Board may appoint from among its members committee to prepare matters for the Supervisory Council.

The head of the Supervisory Board shall convene the Supervisory Board to meet as often as deemed desirable, or when at least five members or the Executive Board requires. A valid resolution requires that more than half of the electorate votes for it. There be kept of the proceedings.

Unless the Council decides otherwise on the individual case, the Executive Board members attend and speak at meetings of the Supervisory Board. The employee members of the Executive Board may attend and speak at meetings of the Supervisory Board when administrative matters. Governor and Deputy Governor shall be present, unless the Council decides otherwise, or unless there is a valid excuse.

Members' remuneration is determined by the King.

§ 8 bank branches

The bank is headquartered in Oslo. Supervisory Board on a proposal from the Executive Board establish or abolish departments in Norway or abroad. Departments acting on behalf of the Executive Board.

If a departmental subject matter warrant, the Executive Board may decide that the department should have a board of four members.

The department's chief executive shall be chairman of the board. The other members are appointed by the Supervisory Board for a period of up to four years. Re-appointment of these members can be for a total period of twelve years.

By and by the employees elected a member supplementing the district board when administrative matters, cf. § 6 subsection.

Executive Board issues rules for the department's organization and operations, Department Board of Procedure and directors' fees.

§ 9 Deputies

To the Executive Board appoints the King every two years alternately two and three deputies of the members appointed for four years. The King may appoint a new deputy if a member or deputy can not function.

To the Supervisory Board elect the Parliament every two years for a period of four years alternating seven and eight deputies of the members elected for four years. Parliament can appoint a new deputy if a member or deputy can not function.

For a department executive appoints the Supervisory two alternates for the members appointed for four years.

Deputies of the employee members of the Executive Board and departmental boards when administrative matters, elected by and from the employees by or agreed by the Supervisory Board determined the choice way, cf. § 6 subsection and § 8 , fourth paragraph.

Deputies to departmental boards joins in due cases in the order in which they are appointed.

§ 10 Powers and selection

The Executive Board may give the governor special authority to decide matters within the Executive Board.

The Executive Board may otherwise create selection as on factual restricted areas accorded jurisdiction to hear and determine matters within the Executive Board. Such authorizations may Executive Board provide bank branches, offices or employees.

Executive Board issues rules on individual choice and if proceedings for authorization made by someone other than the Executive Board.

§ 11 bank employees

The Executive Board will decide all matters relating to the bank's employees unless otherwise provided by this Act or regulations issued pursuant to law. executive board may issue special selection authority to decide cases involving employees. Similarly, the authorization may also be granted the Bank's branches, offices or employees.

When the special committee considers administrative matters, the employees shall be represented on the committee.

The Executive Board may issue regulations regarding employee compared to other financial institutions and companies.

§ 12 Confidentiality

Anyone performing services or work for the bank is obliged to prevent others from gaining access to or knowledge of him in connection with the service or work about the bank or anyone else's business matters or personal matters.

Confidentiality under the preceding paragraph shall not apply against the FSA.

The Public Administration Act § 13 subsections and § 13a of § 13 e apply.

The confidentiality obligation shall not apply to notices Bank's business affairs by the Executive Board or any authorized representative of the Executive Board, and on behalf of the bank.

Chapter III. - Cash and cash equivalents

§ 13 Banknotes and coins

The Bank has the sole right to issue the Norwegian banknotes and coins.

The Bank makes decisions regarding the notes and coins as the nominal value and design.

§ 14 Legal tender

Bank notes and coins are legal tender in Norway. Nobody is subject to a payment to receive more than twenty-five coins of each device.

Severely damaged banknotes and coins are not legal tender. The Bank will issue further regulations on compensation for lost, burnt or damaged notes and coins.

Even if an agreement contains a clause on payment of a monetary obligation in gold value, the debtor can free themselves of legal tender without regard to this clause.

§ 15 Withdrawal of funds

The Bank may by regulations provide that notes the specific issue and the nominal value or particular currency units will be withdrawn from circulation.

Notes and coins are put out of circulation, ceases to be legal tender, one year after the announcement. The Bank is obliged to redeem notes and coins submitted within ten years after the deadline.

§ 16 Jubilee and commemorative coins

Following a decision by the Crown claiming bank anniversary or commemorative coins. The King may decide that the difference between the face value of the coin put into circulation and production costs must be allocated to charitable purposes. The King may decide that the coins issued under this section be put into circulation at a price above par value, and makes decisions on the application of the exchange rate under the preceding sentence. Jubilee and commemorative coins issued under this section is legal tender.

Chapter IV. - Tasks of the credit market

§ 17 Norwegian banking business

Insofar as the King decides, the Bank shall perform banking transactions of government, state banks and public funds and provide services on new issues and the management of government debt.

§ 18 credit to the government

The Bank may provide seasonal and other short-term credit directly to the state within certain limits set by Parliament.

The Bank may in certain cases provide long-term credit directly to the state within certain limits set by Parliament.

The bank purchases of treasury bills, government bonds and other debt instruments issued by the state are not covered by this provision.

§ 19 Credit to banks

The bank can provide liquidity loans, make deposits and provide credit to commercial banks, savings banks and the Norwegian Post Bank.

The Bank provides regulations on credit the scope of, interest rates and repayment terms, and may set a discount. For loans and other credit under subsection King may by regulations impose conditions relating to the growth in the composition of the borrower banks' own lending and bond credit in the EXTENT this required to implement established guidelines under the Act 25 June 1965 on the right to control the monetary and credit conditions § 2 It shall be stated in the regulations which follow it will be on terms not being complied with.

In special circumstances, the bank may extend credit on special conditions.

§ 20 Deposits from banks

The Bank accepts deposits from commercial banks, savings banks and the Norwegian Post Bank on terms that the Bank may determine.

§ 21 Purchases and sales of Norwegian securities

The bank may purchase and sell treasury bills, government and government-guaranteed bonds and other highly liquid debt instruments.

The Bank may issue and sell its own debt instruments.

§ 22 Credit to and deposits from other

The Bank may in special cases grant loans and other forms of credit to non-banks. The terms of such credit shall be determined by the bank.

Deposits from other receivable in special cases. Bank sets the deposit terms.

§ 23 Credit to officers and employees

The Bank may not extend credit to members of the Bank's organs or its employees. The same is true credit to your company or association in which the member or employee has a prominent interest. bank may still limited extent provide mortgages and small personal loans to bank employees.

Chapter V. - Tasks on the currency market

§ 24 Course Listings and management of the official foreign exchange reserves

The Bank may undertake regular and public quotation for currency accordance with rules issued by the King. Banken to put the official foreign exchange reserves so that they earn the foreign exchange policy is determined. The King may issue regulations on the location of the official foreign exchange reserves.

§ 25 Currency Tasks for state

The Bank will manage the country's rights and fulfill the obligations arising from participation in the International Monetary Fund.

Insofar as the King decides, the Bank shall conduct currency transactions of state and government institutions.

§ 26 International agreements

The Bank may enter into agreements for deposit, credit and guarantee schemes with foreign central banks and other credit institutions and with international financial organizations and institutions, provided that there is adequate security for its claims. The King shall approve such agreements.

Chapter VI. - Budget, report and accounts

§ 27 Budget

The Executive Board shall annually prepare a draft budget for the coming financial year. The budget adopted by the Supervisory Board and notified to the Ministry.

§ 28 Financial statements and

The Executive Board shall draw up the annual report and accounts. The financial statements are determined by the Supervisory Board

The annual report, the audited financial statements and Supervisory Board report on the Executive Board protocols submitted to the Ministry for the King and communicated to Parliament.

King provides guidelines for allocations and allocation of bank profits. A decision to transfer from Norges Bank to the state must be approved by Parliament.

Chapter VII. - Entry into force

§ 29 Entry into force and implementation

This Act shall come into force from the date decided by the King.

Shares in Norges Bank triggered by rules laid down by the King. This causes no changes in Norges Bank's rights and obligations.

The king lay down rules on the appointment of the bank agencies first time and can dispense with the Act including rules on fixed-term appointment and term of office.

B.

Upon entry into force of the Act on Norges Bank and the Monetary System the following amendments to the Act of 14 July 1950 (No. 10) concerning currency regulation:

§ 13 first paragraph should read:

Before the Ministry gives the legend or make other important decisions pursuant to this Act, Norges Bank shall have the opportunity to express themselves.

Current § 13 are new subsection.

C.

Upon entry into force of the Act on Norges Bank and the Monetary System, the following laws repealed:

1 Act 17 April 1875 on the monetary system.

2 Law 8 June 1881 (# 3) supplementing the Money Act of 17 April 1875.