Publication of Statutes and Regulations

The Official Gazette (*Ephimérìs tìs Kivernisseos*) consists of three parts and annexes: Part 1 contains the texts of decrees, laws, ministerial decrees, and treaties; Part 2 contains the texts of ministerial decisions and decisions of other public authorities; Part 3 contains the texts of decrees and notices concerning public services.

The Statutes of the Bank of Greece [1]

NOTE:—A "Protocol for the Stabilisation of the Currency and the Liquidation of the Budget Arrears of the Hellenic State and for the Further Settlement of Greek Refugees," signed at Geneva on September 15, 1927 and ratified by Greece on January 12, 1928, provided in Article IV for the establishment of a new and independent bank, to be called the Bank of Greece. The Statutes of the Bank of Greece, originally published as Annex IV to the Protocol, were approved by a Decree-Law of November 10, 1927 and Law No. 3424 of December 7, 1927.[2] The Bank of Greece commenced business on May 14, 1928, in accordance with a Decree-Law of May 12, 1928.

PART I. GENERAL

Art. 1. A limited liability company is hereby established under the title of "The Bank of Greece," having its registered office in Athens and governed by these Statutes.

The duration of the Bank shall extend to December 31, 1970, but may be prolonged by a decision of a General Meeting of Shareholders confirmed by a decree.

Art. 2. The Bank of Greece shall have the sole right of issuing bank notes within the whole territory of the Greek State. The exclusive privilege of note issue shall extend until December 31, 1960 and shall remain in force thereafter unless withdrawn by law, provided that such withdrawal shall not take effect before the expiration of three years from the passing of such a law; but the privilege may be revoked at any time if the Bank fails to ensure that the gold value of its notes remains stable, as required in Article 4.[3]

Art. 3. During the period of the privilege granted to the Bank, the Greek Government binds itself not to issue or reissue money of any type whatever other than subsidiary coins of denominations not higher

[1] Katastatikon tēs Trapeza tēs Hellados, as amended through March 1, 1966. For the text in Greek as amended through 1960, see the pamphlet edition published by the Bank of Greece (Athens, 1961).

[2] For the text in French and English of the Protocol and of Annex IV thereto, see League of Nations, *Treaty Series*, Vol. 70, pp. 9-19 and 32-67. See also the Report of the Financial Committee of the League of Nations, submitted to the Council on September 15, 1927, in League of Nations, *Official Journal* (Geneva), October 1927, pp. 1300-1305, especially pp. 1302-1303.

[3] This requirement is no longer in effect; see footnote 4, below.

than twenty drachmas, and these only to the Bank and at its request and in accordance with the law and the related contracts between the State and the Bank in force from time to time.

Art. 4. [The first duty of the Bank shall be to ensure that the gold value of its notes remains stable.][4] To this end, it shall exercise control, within the limits of its Statutes, over currency and credit in Greece.

[**Art. 5.** To ensure the convertibility of its notes:

(1) The Bank, on the request of any person who makes a demand or offer to that effect at the Bank's Head Office in Athens, shall be bound to sell to, or to purchase from, such person, in exchange for legal-tender currency of Greece, at the rates defined in paragraphs (2) and (3) of this Article, respectively, the legal-tender currency of such foreign gold-standard country, or countries, as is, by law and in practice, convertible into exportable gold and such as may be notified in the Official Gazette, for immediate delivery in such foreign country or countries, provided that no person shall be entitled to demand or to offer an amount of foreign currency of less value than ten thousand drachmas of legal-tender money of Greece.

(2) For the purpose of determining the rate applicable to the sale of foreign currency under this Article, the amount in drachmas which represents one thousand grams of fine gold in accordance with the stabilization rate shall be deemed to be equivalent to such sum in that foreign currency as is required to purchase one thousand grams of fine gold in that foreign country, at the rate at which the principal currency authority of that country is bound by law to sell gold in exchange for currency, after deduction from such sum of an amount, to be fixed by the Bank, representing the normal cost per one thousand grams of transferring gold bullion in bulk from Athens to that foreign country, including interest and insurance on its value during transit.

(3) For the purpose of determining the rate applicable to the purchase of foreign currency under this Article, the amount in drachmas which represents one thousand grams of fine gold in accordance with the stabilization rate shall be deemed to be equivalent to such sum in that foreign currency as is realized by the sale of one thousand grams of fine gold in that foreign country, at the rate at which the principal currency authority of that country is bound by law to purchase gold in exchange for currency, after addition to such sum of an amount, to be fixed by the Bank, representing the normal cost per one thousand grams of transferring gold bullion in bulk from that foreign country to Athens, including interest and insurance on its value during transit.

[4] The validity of the first sentence of Art. 4 was suspended by virtue of Law No. 5422 of April 26, 1932.

(4) On the date on which the provisions of this Law become operative, the Bank shall publish in the Official Gazette the name of at least one foreign gold-standard country for the purposes set forth in paragraph (1) of this Article. The Bank shall similarly publish any additions to or changes in the list of foreign gold-standard countries to which paragraph (1) of this Article is to apply. The Bank shall also, from time to time, determine the equivalent rates in accordance with the provisions of paragraphs (2) and (3), and shall publish the rates so determined in the Official Gazette.][5]

Art. 6. The Head Office of the Bank shall be at Athens.

The Bank is empowered to establish branches or agencies, or appoint agents, anywhere in Greece, and may open agencies or appoint agents abroad in one or more of the listed gold-standard countries referred to in paragraph (4) of Article 5.

Art. 7. The present Statutes may be amended by a resolution of a General Meeting of Shareholders confirmed by law.

PART II. CAPITAL AND RESERVES

Art. 8. The share capital of the Bank, stated at the time of its creation to be four hundred million drachmas, is divided into eighty thousand shares (of a value of five thousand drachmas each)[6] and has been fully paid up by the National Bank of Greece, this Bank having taken over the entire share capital in accordance with the stipulations of Article 2 of the Agreement between the State and the National Bank of Greece, to which agreement these Statutes are annexed. The said share capital of the Bank of Greece, upon readjustment in conformity with the Decree of November 14/27, 1956 on readjusting the statements of account of all joint-stock companies as of January 1, 1957, is fixed at one hundred and sixty-eight million drachmas divided into eighty thousand shares.

The shares of the Bank are nominative. The transfer of shares shall be effected by the registration thereof in a special book, and a new certificate of ownership shall be issued on the occasion of each transfer. The transfer shall be signed by the transferor, or his attorney, and by the Governor of the Bank.

Every shareholder, irrespective of his residence, shall recognize Athens as his domicile for the purposes of his relations as a shareholder with the Bank of Greece, and shall be subject to the Greek laws and to the jurisdiction of the Athens Courts of Law. The ownership of a share certifi-

[5] The validity of Art. 5 was suspended by virtue of Law No. 5422 of April 26, 1932.

[6] The phrase "of a value of five thousand drachmas each," which was in the original text of the Statutes and signifies the nominal value of the shares, has been put in parentheses to avoid any misunderstanding of the amount of the present share capital, Dr 168 million, which resulted from the revaluation. See also the remainder of this Article and Art. 71 (2).

cate shall imply, *ipso facto*, the acceptance of the provisions of the Bank's Statutes and the decisions taken in accordance therewith by the authorities of the Bank. Shareholders shall be liable only to the extent of the nominal amount of the shares they hold, and they shall possess, vis-à-vis the Bank, only such rights as are expressly granted to them by the Statutes. In particular, shareholders of the Bank and their creditors shall have no right to request that the books or assets of the Bank be held under seal or seized.

The State and State enterprises shall not, directly or indirectly, hold shares of the Bank amounting in the aggregate to more than one tenth of the nominal issued capital.

Art. 9. The capital of the Bank may be increased by the Board of Directors, subject to the approval of the Government. Every such increase shall be fully paid up and the price at which such further shares shall be issued and the manner of issue shall be fixed by the Board of Directors, also with the approval of the Government.

Art. 10. The General Reserve Fund (and Special Reserve Funds, if any) shall be built up out of the annual net profits as provided for in Article 71. Allocations to the General Reserve Fund may be suspended whenever the Fund amounts to or exceeds the paid-up capital of the Bank.

Part III. General Meetings of Shareholders

Art. 11. The General Meeting of Shareholders, as constituted by the provisions of these Statutes, shall be the supreme authority of the Bank and shall represent the entire body of shareholders. Its decisions shall be binding upon all the shareholders, including those absent from or disqualified from attending a Meeting or who dissent from the decisions taken by the Meeting.

Art. 12. General Meetings shall be held as follows:

(*a*) A General Meeting shall be held regularly once in every year, not later than the month of April.

(*b*) Extraordinary General Meetings shall be held as often as may be required.

General Meetings and Extraordinary General Meetings shall be convened by the Board of Directors. Upon the request in writing of duly qualified shareholders representing at least one fourth of the share capital, the Board shall call an Extraordinary General Meeting which shall take place within thirty days from the receipt of such request. Every such request shall be accompanied by the motions which are to be submitted to the Meeting and by a statement of the reasons in support of them.

The notice calling a General Meeting, specifying place, date, time and agenda, shall be displayed in a prominent position in the offices of the Bank and shall be published in the Official Gazette and in such newspapers as the Board of Directors may decide. Not less than twenty-one days' notice shall be given of any General Meeting.

On the occasion of the Annual General Meeting, copies of the Annual Report shall be obtainable by shareholders at all the offices of the Bank.

Proposals to amend these Statutes—with the exception of increases in the capital, for which provision is made in Article 9—may also be discussed at Extraordinary General Meetings which shall be held for this purpose. Decisions arrived at on such subjects are submitted through the Government to Parliament for approval.

Art. 13. Every shareholder who has been registered as such in the books of the Bank for not less than three months, and who owns at least five shares, shall be entitled to speak and to vote at any General Meeting. Five shares shall confer upon their holder the right of one vote, subject to the proviso that no one shareholder is entitled to more than fifty votes in his own name. He may have the right as proxy for other shareholders to cast further votes not exceeding one hundred. In the case of a joint holding, only one shareholder shall be permitted to attend the General Meetings of Shareholders.

Shareholders having less than five shares may appoint a shareholder as a mutual representative who may sit at the General Meetings, provided that he represents at least five shares.

Art. 14. The following persons shall not be entitled to exercise the rights of shareholders at General Meetings, individually or by proxy:

(*a*) Persons who are not Greek subjects;

(*b*) Bankrupts, during the period of the limitation of their rights;

(*c*) Persons who have not fulfilled their obligations toward the Bank or whose bills, in the hands of the Bank, have been protested and are unpaid;

(*d*) Persons whose civil or political rights or privileges have been curtailed or withdrawn as a result of conviction for a criminal offence, so long as such curtailment or withdrawal remains in force.

Art. 15. No official or employee of the Bank may represent a shareholder at a General Meeting, except in his capacity as a relative up to the fourth degree inclusive or as a legally appointed trustee or administrator.

Art. 16. Every shareholder, even if the owner of only one share, is entitled to transfer his right to vote at a General Meeting to some other shareholder by proxy, subject to the limitation of voting power mentioned in Article 13 and to the provisions of Articles 14 and 15.

Art. 17. The Board of Directors shall prescribe the form in which the voting right may be transferred. The proxies must be lodged with the Secretariat not less than seven days before the Meeting.

Art. 18. At General Meetings the chair shall be taken by a shareholder chosen by the Meeting. In case of a tie, the chairman shall have a second or deciding vote.

Art. 19. The Annual General Meeting shall alone be competent to deal with the following matters:

(*a*) Approval of the Annual Report;

(*b*) Approval of the balance sheet after hearing the report of the Auditors;

(*c*) Allocations to reserve and other special funds, declarations of dividends and other disposal of profits;

(*d*) The election or removal of members of the Board of Directors and of Auditors, and the fixing of their fees and traveling expenses;

(*e*) The discharge from all personal responsibility of members of the Board of Directors and of the Auditors; the voting on this question shall not be by secret ballot and each shareholder present shall be called upon separately for his vote;

(*f*) Proposals to amend these Statutes, except increases of capital (Article 9); such proposals shall be submitted to Parliament through the Government;

(*g*) Motions on other matters proposed to the Meeting by the Board of Directors or shareholders.

Subject to the provisions of these Statutes, the General Meeting shall decide upon its own method of procedure.

Part IV. Administration

1. Board of Directors

Art. 20. The general conduct of the affairs of the Bank shall be entrusted to the Board of Directors, which shall be responsible to the General Meeting. The Board shall be entitled to take all decisions and exercise all powers, within the limits of the Statutes, which are not specially reserved to the General Meeting.

Art. 21. The Board shall consist of the Governor, the two Deputy Governors, and nine Directors. At least five of the Directors shall be

elected from among those persons who are actively engaged in the specific fields of industry, commerce and agriculture.

The Governor and the Deputy Governors shall be appointed as provided for in Article 29.

The Directors shall be elected by the General Meeting for a term of three years. The first Board of Directors of the Bank shall be appointed by the Government in mutual agreement with the National Bank of Greece and shall retire at the Annual General Meeting held in 1929. Of the Directors to be elected at that year's General Meeting, three, to be determined by lot, shall retire at each of the Annual General Meetings held in the years 1930, 1931 and 1932.

All Directors shall be eligible for re-election.

Art. 22. Any shareholder of the Bank is eligible to serve as a Director, with the following exceptions:

(1) Members of the Government, or government employees, or employees of public institutions and enterprises;

(2) Members of Parliament;

(3) Directors or employees of other banks;

(4) Any person whose status comes within the definitions of Article 14.

The Governor and the Deputy Governors may serve on the Board of Directors of the Bank for International Settlements.

No two or more persons who are associated in business or related to one another by a degree of relationship up to and including the third degree may at one and the same time be Governors or Directors of the Bank.

In the event of a vacancy occurring on the Board during the course of the year and between two consecutive Annual General Meetings, the Board of Directors shall elect a substitute Director to serve until the next Annual General Meeting.

The Governor, the Deputy Governors and the Directors shall, upon assuming office, take an oath to the effect that they will observe the provisions of these Statutes strictly and faithfully, that they will promote the interests of the Bank in all respects, that they will devote themselves honorably and assiduously to the administering of the business of the Bank and that they will observe due secrecy in regard to the transactions of the Bank. The Governor and the Deputy Governors shall take the oath before the King, and the Directors before the Governor at a meeting of the Board of Directors.

Art. 23. During his term of office, every Director must hold, registered in his name, not less than twenty-five shares in the Bank.

Art. 24. If the Governor or a Deputy Governor or a Director is guilty of a violation of these Statutes, reveals confidential matters pertaining to the affairs of the Bank, or abuses his authority for personal or commercial gain, the General Meeting of Shareholders shall have the right to remove him from office.

Art. 25. The membership of Directors shall be honorary. Their fees and traveling expenses connected with the exercise of their duties as Directors shall be approved by a General Meeting of Shareholders.

Art. 26. The Governor, or in his absence the Deputy Governor who acts in his stead in accordance with the provisions of Article 32, shall call a meeting of the Board of Directors whenever there is need for a meeting, and at least once in each month, and shall preside at such meetings. The presence of at least six members of the Board of Directors shall constitute a quorum. A majority of the members present is required for the passing of all resolutions. In case of a tie, the chairman shall have a second or deciding vote.

The minutes of the meetings of the Board of Directors shall show the names of the Directors present at the meeting and shall record all decisions passed at the meeting.

The minutes shall be signed by the chairman of the meeting and by a member of the Board.

No Director shall be entitled to a leave of absence of more than four months in any calendar year, unless it be the result of an inevitable necessity which fully justifies such absence. A Director who fails to attend the meetings of the Board for a period of four months within a calendar year, or absents himself from four consecutive meetings without due leave of absence or without the justification of an inevitable necessity, shall be deemed to have resigned and shall be replaced in accordance with the provisions of these Statutes. The second sentence of Article 35 shall apply also to the Directors of the Bank.

Art. 27. The following matters shall be reserved for decision by the Board of Directors:

(*a*) Rates of discount and interest;

(*b*) General conditions governing, and scope of the categories of, operations authorized in Article 55;

(*c*) The eligibility of applicants for accommodation by way of discounts or advances and approval of the credit limits proposed by the Governor for such accommodation;

(*d*) Approval of the renewal of bills, the renewal of advances for fixed periods and the periodic review (not less than once every six months) of all credits, discounts and advances;

(*e*) The discounting of bills in the circumstances referred to in Article 43;

(*f*) The appointment or dismissal of Managers, on the proposal of the Governor, and the general internal organization of the Bank;

(*g*) The appointment of the members of the Discount Committees at the Head Office and at the branches, and the fixing of their travel expenses;

(*h*) The issuing of regulations for a clearinghouse administered by the Bank (Article 55(15));

(*i*) Questions connected with the acquisition of immovable property required for the operations of the Bank and the temporary acquisition and sale of similar property under Article 58;

(*k*)[7] Amortization of the Bank's assets;

(*l*) The appointment of foreign correspondents and the fixing of the maximum amounts of the funds which may be held by them for account of the Bank, as well as the limit on credit facilities by way of discounts or loans to be granted to them;

(*m*) Questions concerning the design, text, material, denominations and supply of bank notes, their withdrawal and cancellation and the terms under which mutilated notes may be paid; the design, text and denominations shall, however, be fixed in agreement with the Minister of Finance;

(*n*) Questions regarding the liquidation of bankrupt enterprises and of debts due to the Bank;

(*o*) The opening or closing of branches and agencies of the Bank;

(*p*) The agenda for General Meetings;

(*q*) The signatures binding upon the Bank;

(*r*) The approval of the Annual Report and balance sheet to be submitted to the Annual General Meeting.

Subject to the provisions of these Statutes, the Board of Directors will decide upon its own method of procedure and may form itself into committees to consider, or decide upon, such matters as may be entrusted to them by the Board.

2. EXECUTIVE COMMITTEE

Art. 28. If, in the case of a matter which requires a decision by the Board of Directors, it becomes imperative that it be made without delay,

[7] The letter (*j*) was omitted from this listing in the English and French texts as published by the League of Nations (see footnote 2, above), and has therefore also been omitted here.

a decision on the matter may be taken by an Executive Committee consisting of the Governor, one of the Deputy Governors and two other members of the Board. Meetings of the Executive Committee shall be called by the Governor, or in his absence by the Deputy Governor acting in his stead in accordance with the provisions of Article 32, the presence of at least three members being required to constitute a quorum; provided that when only three members are present a decision shall be taken only unanimously. All decisions shall be recorded in the minutes and shall be submitted to the Board of Directors for approval at a meeting of the Board immediately following that of the Committee.

3. GOVERNORS

Art. 29. The Governor and the Deputy Governors, at the expiration of the term of office of those already appointed to these offices, shall be appointed, in all future instances, by a decree of the Council of Ministers and for a term of four years, on the proposals of the Board of Directors of the Bank, and shall have the obligation to devote the entire time at their disposal to the affairs of the Bank, except where the law requires that they shall serve on the board of a public corporation or a public enterprise or a governmental advisory body. They shall receive a salary and emoluments to be determined by the Board of Directors, but their remuneration may not take the form of a percentage of or a share in the profits of the Bank. The Governor and the Deputy Governors are eligible for reappointment. University professors of law and economics are eligible to be members of the administration of the Bank, but they shall retain the right to carry out the duties which are incumbent on them by virtue of their university posts.

Art. 30.—(1) The Governor, or in his absence the Deputy Governor acting in his stead as prescribed under the provisions of Article 32, shall preside at all meetings of the Board of Directors. If none of the members of the administration of the Bank are able to attend, a Director to be appointed as prescribed under the provisions of Article 32 shall preside at the meetings of the Board of Directors.

(2) The Governor shall represent the Bank before all courts; in his absence the Bank shall be represented by the person who acts in his stead as prescribed under the provisions of Article 32, and in matters pertaining to the branches and agencies [of the Bank] also by their manager or assistant manager or, in their absence, by the person acting in their stead.

In instances where the Governor or the person acting in his stead is required to appear personally in a court of law or before a judge-referee, or where the Bank is to take an oath imposed by an order of the court, the Bank shall be represented either by the Governor or by the person who acts in his stead or, insofar as the case pertains to the affairs of the Head Office, the Manager of the Legal Services or one of the Managers of the Head Office, and, insofar as the case pertains to the affairs of the branches and agencies, by their manager or assistant manager or, in their absence, by the person acting in their stead.

Art. 31. The Governor shall, on behalf of the Board of Directors, be in permanent control of the administration of the Bank's assets and general business, making decisions in all cases not specially reserved to the Board or governed by regulations which they have issued.

Art. 32. The Governor may delegate any of his duties to the Deputy Governors.

The Senior Deputy Governor of the Bank, immediately following the Governor in line of precedence, shall replace the Governor in his absence, inability to attend, or upon his death, and this to the fullest extent of his duties. In the absence of the Senior Deputy Governor, the Governor shall be replaced by the Junior Deputy Governor.

The seniority of the Deputy Governors is determined by the day and date of their initial appointment, provided that their service in the office of Deputy Governor is continuous from the date of the appointment.

If all the members of the administration are unable to carry out the duties of the Governor, then he shall be replaced by another member of the Board of Directors who shall be appointed for such purpose at the beginning of each calendar year.

Art. 33. The staff of the Bank, with the exception of the Managers, shall be appointed and may be dismissed by the Governor on the proposal of the Board of Management, in accordance with Article 38.

Art. 34. During their term of office, the Governor and the Deputy Governors must each hold at least fifty shares in the Bank, duly registered in their own names.

Art. 35. Neither the Governor nor any of the Deputy Governors may engage in any business whatever in and for their own account. No bills of exchange or commercial notes bearing their signatures may be accepted by the Bank for discount or as collateral for any credit granted by the Bank.

4. BOARD OF MANAGEMENT

Art. 36. In order to ensure a uniformity of policy and procedure throughout the several sections of the Bank, a Board of Management shall be established, consisting of the Governor, the Deputy Governors, and the Managers.

This Board shall meet at least once every week.

Art. 37. The Board of Management shall make a detailed report every month to the Board of Directors regarding the business and the position of the Bank, in particular as regards discounts and advances, and shall submit its opinion on all matters referred to it by the Board of Directors.

PART V. STAFF OF THE BANK

Art. 38. The staff of the Bank, with the exception of the Managers, shall be appointed and may be dismissed by the Governor on the proposal of the Board of Management.

Employees shall be appointed only to positions created by a decision of the Board of Directors. The number of employees on the Bank's staff, of any rank or category whatsoever, shall be fixed by the Board of Directors in accordance with the necessities which may arise. No employee up to and including the rank of assistant bookkeeper shall be appointed except after an examination, details of which shall on each occasion be specified by regulations. For the auxiliary personnel (collectors, etc.), a test of the qualifications of each as compared with the qualifications of the other candidates shall be considered sufficient. Special technical employees may be appointed for a specified or unspecified period of time. These persons may become permanent employees by a decision of the Board of Directors following an examination.

The Managers and the employees shall be pledged to secrecy with regard to all transactions and business of the Bank.

The Managers and the employees of the Bank shall receive their salaries, pensions or any other remuneration on terms laid down by the Board of Directors. Their remuneration may not take the form of a commission or a share in the profits of the Bank.

Art. 39. Neither the Managers nor any other officials or employees of the Bank shall be allowed to engage in business for their own account. No bills or notes signed by them shall be accepted for discount or as guarantee for an advance granted by the Bank.

PART VI. DISCOUNT COMMITTEES

Art. 40. Discount Committees shall be created for the purpose of scrutinizing all bills presented for discount or as security for advances. A written declaration shall be made by each member of a Committee, upon appointment, that he will carry out his duties with strict impartiality. No member of a Discount Committee shall express an opinion or vote on bills with which he is in any way connected, and while such bills are under scrutiny he shall leave the meeting.

The proceedings of the Committees shall be confidential.

Decisions on the acceptance or rejection of bills shall be adopted by a simple majority of votes, the chairman having a second or deciding vote in the case of a tie.

Art. 41. Discount Committees shall be appointed by the Board of Directors for the Head Office and for branches which are authorized to carry on independent discount operations, and shall consist of such number of persons as the Board may decide. The members of these Committees shall be familiar with the commercial, industrial and agricultural conditions of the areas with which they are concerned.

A quorum shall be constituted as decided by the Board of Directors.

Members of Discount Committees shall be appointed for two years and shall not be eligible for immediate reappointment. On the first occasion on which appointments are made to any such Committee, one half of the members shall be chosen by lot to retire after the expiration of one year.

Membership of the Committees shall be honorary. Members' expenses incurred in the exercise of their duties shall be approved by the Board of Directors.

Relatives up to the third degree inclusive, partners, or agents of members of the Board of Directors shall not be eligible for appointment to a Discount Committee; nor shall any person who comes within the definitions in Article 14.

Art. 42. The chairman of the Discount Committee at the Head Office shall be the Manager in charge of the relevant department or, in his absence, some other member of the Board of Management. At the branches, the branch manager shall take the chair at meetings of the Discount Committee.

Art. 43. The Bank shall not be bound to discount bills accepted as suitable by the Discount Committee. Any such decision reversing that of a Discount Committee shall be made by the Board of Management.

Bills rejected by the Discount Committee may nonetheless be discounted, provided that, on each such occasion, the bills are approved by a three-fourths majority vote of a meeting of the Board of Directors.

PART VII. AUDITORS

Art. 44. The first General Meeting and, subsequently, the Annual General Meeting shall elect three qualified persons and two substitutes as Auditors to examine and report upon the balance sheet of the Bank to be presented at the next Annual General Meeting, and shall fix their fees. No Director or other officer of the Bank shall be eligible during his continuance in office.

The Auditors are entitled to obtain any explanation or information they may require from the Governors or Managers and to examine the Bank's books and documents.

The Auditors shall make a report to the shareholders on the annual balance sheet and accounts, and in every such report they shall state whether, in their opinion, the balance sheet is a full and fair balance sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs and, if they have called for any explanation or information from the Governors or Managers, whether it has been given and whether it is satisfactory. Any such report made to the shareholders shall be read at the Annual General Meeting.

The Auditors may, at the expense of the Bank, employ accountants or other persons to assist them in investigating the accounts of the Bank.

Apart from the giving of information to the General Meeting, the Auditors and their assistants shall observe strict secrecy in regard to the affairs of the Bank.

Part VIII. Relations with the State

Art. 45. The Government shall entrust to the Bank all its money, remittance, exchange and banking transactions in Greece and elsewhere, and in particular all banking accounts and balances of the State, including the accounts of State enterprises, shall be kept at the Bank.

No interest shall be paid by the Bank on such accounts, except that on funds held abroad the Bank may pay interest at a rate lower by not less than one per cent per annum than the average rate earned by the Bank on such funds.

The Bank shall receive and disburse State moneys and keep accounts thereof in accordance with instructions from the competent State authorities and without remuneration for such services. The responsibility of the Bank in regard to these funds shall be limited to the exact execution of the instructions received by them.

The Bank shall be entrusted with the issue and management of all internal State debts upon such terms and conditions as may be agreed upon.

Art. 46. The Bank shall not grant accommodation to the State or to State enterprises, directly or indirectly, by way of discounts, loans, advances or overdrafts, otherwise than as provided in Article 55(11). Neither shall the Bank guarantee Treasury bills or other obligations of the State or of State enterprises.[8]

Art. 47. The Minister of Finance may nominate a Government Commissioner who shall have the right to attend all General Meetings and meetings of the Board of Directors, but not to vote. The salary of the Government Commissioner shall be paid by the State.

[8] At the General Meeting of Shareholders held on April 15, 1965, the chairman of the Meeting announced that henceforth Art. 46 of the Statutes should be read in conjunction with the provisions of Art. 4 of Legislative Decree No. 4420 of 1964, which reads as follows: "The Bank of Greece may undertake obligations in respect of debts of the Greek State or, at the Government's request, of State enterprises or legal entities incorporated under public law; the amount of these and their nature shall be defined in the Government's request to the Bank and, in all cases, the Government shall give the Bank a corresponding pledge."

The Commissioner shall have the right to protest any resolution of the General Meeting or decision of the Board of Directors which he considers to be contrary to these Statutes or other laws of the State. Any such protest, if concurred in by the Minister of Finance within two days, shall have the force of a suspensive veto until the question in dispute has been decided by a commission of three persons who shall be named within seven days of a request to that effect being made either by the Bank or by the Government Commissioner and shall report within seven days of being named. The Commission shall be composed of one nominee of the Government, one nominee of the Board of Directors, and a chairman who shall be chosen by the Government and the Bank jointly or who, failing an agreement between these parties, shall be the president of the Court of Appeals.

Art. 48. Neither at the Head Office nor at the branches of the Bank shall any representative of the Government have access to the books of the Bank, except that, for the purpose of the preceding Article, the Government Commissioner may require the management of the Bank to furnish him with whatever evidence may be necessary to enable him to form his opinions. The Government Commissioner shall observe strict secrecy in regard to the affairs of the Bank.

Art. 49. Any question in dispute between the Government and the Bank, other than those leading to a suspensive veto by the Government Commissioner, shall also be settled by arbitration in the same manner as that provided in Article 47.

Art. 50. The Bank shall not be subject to any special regulations of the Government or of its subordinate authorities during the period of its sole privilege of note issue, with the exception of those provided for in these Statutes.

Part IX. Accounts and Statements

Art. 51. The financial year of the Bank shall begin on January 1 and end on December 31. At the end of the financial year, the accounts of the Bank shall be submitted for audit to the Auditors elected by the Annual General Meeting, as provided in Article 44.

Art. 52. The Bank shall draw up a statement of its assets and liabilities as of the fifteenth and the last day of each month, and publish it not later than a week after these dates.

Art. 53. The Bank shall also publish annually, and not later than one month before the date of the Annual General Meeting, its balance sheet and profit and loss account as at December 31 of the preceding year.

Art. 54. The Bank shall publish its returns, balance sheet, profit and loss account and other notifications in the Official Gazette and in such newspapers as the Board of Directors may decide. A copy of all statements of accounts and notifications and of the Annual Report shall be sent to the Minister of Finance.

PART X. BUSINESS OF THE BANK

Art. 55. The business of the Bank shall be restricted to the following operations. The Bank may:

(1) Print and issue bank notes.

(2) Issue demand drafts and money orders payable at the Bank's Head Office or branches. No such drafts or money orders drawn by the Bank on itself shall be made payable to bearer.

(3) Buy and sell gold coin or bullion.

(4) Accept money on current or deposit account.

(5) Discount, purchase or sell inland bills of exchange and promissory notes arising out of bona fide commercial transactions, bearing not less than two good signatures and maturing within three months.

The Bank may also discount coupons, maturing within three months, of bonds issued or guaranteed by the Greek State.

The Bank may also discount bonds drawn either at par or by lot and which have either been issued or guaranteed by the Greek State.

The Bank may further discount, purchase or sell bona fide inland agricultural bills and notes bearing not less than two good signatures and maturing within nine months, provided that this category of bills and notes does not exceed twenty-five per cent of the total amount of the Bank's portfolio of inland bills and notes acquired under this paragraph. It is further provided that the rate at which such inland agricultural bills and notes shall be discounted may be a rate not more than one per cent below the Bank's official minimum rate of discount for all other classes of bills.

Within the meaning of the term "inland notes," above, also mentioned in 10(*e*) of the present Article, are included the documents by which, on the basis of the particular stipulations of Greek legislation, agricultural pledges are constituted; the deeds which prove such or similar contracts; the receipts for the storage of raisins (retinue coupons); and other similar receipts.

Buy and discount drafts maturing within a period not exceeding three months. Drafts for goods of common use must be accompanied by shipping documents, the goods must be duly insured, and the amount to be advanced may not exceed eighty per cent of the current value of the goods.

(6) Discount, purchase and sell Treasury bills of the Greek State maturing within three months and which are endorsed by some bank, person or firm whose name has been approved by the Board of Directors. The total amount of Treasury bills acquired in accordance with this provision, or accepted as collateral in accordance with 10(*c*) below, may not together at any time exceed five hundred million drachmas.

(7) Undertake the issue and management of the State debt and loans of other public bodies, and operations for the State as provided for in Article 45.

(8) Buy and sell, at home and abroad, foreign currencies based on gold, telegraphic transfers, checks, bills of exchange (including Treasury bills) and drafts drawn in or on any place in a country whose currency is based on gold and maturing within three months, and may keep balances with banks in such currencies.

(9) Act as agent for or correspondent of any other bank in Greece or abroad.

(10) Grant advances for fixed periods not exceeding six months against security as follows:

(*a*) gold coin and bullion;

(*b*) bonds of, or guaranteed by, the Greek Government and other Greek bonds and shares quoted on the Athens Stock Exchange; and foreign government bonds quoted on the stock exchange of any principal financial center, the capital and interest of which are payable in a currency based on gold, provided that no advance shall exceed eighty per cent of the market value of any such bonds and seventy per cent of any shares pledged, and that the bonds and shares eligible for hypothecation shall be chosen by a three-fourths majority vote of a meeting of the Board of Directors;

(*c*) Treasury bills of the Greek Government within the limitations specified in paragraph (6) of this Article;

(*d*) inland bills of exchange and promissory notes arising out of bona fide commercial transactions bearing not less than two good signatures and maturing within three months, and foreign bills of the character referred to in paragraph (8) of this Article;

(*e*) bona fide inland agricultural bills and notes bearing not less than two good signatures and maturing within nine months, provided that the amount advanced on them does not exceed twenty-five per cent of the total advances; for advances made to a cooperative association, one good signature may be accepted in respect of the bills referred to in this and the preceding subparagraphs;

(*f*) warehouse warrants in respect of staple commodities duly insured, bearing at least one good signature, provided that no advance shall exceed eighty per cent of the current value of the commodities in question.

The rate of interest charged on all advances, except any made under paragraph (11) below, shall be not less than one per cent above the Bank's current official discount rate for three-month bills.

(11) Make temporary advances in drachmas to the Government for expenditure authorized in the annual State budget, provided that the whole of the advances outstanding at any one time shall not exceed five hundred million drachmas and that all advances shall be repaid not later than at the end of the quarter following the close of the fiscal year in respect of which such advances were made, and subject to the provisions of the second sentence of paragraph (6) above. The rate of interest to be charged on these advances shall be agreed upon between the Bank and the Government.

(12) Accept the custody and management of moneys, securities and other articles of value.

(13) Undertake, on behalf of third parties, the purchase, sale, collection and payment of securities, currencies and credit instruments, at home and abroad, and the purchase and sale of gold and silver.

Guarantee bills bought for the account of other central banks, the Bank for International Settlements or public corporations, and rediscount them upon approval of the Board of Directors, at a commission specified by it.

(14) Invest an amount, not exceeding the paid-up capital and reserve funds of the Bank, in bonds of the Greek Government or other bonds quoted on the Athens Stock Exchange or other important financial centers, the capital and interest of which shall be payable in a currency which is based on gold and provided that the securities are selected by a three-fourths majority vote of a meeting of the Board of Directors. Nothing in this paragraph, however, shall be held to preclude the Bank of Greece from taking over from the National Bank of Greece, at the date when the Bank of Greece commences operations, and from holding among its assets, State debts as defined in Article 3 of the Agreement between the Government and the National Bank to which the present Statutes are annexed.[9]

The Bank of Greece is also allowed to subscribe for its own account to the capital of the Bank for International Settlements and to keep shares of that Bank among its assets.

(15) Promote the establishment of a clearinghouse and provide facilities for the conduct of its business on premises belonging to the Bank.

(16) Do all such things as may be incidental to the transaction of the Bank's legitimate business, as defined in these Statutes.

[9] For the draft text in French and English of this Agreement, see League of Nations, *Treaty Series*, Vol. 70, pp. 26-33.

(17) Transact with the Bank for International Settlements all operations which that Bank is authorized to undertake with a view to encouraging cooperation between central banks and which, although not particularly provided for in the present Statutes, would be in conformity with the monetary policy of the Bank of Greece.

Art. 56. The Bank may not:

(1) Issue notes of a denomination of twenty drachmas or less.

(2) Engage in trade, or otherwise have a direct interest in any commercial, industrial or other enterprise.

(3) Acquire immovable property, except as is necessary for its own business and as provided for in Article 58.

(4) Purchase its own shares, or the shares of any other bank or of any company, with the exception of the shares of the Bank for International Settlements.

(5) Pay interest on money placed in time or current account deposits with the Bank, except that interest may be paid to the Greek Government on foreign balances, as provided for in Article 45, and interest at the rate of not more than one per cent per annum may be paid on the time or current account deposits of other banks.

(6) Allow the renewal of maturing bills of exchange, purchased or discounted by or pledged to the Bank, save in exceptional circumstances and after a decision has been adopted by the Board of Directors (Article 27(*d*)), in which case one renewal may be permitted for a period not exceeding three months.

(7) Make advances to the Government, directly or indirectly, except as provided in Article 55(11).

(8) Grant overdrafts or unsecured advances or advances secured otherwise than as provided in Article 55(10).

(9) Draw or accept bills payable otherwise than on demand.

(10) Discount or accept from any one party (unless from the Government under Article 55 (11)) as security, without a special decision adopted by a three-fourths majority vote of a meeting of the Board of Directors, bills exceeding one tenth of the paid-up capital of the Bank, taking into consideration the party's liability to the Bank as a bill acceptor, drawer or endorser, but excluding advances made under Article 55(10).

Art. 57. If the value of a pledged security decreases, the debtor must provide additional security of a suitable kind, or repay the loan to the extent required to maintain the provisions of Article 55(10). If he fails to comply with such requirements, or if the loan is not repaid when due, the Bank shall take immediate steps to recover the debt due to it and may sell the whole or part of the security which it holds to satisfy its claims for capital, interest, fees and costs, if any, placing the remaining balance, if any, to the credit of the debtor. Should the amount realized by the sale of the security not suffice to satisfy the claims of the Bank, the latter may take action against the debtor.

The Bank shall be under no obligation to sell any security and, if it does not do so, its claims for capital, interest, fees and costs shall remain unimpaired.

In case of the insolvency of a borrower, the claims of the Bank to any securities deposited against advances shall rank before the claims of any other creditor until the repayment of the principal sum due to the Bank, together with interest, fees and costs, shall have been effected.

Art. 58. If, after an advance has been granted, the value of the security held against it diminishes or the debt is regarded, for this or other reasons, as a doubtful one, the Bank may, if necessary, accept as additional security a mortgage on the immovable property of the debtor or any other security approved by the Board of Directors.

In the case of failure to repay a debt due to the Bank, any immovable property coming into the possession of the Bank under this Article shall be sold as speedily as possible at auction or by private sale. No such property may be retained by the Bank for its own purposes, unless required for carrying on the business of the Bank.

Art. 59. The Bank may refuse to grant an application for the opening of a current or time deposit account, or may close an account already opened, without giving any reason for doing so.

Art. 60. The Bank shall, at all times, make public the minimum rate at which it is prepared to discount bills.

PART XI. COVER FOR NOTES AND OTHER DEMAND LIABILITIES

[**Art. 61.** The Bank shall maintain a reserve of not less than forty per cent of the amount of its notes in circulation and other demand liabilities. For the purpose of applying this Article, silver coins in the possession of the Bank and not exceeding the maximum limit of one hundred and fifty million drachmas will be deducted from the total demand liabilities of the Bank. By bank notes in circulation are to be understood all bank notes issued to the public and not returned to the offices of the Bank, or not annulled in accordance with the second paragraph of Article 68.][10]

[10] The validity of Art. 61 has been suspended by virtue of Law No. 5422 of April 26, 1932.

Art. 62. The term "reserve" in the preceding Article shall include only the following:

(*a*) Gold coin and bullion in the unrestricted ownership of the Bank and in the custody of the Bank, or deposited in another central bank or at the Bank for International Settlements or in any mint, or in transit;

(*b*) Unencumbered foreign exchange owned by the Bank, provided that it is either:

(i) currency which, by law and in fact, is convertible on demand at a fixed price into exportable gold, or

(ii) currency which, by law and in fact, is convertible on demand at a fixed price into foreign exchange as defined in (i).

For the purposes of this Article, and subject always to paragraph (*b*) above, the term "unencumbered foreign exchange" shall be taken to mean:

(1) balances standing to the credit of the Bank at the central bank of a foreign country or at the Bank for International Settlements;

(2) bills of exchange payable in a foreign currency, maturing within three months and bearing at least two good signatures;

(3) Treasury bills, Treasury certificates of indebtedness or similar obligations of a foreign government maturing within three months;

less any liabilities in foreign exchange.

In calculating the amount of the reserve, if it should be found that the liabilities in foreign exchange exceed the assets enumerated in the paragraphs numbered (1), (2) and (3) of this Article, the excess shall be deducted from the other assets of the reserve.

(*c*) Loans in gold of the Greek Government, referred to in Article 3 (Assets (*b*) and (*f*)) of the Agreement to which these Statutes are annexed,[11] up to the maximum amount of six hundred and fifty million drachmas. The amount of the loans included in the reserve shall be shown separately in the semimonthly statements of the Bank.

[**Art. 63.** At the request of the Bank, the Government may suspend the operation of Article 61, subject to the payment by the Bank to the Government of a tax. In such a case, any temporary loan to the Government will bear interest not less than the tax which is in force on each occasion.

Suspension may be granted for a period of not more than thirty days in the first instance, and may be renewed for further periods not exceeding fifteen days at a time. The tax shall be levied on the amount by which the note circulation and other demand liabilities of the Bank exceed the maximum sum which would be admissible under Article 61.

[11] See footnote 9, above.

The tax shall be calculated on the daily amount of the excess at the following rates:

One and one-half per cent per annum above the published minimum current discount rate of the Bank for three-month bills if the reserve, while less than forty per cent, is not less than thirty-five per cent;

Two per cent per annum above such minimum current discount rate if the reserve, while less than thirty-five per cent, is not less than thirty per cent;

Three per cent above such minimum current discount rate if the reserve is less than thirty per cent.][12]

[**Art. 64.** Before applying to the Government for the suspension of Article 61, the Board of Directors shall raise the Bank's rate for discounts by not less than one per cent per annum.][13]

PART XII. NOTE ISSUE

Art. 65. [The Bank shall issue bank notes in Greece in accordance with the provisions of Articles 2, 4 and 5.][14] It may, for a period of five years from the date on which these Statutes come into force, issue bank notes of the National Bank of Greece supplied to it by that bank and overprinted with the name of the Bank of Greece. The provisions of these Statutes relating to bank notes shall, except as otherwise expressly provided, apply to all bank notes of the National Bank of Greece in circulation when the Bank of Greece commences business, or issued by the Bank of Greece as provided above.

On and from the date upon which the Bank of Greece commences business,[15] the National Bank of Greece shall cease to issue to the public any bank notes or any other kind of paper money.

Art. 66. The bank notes issued by the Bank of Greece shall be legal tender throughout the Greek State; that is to say that, subject to the provisions of Article 68, they shall be accepted at their face value by the State and by all corporations and individuals for the discharge of debts.

Art. 67. Before any new form of bank notes is issued, the Bank must publish a description of them in the Official Gazette.

Art. 68. In the event of the calling in of any series of notes, the Board of Directors shall determine and publicly announce the period

[12] The validity of Art. 63 has been suspended by virtue of Law No. 5422 of April 26, 1932.

[13] The validity of Art. 64 has been suspended by virtue of Law No. 5422 of April 26, 1932.

[14] The validity of the first sentence of the first paragraph of Art. 65 has been suspended by virtue of Law No. 5422 of April 26, 1932.

[15] The Bank of Greece commenced business on May 14, 1928.

within which the said notes may be presented for exchange. After the expiration of the period in question, the notes recalled shall cease to be legal tender except at the Bank of Greece.

Two years after the latest date publicly announced for the calling in of a series of notes, the Bank may deduct from the note circulation account the amount of the notes of the series then outstanding and unpaid and the notes shall no longer be considered as in circulation. Ten years after that date, these notes shall be considered as having lost their legal-tender quality and the bearer of same shall have no valid claim whatever arising therefrom.

Art. 69. The Bank shall exchange its notes at its Head Office and branches for notes of other denominations or subsidiary coins in such quantities as may, in the opinion of the Bank, be required for circulation.

Art. 70. The Bank shall retain any forged or altered notes presented, giving a receipt in return.

PART XIII. ALLOCATION OF PROFITS

Art. 71.—(1) After making provision for bad and doubtful debts, depreciation of assets, contributions to staff and superannuation funds and such other contingencies as are usually provided for by bankers, and after payment out of the net annual profits of the Bank of a cumulative dividend at the rate of eight per cent per annum on the capital, one half of the surplus shall be allocated to the General Reserve Fund, until such Reserve Fund is equal to the capital, and the remaining one half shall be paid to the Government. After the Reserve Fund has become equal to the capital, one fourth of the surplus, or four per cent on the capital, whichever is less, shall be paid to the shareholders and the balance shall be paid to the Government.

(2) The cumulative dividend is fixed at four per cent per annum, to be computed for the financial year 1948 and up to and including the financial year 1955, not on the share capital of the Bank in an amount of four hundred million drachmas, but on the capital as adjusted under the provisions of the Royal Decrees issued on September 6, 1946, July 7, 1948 and April 5, 1949 in implementation of the Legislative Decree of May 10/11, 1946, that is, sixty billion drachmas (or sixty million drachmas new issue); for the financial year 1956 the dividend is to be paid on one hundred and fourteen million drachmas, which is the adjusted capital for that year, and for the financial year 1957 and thereafter, on the capital of one hundred and sixty-eight million drachmas, which is the capital adjusted in accordance with the provisions of the Royal Decree of November 14/27, 1956.

PART XIV. SPECIAL RIGHTS OF THE BANK

Art. 72. The provisions of the laws regarding joint-stock companies and banks shall not be applicable to the Bank of Greece insofar as they may be in conflict with this Law.

Art. 73. The Bank shall be exempt from all taxes or duties levied by the State and, in particular, from the payment of any tax or duty on its note issue other than the tax to be imposed in certain instances as provided in Article 63.[16]

PART XV. LIQUIDATION OF THE BANK

Art. 74. In the event of the withdrawal of the note-issue privilege (Article 2), the Bank shall be liquidated, the assets and liabilities being determined by three experts. One of these shall be appointed by the Government and one by the Board of Directors, while the third shall be a person mutually agreed upon by the Government and the Board of Directors or, failing such agreement, appointed by the president of the Court of Appeals. The Bank shall assume without limitation all previously incurred obligations of the Bank to its active and pensioned staff in respect of all the rights of the said staff.

After having ascertained, as described above, the value of the assets and liabilities of the Bank, the nominal value of the shares shall in the first place be paid out to the shareholders, and any net excess in value shall be divided in the proportion of one half to the Government and one half to the shareholders.

PART XVI. TRANSITIONAL PROVISIONS

[**Art. 75.** In deviation from the provisions of these Statutes in respect of the rate of interest, the guarantees, the period of maturity, the conditions of renewal and the total amount of credits or discounts, and for the purpose of helping out the country's economy, the Bank may, until the end of 1948, grant credits to industrial, agricultural, banking or other enterprises or organizations, on conditions to be fixed on each occasion by a decision of the Board of Directors.

[16] Art. 5 of Law No. 4502 of April 4, 1930, ratifying the Agreement between the Greek Government and the Bank of Greece, provides as follows:
"The meaning of Article 73 of the Statutes of the Bank of Greece is that the Bank is exempted from all direct or indirect taxation charges levied in the form of State tax or duty, as well as from any other compulsory contributions, including those of post and telegraphic duties (internal).
"Building materials imported from abroad for the use of the Bank are not included among the above exemptions.
"Whenever, according to a provision of law or to customary usage, the tax or duty is divided among many persons participating in the taxable transaction, the Bank of Greece is exempted from its share of the tax or duty."

In order to ensure that the conditions for the granting of credits are adhered to, the Board of Directors of the Bank may also impose a penalty in favor of the State, the amount due to be collected by the State as a public revenue. As security for credits granted by the Bank of Greece to the Agricultural Bank, the Bank of Greece may accept pledges on existing or future claims of the debtor against third parties without any special mention or surrender or endorsement of the respective titles to the order of the Bank of Greece.

In deviation from the provisions of these Statutes, the Bank may also, until the end of 1948, make advances to the State or discount bills of exchange or promissory notes which have been issued or endorsed by the State, on conditions to be fixed by agreement between the State and the Bank.][17]

[17] As may be inferred from the wording of Art. 75, its validity ceased at the end of 1948. However, the substance of the provisions is still in force by virtue of Emergency Law No. 233 of 1945.

Banking Legislation: A Note

Basic provisions governing the carrying on of banking business in Greece are set forth in Title II of Law No. 5076 of June 30, 1931, the text of which is published below. In addition, Legislative Decree No. 588 of April 5, 1948 on the Control of Credit [1] and Emergency Law No. 1665 of January 27, 1951 on the Operation and Control of Banks [2] were still in force in July 1966.

In 1963 the Currency Committee issued its Decision No. 1294 setting forth Rules and Regulations on Financing the Economy of Greece,[3] which superseded all previous decisions of the Currency Committee on the subject, except those expressly retained. The decision was issued "to regulate the financing of the economy by the commercial banks."

The Currency Committee was established by virtue of Emergency Law No. 1015 of 1946, supplemented by Legislative Decree No. 588 of 1948 and Legislative Decree No. 1837 of 1951. The term of the Committee was extended for an indefinite period by Legislative Decree No. 4108 of 1960.

[1] For the text in Greek and in English, see Bank of Greece, *Monthly Bulletin* (Athens), January 1949, pp. 40-43.
[2] For the text in Greek and in English, see *ibid.*, March 1951, pp. 40-43.
[3] Mimeographed, 52 pp.; also published by the Chamber of Commerce (Athens) in *Trade with Greece*, July 1964, pp. 35-49.

The principal functions of the Currency Committee are as follows: (1) to decide on the quantity of bank notes to be issued by the Bank of Greece (Emergency Law No. 1015 of 1964); (2) to formulate the credit policy (Legislative Decree No. 588 of 1948 and Legislative Decree No. 3074 of 1954); (3) to supervise the implementation of the credit policy (Legislative Decree No. 588 of 1948 and Emergency Law No. 1665 of 1951); and (4) to determine the terms and conditions for the acquisition and disposal of foreign exchange (Legislative Decree No. 3074 of 1954).

The composition and the role of the Currency Committee have been described by the Governor of the Bank of Greece as follows:

During the period under review [1950-63], monetary and credit policy was formulated by the Currency Committee. This Committee was set up in 1946 and institutionally reorganized as a body in 1951. Its members are the Ministers of Coordination, Finance, Agriculture, Trade, and Industry, and the Governor of the Bank of Greece. Its functions cover monetary, credit and, to a large extent, balance of payments policy. In the postwar period, bodies with broadly similar functions were set up in many countries (France, Italy, Belgium, *et al.*) to meet the increasing need for coordinating monetary and credit measures with general economic policy. The existence of such bodies with wider responsibilities is all the more necessary in less-developed countries, where the problems of accelerating development and maintaining monetary stability require a close cooperation between the monetary authorities and the government.

In the case of Greece, the role of the Currency Committee is more important, in view of the absence of a pre-established legal framework limiting monetary action such as minimum or maximum reserve requirements, ceilings on government borrowing, minimum gold backing for note circulation, etc. It appears that this absence of legal checks makes for a flexible monetary policy. At the same time, however, these conditions render necessary the existence of a collective body such as the Currency Committee, through which the aims of government policy can be reconciled with the requirements of monetary equilibrium and of a sustained development process.[4]

[4] Xenophon Zolotas, *Monetary Equilibrium and Economic Development* (Princeton, 1965), pp. 62-63.

The Bank Law, 1931 [1]

ARTICLES 10-18*bis*

Title II. Special Provisions on Banks

Art. 10.—(1) Any enterprise which accepts deposits of currency or other valuables, irrespective of any other business conducted by it, shall be considered to be a bank for the purposes of this Law.

(2) The name of each bank shall be approved by the Minister of National Economy.

Art. 11.—(1) The banks referred to in the preceding Article may be established and shall operate only as joint-stock companies [*anōnymoi hetereiai; sociétés anonymes*].

(2) Banks operating under any other form at the time of the promulgation of this Law shall be transformed into joint-stock companies within five years from the date this Law enters into force; otherwise, they shall lose the right to function further as banks.

Art. 12.—(1) Individuals, general or limited partnerships, or companies of any other nature engaged in banking business are prohibited from using the words "bank" and "banker" in the name of their firm.[2]

(2) This regulation shall not apply to the banks referred to in paragraph (2) of the preceding Article during the period in which they are permitted to function under their existing form before they become joint-stock companies.

Art. 13.—(1) The registered capital of any bank shall not be less than thirty million drachmas.[3]

(2) Banks in operation at the time this Law is promulgated whose registered capital is less than that provided above shall increase their capital according to the provisions of this Law within five years from

[1] Nomos 5076 peri anonymōn hetaireiōn kai trapezōn (Law No. 5076 of June 30, 1931 on Joint-Stock Companies and Banks). As amended through March 1, 1966.

[2] Presumably, this provision is meant to refer to banking enterprises that are not joint-stock companies.

[3] Earlier versions of Art. 13(1) required a minimum registered capital of Dr 15 million, subject to the proviso that banks in operation at the time of the entry into force of the Law were permitted to include their reserves in this amount. By Royal Decree No. 738 of 1962, the required minimum capital was fixed at Dr 30 million. However, the Currency Committee is empowered to set a higher figure, and with effect from March 15, 1965 it fixed the minimum registered capital required to establish a new bank at Dr 150 million.