

The Statute of the National Bank of Romania

**Law No. 34 of 29 March, 1991
on the Statute of the National Bank of Romania**

**Law No. 101 of 26 May 1998
on the Statute of the National Bank of Romania (The NBR Act)**

LAW NO. 34 OF 29 MARCH, 1991

ON THE STATUTE OF THE NATIONAL BANK OF ROMANIA

(Published in *Monitorul Oficial al României*, Part I, Nr. 70/3 April 1991.

Coming into force on 3 May 1991. Repealed by Law No. 101 of 26 May 1998)

The Parliament of Romania passes this law.

CHAPTER I

General Provisions

Art. 1. The National Bank of Romania formulates and conducts monetary and credit policy within the framework of the country's economic and financial policy, with the goal of preserving the stability of the national currency.

The National Bank of Romania is the State body and has legal personality. The National Bank of Romania's headquarters are located in Bucharest. It may have branches in all district capitals and may establish sub-branches and agencies in other places.

Art. 2. The National Bank of Romania takes part, on behalf of the State, in the external negotiations concerning financial, monetary and payments issues; the National Bank of Romania may negotiate and conclude agreements concerning short-term loans and swap operations with central banks, commercial banks and international monetary institutions, provided that those loans are repaid within a period of one year and are registered in the annual report of the National Bank of Romania.

The National Bank of Romania is vested, by the Parliament, with the authority to participate in, and to become a member of, international organizations concerned with financial, banking, and monetary matters.

Art. 3. The National Bank of Romania is entitled to request from all financial and credit institutions documents and information with the view of exercising its functions. The National Bank of Romania undertakes studies and analyses on currency, credit, and transactions in the banking system, for its own needs and for those of public authorities.

CHAPTER II

Resources of the National Bank of Romania

Art. 4. The own capital of the National Bank of Romania is set at lei 5.000 million and it is fully owned by the State.

Art. 5. The reserve fund of the National Bank of Romania is funded from the gross profit recorded in its annual balance sheet, after covering all expenses.

Art. 6. Out of the gross profit, as recorded in the balance sheet of the National Bank of Romania, 20 percent is used for the establishment of the Bank's reserves fund, which is earmarked for the financing of possible losses. This percentage shall be reduced to 10 percent whenever the value of the reserve fund's assets reaches a level equal to that of the Bank's capital and to 5 percent whenever the value of such assets reaches a level equal to twice the amount of capital of the Bank.

Art. 7. The profit remaining after constitution of the reserve fund and other funds stipulated by the law will be disposed of in accordance with the decision of the Board of Directors of the National Bank of Romania.

Art. 8. In the event the value of the assets shown in the balance sheet of the National Bank of Romania decreases to a level lower than that of the sum of its liabilities and capital, the Ministry of Finance shall transfer to the National Bank of Romania, at its request, negotiable government securities at market interest rate, up to the amount necessary to cover whatever deficit may arise. These securities shall either be redeemed within a period of five years by using the profit made by the Bank or shall be renegotiated.

CHAPTER III

Operations of the National Bank of Romania

SECTION I

Issuance of currency

Art. 9. The National Bank of Romania is the sole institution in the country authorized to issue banknotes and coins.

Art. 10. The monetary unit of Romania is called "leu", with a subdivision called "ban".

Art. 11. The National Bank of Romania directly administers the stock of banknotes and coins, formulates the program of currency issue, and issue currency on a regular basis to satisfy the country's demand for currency in circulation.

Art. 12. Banknotes and coins issued, and not withdrawn from circulation by the National Bank of Romania, are monetary means of payments that must be accepted at their face value for the payment of all public and private obligations.

Art. 13. The National Bank of Romania is the only institution which has the right to establish the face value, the size, weight, design and other technical features of banknotes and coins. The banknotes shall bear the signature of both the Governor and the Chief Cashier of the National Bank of Romania.

Art. 14. The National Bank of Romania is vested with the authority to print banknotes and mint coins, and to take whatever measures are necessary for ensuring the safekeeping of those banknotes and coins which are not put into circulation, as well as for the custody and destruction, when necessary, of the plates, inks, and banknotes and coins withdrawn from circulation.

Art. 15. The National Bank of Romania exchanges, at request, free of fees and commissions, the banknotes and coins it has issued.

The National Bank of Romania may refuse to exchange banknotes and coins if they are damaged, illegible, perforated or if more than 40 percent of their surface has been lost. These banknotes and coins shall be withdrawn and destroyed without granting indemnity to their owners, except in those particular cases that are specified in the regulations of the National Bank of Romania.

The National Bank of Romania may not be forced to grant any indemnity for lost, stolen or destroyed banknotes and coins.

Art. 16. Overused or unfit banknotes and coins shall be withdrawn and destroyed by the National Bank of Romania and replaced with new ones.

Art. 17. The National Bank of Romania may decide to cancel or withdraw from circulation any banknotes or coins it had issued and replace them with new ones. The terms and ways in which the banknotes and coins shall be replaced are to be stipulated in specific regulations; such terms cannot exceed 180 days.

On the expiry period set for their replacement:

a) the banknotes and coins withdrawn from circulation, in conformity with the provision of article 12, may no longer be used for the payment of either public or private obligations;

b) the total amount of banknotes and coins withdrawn from circulation, but not replaced within the specified term, shall be deducted from the total amount of currency in circulation as recorded by the National Bank of Romania and shall be registered as income of the National Bank of Romania.

Art. 18. The total amount of banknotes and coins in circulation shall be recorded in the National Bank of Romania's accounts as liabilities, and shall not include banknotes and coins that are part of the reserve fund.

That part of currency issued by the National Bank of Romania over the lei counter-part of international reserves established and maintained according to the provisions of article 35 shall be fully covered by the following assets:

a) advances to the State by the National Bank of Romania and loans guaranteed by the State in accordance with this Law;

b) securities held in the investment portfolio of the National Bank of Romania;

c) assets resulted from credits granted to banking companies and other credit institutions in accordance with the present Law;

d) checks, bills of exchange and credit instruments which are discounted by the National Bank of Romania or are held in its portfolio.

SECTION II

Operations with banking companies and other credit institutions

Art. 19 . Within the framework of its monetary and credit policy, the National Bank of Romania is entitled:

a) to discount and rediscount commercial papers and cash notes presented by banking companies and other credit institutions;

b) to grant credits to banking companies and other credit institutions.

Art. 20. The National Bank of Romania opens current accounts for banking companies and other credit institutions and performs encashment and payment operations between them.

Art. 21. The National Bank of Romania may provide clearing and settlement services to banking companies through accounts opened by these companies with the NBR.

Art. 22. The National Bank of Romania may discount, acquire, take in collateral, or sell claims against the State, banking companies, and other companies, with a view to achieving its monetary policy goals, taking into account specific market conditions.

Art. 23. The National Bank of Romania establishes the official discount rate, the conditions under which the discount operations are performed, as well as the refinancing rate for the banking companies.

The Bank may charge interests and commissions on these operations.

Art. 24. The National Bank of Romania may purchase, sell, or accept as collateral securities and other valuables, whose list is set up by the Board of Directors.

Art. 25. The National Bank of Romania establishes the regulations pursuant to which banking companies are required to hold minimum reserves on special accounts opened with the National Banks of Romania.

Art. 26. The National Bank of Romania is exclusively responsible for licensing and supervision of all entities operating as banking companies in Romania.

To this end, the National Bank of Romania has the authority:

a) to issue regulations and to take measures, in accordance with legal provisions, to ensure the viability of the banking system;

b) to perform on-site inspection of the records, accounts, and any other documents of the banking companies and of other legal entities, to obtain all the documents necessary for conducting its supervision tasks.

Art. 27. The National Bank of Romania shall act, as lender of last resort, for banking companies facing payment difficulties, on its own conditions.

SECTION III

Operations with the State Treasury

Art. 28. The National Bank of Romania administers the current account of the State Treasury. The methods of recording operations in this account are established through agreements between the Ministry of Finance and the National Bank of Romania.

Art. 29. For all the operations conducted on the behalf of the State Treasury, the National Bank of Romania shall not charge any commission and shall not pay any interest on the deposits of the State Treasury. The Treasury Fund, however, is interest bearing according to legal provisions.

Art. 30. The National Bank of Romania shall act directly or through other banks as the agent of the State with respect to the issuance, of bonds and other government securities, their sale and redemption, as well as the payment of interest and other charges thereon.

Art. 31. The National Bank of Romania may provide loans to the State Budget to cover temporary deficits between revenues and expenditures.

The total amount of these loans may not exceed in any fiscal year the equivalent of up to 10 percent of the total budget approved. Such loans may not exceed twice the sum of the capital and reserve fund of the National Bank of Romania as stipulated under the provisions of articles 5 and 6 of this Law.

SECTION IV

Gold and foreign exchange operations

Art. 32. The National Bank of Romania establishes and conducts the foreign exchange policy of the State in co-operation with other state institutions. The National Bank of Romania shall enforce, on behalf of the State, any law and regulations concerning foreign exchange control. Income returns, accounting data, and information necessary for the enforcement of legal provisions concerning foreign exchange control have to be submitted to the National Bank of Romania, on its request.

Art. 33. The National Bank of Romania is responsible for:

- a) issuing rules and regulations on gold and foreign exchange operations to protect the national currency;
- b) drawing up the balance of payments and the external assets and liabilities position of the country;
- c) setting up and publishing the exchange rates at which the National Bank of Romania and other authorized legal persons perform operations in gold and foreign exchange;
- d) licensing and revoking the licences as well as regulating and supervising the legal persons authorized to conduct exchange transactions;
- e) setting up the ceilings of gold and foreign exchange assets which the authorized legal persons may hold in deposits;
- f) maintaining and managing the State's international reserves;
- g) setting up limits on the net foreign exchange positions of the banking companies, as well as the conditions and the ceiling as regards external indebtedness of such institutions.

Art. 34. The National Bank of Romania may, in its own name, or on behalf of the State, or for the benefit of the State and on instructions from the State conclude and enter into clearing and payment agreements or may conclude any other contracts, for the same purpose, with public and private central clearing institutions located abroad.

Art. 35. The National Bank of Romania shall establish and maintain international reserves in accordance with the provisions concerning liquidity and the specific risks associated, with such assets and taking into account the need to determine from time to time their exact amount. International reserves may consist of all, or some, of the following elements:

- a) gold;
- b) foreign assets in the form of banknotes and coins or bank balances denominated in those foreign currencies and held in accounts with banks in those countries, which are approved by the National Bank of Romania in accordance with the purpose of this article;
- c) any other reserve assets accepted in international markets, including the right to make reserve tranche purchases from the International Monetary Fund, as well as the State's holdings of special drawing rights (SDR);
- d) bills of exchange, checks and promissory notes, denominated and payable in foreign currencies and in such place as approved by the National Bank of Romania, in accordance with the purpose of this article;
- e) treasury bills and other securities issued or guaranteed by those foreign governments or intergovernment financial institutions, denominated and payable in foreign currencies and in such place, as approved by the National Bank of Romania in accordance with the purpose of this article;
- f) other similar assets, as approved by the National Bank of Romania in accordance with the purpose of this article.

Art. 36. The National Bank of Romania, in accordance with the provisions of article 35, shall endeavour to maintain international reserves at a level which it considers as adequate for the State's international transactions. If international reserves decline or if, according to the National Bank of Romania assessment, there is a risk that international reserves will decline to a level that might endanger the State's international transactions, the National Bank of Romania will submit to the Government and the Parliament a report on the situation of international reserves position and on the causes that have led or may lead to such a decline. The report will include the National Bank of Romania's recommendations, as needed, to prevent or redress the situation.

Art. 37. The National Bank of Romania is authorized, under conditions which it will establish and modify from time to time, to conduct the following operations:

- a) buy, sell, and conduct other transactions with coins, gold bullions, and other precious metals;
- b) buy, sell and conduct other transactions with foreign currencies;
- c) buy, sell and conduct other transactions with treasury bills and other securities issued or guaranteed by foreign governments or financial intergovernment institutions;
- d) open and maintain accounts with intergovernment financial institutions, central banks, monetary authorities, and foreign financial organizations;

e) open, maintain accounts, and act as an agent or correspondent for intergovernment financial institutions, central banks, monetary authorities and foreign financial institutions, foreign governments and their agencies.

Art. 38. Gains or losses recorded in the annual balance sheet of the National Bank of Romania resulted from changes in the lei evaluation of its assets or liabilities denominated in gold, special drawing rights and foreign currencies derived from changes in their value and/or changes in the exchange rate shall be adjusted in line with the State Budget.

SECTION V

Foreign exchange control

Art. 39. The National Bank of Romania issues rules and regulations for the control of foreign exchange transactions throughout the country. The rules and regulations refer to the issuance of orders and circulars for effecting and controlling foreign exchange transactions; authorizing transfers and remittances abroad; transactions in foreign exchange markets and other specific operations.

Art. 40. The legal persons authorized to effect foreign exchange operations shall report their transactions to the National Bank of Romania. The National Bank of Romania shall prescribe the form and content of the documents to ensure adequate reporting.

CHAPTER IV

Management and administration of the National Bank of Romania

Art. 41. The National Bank of Romania is headed by a Board of Directors. The daily management is entrusted to the Governor. The activity of the Board of Directors is regulated by the provisions of the present Law and by the rules and regulations issued by the National Bank of Romania.

Art. 42 . The Board of Directors of the National Bank of Romania takes policy decisions and measures in the monetary, foreign exchange, credit, and payments areas. It establishes the guidelines for the conduct of the operations and responsibilities of the National Bank of Romania. At the same time, the Board of Directors of the National Bank of Romania decides upon internal organization matters and the salaries of the staff.

Art. 43. The Board of Directors consists of:

- The Governor of the National Bank of Romania as president.
- The Prime Vice-Governor of the National Bank of Romania as vice-president.
- Two Vice-Governors of the National Bank of Romania.
- Other five members.

Art. 44. Members of the Board of Directors are appointed by the Parliament, on the recommendation of the Prime Minister for a 8 - year term. Their appointments can be renewed.

Art. 45. In the event any of the members of the Board of Directors is removed from his office, only the vacant position will be filled according to the provisions of article 44, and only for the remainder of the term of the mandate.

Art. 46. Members of the Board of Directors may only be revoked by the Parliament, on recommendation of the Prime Minister.

Art. 47. Appointments, retirements, and dismissals are published in "*Monitorul Oficial al României*".

Art. 48. The members of the Board of Directors shall not be members of the Parliament and shall not be engaged in justice or state administration; nor can they be engaged in the management of commercial companies, unless authorized by the Board of Directors of the National Bank of Romania.

Art. 49. The Governor takes the necessary measures to ensure implementation of the legal provisions and rules and regulations concerning the National Bank of Romania, as well as of the decisions of the Board of Directors.

The Governor appoints the staff of the head office of the Bank and the Directors of the branches, sub-branches and agencies.

The Governor represents the National Bank of Romania in relations to third parties, with his personal signature or that of persons authorized by him, with respect to all contracts and agreements concluded by the National Bank of Romania. The Governor, on behalf of the Board of Directors, presents to the Parliament of Romania annually a comprehensive submission on the monetary and credit situation of the country. In the event the Governor is not in a position to exercise his function, he will be replaced by the Prime Vice-Governor.

Art. 50. The Board of Directors appoints a committee of auditors, consisting of 5 members, including one president. The auditor's committee verifies compliance of the legal provisions concerning evaluation of the Bank's vault cash, as well as securities owned or received in collateral, in bail, or in custody.

Annually, the auditors' committee prepares a report on the balance sheet and profit and loss account of the National Bank of Romania.

CHAPTER V

Final dispositions

Art. 51. Operations performed by the National Bank of Romania are subject to commercial law, unless the Law on Banking Activity and the present Law provide otherwise.

Art. 52. The loan documents concluded by the National Bank of Romania are executory titles, in case of a payment default for the full amount of the claim to be paid.

The judicial or financial organs of the State are obliged to enforce the claim of the National Bank of Romania only on the ground of a notification from the National Bank of Romania.

Art. 53. In case of a default by a borrower, the National Bank of Romania is entitled to proceed with the total or partial sale of securities and commercial papers that were given as collateral, within three days, following a simple notification by extrajudicial document.

The National Bank of Romania shall collect advance payments on capital, interests and expenses out of the net proceeds resulting from the sale referred to above. Any remaining balance is returned to the borrower.

Art. 54. The National Bank of Romania shall be entitled to carry out operations for the benefit of third parties, but only on the terms and conditions that it deems necessary. The National Bank of Romania, whenever it deems appropriate may request collateral in the form of liens or personal guarantee.

Art. 55. The capital of the National Bank of Romania, the reserve fund, the ingots and precious metal coins, gems and semiprecious stones, as well as the technological equipment and raw materials owned by or imported by the State Mint and the Printing Works of the National Bank of Romania are exempted from any taxes and duties.

The operations carried out by the NBR are tax-exempt, including the stamp tax.

Art. 56. Operations carried out by the NBR are accounted according to the chart of accounts, by annual exercises, starting with January 1 and ending with December 31.

The National Bank of Romania is liable for possible errors in the payment or recording of operations in the accounts of account holders only up to the limit of the erroneously paid or recorded amounts including penalties payable to the State budget by the account holders as required by the law if it is established that the errors in question were attributable to the account holder. The Bank's responsibility ceases if a written claim has not been presented to it before the deadline notified to account holders.

Art. 57. The members of the Board of Directors and the staff of the National Bank of Romanian are not allowed to disclose any (non-public) information which they come to know about in the conduct of their work in order to obtain personal advantages; nonobservance of this confidentiality provision shall be punished according to the law.

Art. 58. The members of the Board of Directors and of the auditors' committee receive special allowances.

Art. 59. The National Bank of Romania may not participate, either directly or indirectly, in the equity capital for any commercial companies or autonomous bodies ("regies autonome"), with the exception of its own printing and minting companies and other companies which may be set up to assist the performance of its functions.

Art. 60. The National Bank of Romania may not buy real estates, except those that are necessary for the performance of its functions and needs of its staff.

Art. 61. The annual balance sheet and the profit and loss account of the National Bank of Romania shall be published as soon as they are confirmed by the auditors' committee and adopted by the Board of Directors.

Art. 62. All the rules and regulations issued by the National Bank of Romania shall be published in "*Monitorul Oficial al României*".

Art. 63. The National Bank of Romania publishes periodically a bulletin concerning money and credit developments.

Art. 64. The provisions regarding the securities at sight lost or stolen are not applicable to the banknotes issued by the National Bank of Romania. Counterfeiting of banknotes and coins is punishable by the law.

Art. 65. The present Law comes into force within 30 days after being published in "*Monitorul Oficial al României*".

Art. 66. On the date of coming into force of the present Law, Decree no.124 of March 17, 1970 concerning the organization and functioning of National Bank of the Socialist Republic of Romania published in the Official Bulletin no.23 of March 18, 1970, and Decree no.504 of December 16, 1970 concerning the Statute of National Bank of the Socialist Republic of Romania published in the Official Bulletin no.143 of December 16, 1970, as well as any other dispositions contrary to the present Law, shall be repealed.

This Law was passed by the Senate in its session of 25 March, 1991.

President of the Senate

Alexandru Bârlădeanu, member of the Romanian Academy

This Law was passed by the Assembly of Deputies in its session of 25 March, 1991.

President of the Assembly of Deputies

Dan Marțian

Pursuant to article 82. m) of Decree-Law Number 92/1990 concerning the Elections of the Parliament and of the President of Romania, we promulgate the present Law concerning the Statute of the National Bank of Romania and order its publication in the "*Monitorul Oficial al României*".

President of Romania

Ion Iliescu

Bucharest, No. 34, 29March, 1991

LAW NO. 101 OF 26 MAY 1998
ON THE STATUTE OF THE NATIONAL BANK OF ROMANIA
(THE NBR ACT)

Published in *Monitorul Oficial al României*, Part One, No. 203/1 June 1998

Entry into force: 1 July 1998

Repealed by Law No. 312 of 28 June 2004

Parliament of Romania passes this law.

CHAPTER I
General provisions

ARTICLE 1

Legal status

1. The National Bank of Romania is the central bank of Romania and has legal personality.
2. The headquarters of the National Bank of Romania are located in Bucharest. The National Bank of Romania may have branches and subsidiaries in the capital city and in other localities in Romania.

ARTICLE 2

Primary objective

1. The primary objective of the National Bank of Romania is to ensure the stability of the national currency in order to support price stability.
2. In order to achieve its primary objective, the National Bank of Romania draws up, implements and is responsible for the monetary, foreign exchange, lending and payment policies, as well as for bank licensing and prudential supervision in accordance with the general policy of the State, aimed at ensuring both the well-functioning of the banking system and the promotion of a financial system specific to a market economy.

ARTICLE 3

Co-operation with State authorities

1. The National Bank of Romania co-operates with central and local public authorities in order to attain its goals.
2. In pursuit of its primary objective, the National Bank of Romania shall be required to state its point of view on public authorities legislation directly concerning monetary policy, banking, and exchange arrangements, and the public debt.
3. The National Bank of Romania shall be required to state its point of view on the terms and conditions of public sector borrowings when the central government budget is drafted.

4. The National Bank of Romania draws up, for its own needs or those of public authorities, surveys and research studies regarding money, foreign exchange regime, credit, as well as banking and payment system operations.

ARTICLE 4

International co-operation

1. The National Bank of Romania is entitled, subject to the approval of the Parliament, to participate in international financial, banking, monetary or payment-related organisations, and may become a member thereof.

2. The National Bank of Romania may take part, on behalf of the State, in international negotiations regarding financial, monetary, foreign exchange, lending and payment issues as well as bank licensing and supervision.

3. The National Bank of Romania exercises the rights of and fulfils the obligations incumbent on Romania as a member of the International Monetary Fund, including the use of medium- and long-term financing facilities provided by this institution for balance-of-payment purposes and the consolidation of the country's international reserves.

4. The National Bank of Romania may negotiate and conclude agreements, conventions, or other arrangements regarding short-term credits and other financial and banking operations with international financial institutions, central banks, banks and non-banks, provided these credits are repaid within one year.

5. The National Bank of Romania may conclude, in its own name, or on behalf of and in the account of the State, and on its order, settlement and payment agreements or any other contracts for similar purposes, with publicly- or privately-owned institutions located abroad.

CHAPTER II

Monetary and foreign exchange policies

ARTICLE 5

Monetary policy

In conducting its monetary policy, the National Bank of Romania makes use of procedures and instruments specific to money market operations, lending to banks, and liquidity control by way of required reserves.

ARTICLE 6

Money market operations

The National Bank of Romania may discount, acquire, accept as pledge, or sell securities or other claims against the State, banks or other legal entities, and may take deposits from banks, under the terms it deems appropriate for the achievement of its monetary policy objectives.

ARTICLE 7

Lending operations

1. The National Bank of Romania may grant loans under certain terms of repayment, collateral and interest rates, as established by its own regulations, according to the provisions of the present law.
2. The National Bank of Romania may not grant overdraft loans.

ARTICLE 8

Reserve requirements

1. The National Bank of Romania sets the regime of required reserves to be held by banks in accounts with the National Bank of Romania.
2. Required reserves for foreign exchange deposits shall be set up in foreign currency only.
3. The interest paid by the National Bank of Romania for required reserves shall equal at least the average interest rate applied by commercial banks on demand deposits.

ARTICLE 9

Foreign exchange policy

1. The National Bank of Romania draws up and implements the exchange rate policy, and sets and supervises the implementation of foreign exchange regime in Romania.
2. The National Bank of Romania acts as the State's agent for the implementation of legal regulations on foreign exchange control on NBR-authorized legal entities from which it is entitled to ask and receive all the information and documents needed to discharge its duties, being entitled to take measures in order to enforce its regulations.

ARTICLE 10

Foreign exchange regime

In managing foreign exchange regime, the National Bank of Romania is responsible for:

- a) issuing regulations concerning operations with foreign exchange assets and gold in order to protect the domestic currency;
- b) drawing up the balance of payments as well as other documents related to Romania's international investment position;
- c) setting exchange rates for its own foreign exchange market operations, calculating and publishing the average exchange rates for statistical purposes;
- d) licensing and revoking the licence as well as supervising the legal entities licensed to perform foreign exchange transactions;
- e) setting ceilings and other limits on holdings of foreign exchange assets and on dealings in gold and foreign exchange assets for legal entities and individuals;
- f) setting the ceiling and the terms for the external indebtedness of legal entities and individuals that are subject to foreign exchange regime;
- g) safekeeping and managing the official international reserves.

ARTICLE 11

Foreign exchange regulations

The National Bank of Romania draws up regulations on monitoring and control of foreign exchange transactions in Romania and it authorises transfers abroad, transactions on the foreign exchange markets, and other specific operations as well.

ARTICLE 12

Monitoring and reporting

In order for the National Bank of Romania to monitor foreign exchange transactions, the legal entities licensed to conduct foreign exchange operations shall submit to the National Bank of Romania reports whose format and content are established by the National Bank of Romania.

CHAPTER III

Currency issue

ARTICLE 13

Exclusive issue right

The National Bank of Romania is the sole institution authorised to issue currency in the form of banknotes and coins as legal tender in Romania.

ARTICLE 14

Currency unit

The domestic currency is the “leu”, with its fractional unit, the “ban”.

ARTICLE 15

Currency denominations

1. The National Bank of Romania is the sole institution entitled to set the face value, size, weight, design and other technical features of banknotes and coins.

2. Banknotes bear the signature of the NBR Governor and the chief cashier.

3. Forgery and counterfeiting of banknotes and coins is considered an infringement and is punished by law.

4. Legal provisions regarding lost or stolen bearer securities do not apply to banknotes and coins issued by the National Bank of Romania.

5. The design of the banknotes and coins is protected by patents registered with the State Office for Inventions and Trademarks in Romania. Colour full-size copy, either in whole or in part, for advertising, information or other commercial purposes may only be permitted with the NBR’s prior approval in written form.

ARTICLE 16

The currency issue programme

1. The National Bank of Romania draws up the programme for issuing banknotes and coins to meet cash requirements in accordance with the real needs of money circulation.
2. The total amount of banknotes and coins in circulation, less cash reserves, is recorded on the liabilities side in the National Bank of Romania's books.
3. The amount of currency in circulation issued by the National Bank of Romania that exceeds the international reserve level established and maintained according to Art. 31, shall be fully backed by the following assets:
 - a) government securities held in the investment portfolio of the National Bank of Romania;
 - b) assets resulting from loans granted to banks and other legal entities, according to the law;
 - c) cheques, bills of exchange and other commercial paper, discounted by the National Bank of Romania or held in its portfolio.

ARTICLE 17

Legal tender

The banknotes and coins issued and not withdrawn from circulation by the National Bank of Romania are legal tender and shall be accepted at their face value for the payment of all public and private obligations.

ARTICLE 18

Issue and putting into circulation of banknotes and coins

1. The National Bank of Romania ensures printing of banknotes and minting of coins, and takes measures for the safekeeping of banknotes and coins that is not put into circulation as well as for the custody and destruction, when necessary, of moulds, inks, banknotes and coins withdrawn from circulation.
2. The National Bank of Romania distributes the currency issued and manages the cash reserves of banknotes and coins.
3. Worn-out or improper banknotes and coins shall be withdrawn and disposed of by the National Bank of Romania, and shall be replaced with new banknotes and/or coins.
4. The National Bank of Romania replaces, free of any charge or fee, the banknotes and coins it issued and did not withdraw from circulation.
5. The National Bank of Romania may refuse to replace the banknotes and coins should they be defaced or illegible, or if more than 40 percent of their surface is missing. These banknotes and coins shall be withdrawn from circulation and disposed of without any compensation to their holders, save special cases stipulated by the regulations issued by the National Bank of Romania.

6. The National Bank of Romania may not be compelled to grant compensations for the banknotes or coins that were lost, stolen, defaced, counterfeited, or forged.

ARTICLE 19

Replacement of banknotes and coins

1. The National Bank of Romania may decide to cancel or withdraw from circulation any banknotes or coins and replace them with other types of banknotes and coins.

2. The manner in which and the period for replacing the banknotes and coins shall be published in *Monitorul Oficial al României* and in at least two national dailies.

3. At the end of the replacement period, the banknotes and coins taken out of circulation, without infringing the provisions of Art. 17 shall no longer be used for payment of public and private obligations.

4. The total amount of banknotes and coins withdrawn from circulation but not replaced in due course shall be deducted from the total amount of currency in circulation entered in the NBR books and shall be recognised as revenue of the National Bank of Romania.

CHAPTER IV

Operations with banks

ARTICLE 20

Lending to banks

Pursuant to its monetary, foreign exchange, lending, and payment policies, the National Bank of Romania may grant loans to banks, with up to 90-day maturity, against collateral consisting of:

a) government securities from public issues with a maximum 1-year redemption period from the date the collateral was set up, by their remittance into the National Bank of Romania portfolio;

b) bills of exchange and promissory notes drawn or underwritten for the payment of commercial, industrial or agricultural services by eligible legal entities, according to regulations issued by the National Bank of Romania;

c) warrants or deposit receipts issued for fungible goods or other goods duly insured against loss, destruction or deterioration;

d) deposits with the National Bank of Romania or with other legal entities agreed by the National Bank of Romania comprising any kind of assets that the National Bank of Romania may sell, buy, or deal in.

ARTICLE 21

Lending terms and costs

1. The National Bank of Romania sets and discloses the lending terms, the minimum lending rate and the criteria that banks shall meet in order to qualify for applying for a loan on a competitive basis.

2. The National Bank of Romania may set lending ceilings, interest rates, repayment dates and other terms for discretionary or competitive lending.

3. For all its operations, the National Bank of Romania sets and collects interests, fees and the like, to cover operating costs and risks incurred, except for the transactions performed through the General Account of the Treasury.

ARTICLE 22

Bank accounts

1. The National Bank of Romania opens the current account of the State Treasury, of each bank and of each foreign bank branch – legal entity – licensed to operate in Romania.

2. The National Bank of Romania may open settlement current accounts and other accounts for resident interbank clearing houses and for non-resident central banks and international institutions.

3. Final and irrevocable settlement of collection and payment operations between accountholders is performed through current accounts.

ARTICLE 23

Payments systems

The National Bank of Romania issues general regulations on payment instruments, co-ordinates and oversees the domestic payments systems and sets the steps to be taken in order to prevent and remove any situation that might jeopardise well-functioning of the payments systems.

ARTICLE 24

Clearing, depository and payment services

1. The National Bank of Romania may provide clearing, depository and payment services through accounts opened in its records.

2. The National Bank of Romania may, in its own name, or for and on behalf of the State, participate in clearing, depository and payment agreements, or in any other contracts having this purpose, concluded with central institutions or specialised collective organisations, publicly- or privately-owned, located abroad.

ARTICLE 25

Mitigation and containment of risk

In order to mitigate and contain credit and default risks, the National Bank of Romania collects and supplies, upon request, against payment, data and information on payment incidents and lending risks in the banking system, in keeping with the pledge of secrecy.

CHAPTER V

Bank supervision

ARTICLE 26

Licensing and prudential supervision of banks

1. The National Bank of Romania has the exclusive competence to grant bank licences and is responsible for the prudential supervision of the banks licensed to operate in Romania according to the Banking Act.

2. In order to ensure viability and smooth functioning of the banking system, the National Bank of Romania is empowered to:

a) issue regulations, take measures for their observance and apply legal sanctions in cases of infringement;

b) verify and check, based on off-site and on-site supervision, the ledgers, accounts and any other documents produced by the licensed banks that the National Bank of Romania deems necessary for carrying out its supervision tasks.

ARTICLE 27

Protection against systemic risk

In order to mitigate systemic and payment risks, under exceptional circumstances and on a case-by-case basis, the National Bank of Romania may grant to banks loans that are either unsecured or secured with assets other than those provided in Art. 20 hereof.

CHAPTER VI

Operations on behalf of the state

ARTICLE 28

General Account of the Treasury

1. The National Bank of Romania keeps in its records the General Account of the Treasury opened on behalf of the Ministry of Finance.

2. Operations with the General Account of the Treasury and their recording herein are based on agreements signed by the National Bank of Romania and the Ministry of Finance.

ARTICLE 29

Operations with the State Treasury

1. The National Bank of Romania records collections into the General Account of the Treasury and makes payments within the limits of its balance.

2. The National Bank of Romania does not charge fees for settling the operations through the General Account of the Treasury and pays interest on the deposits in this account.

3. During the financial year, to bridge the temporary gap between revenues to and expenditures of the General Account of the Treasury, the National Bank of Romania may

grant loans to be repaid within 180 days, at most, at market interest rate, based on agreements signed with the Ministry of Finance.

4. The total amount of loans granted during one financial year shall not exceed 7 percent of the State budget revenues of the previous year, and the outstanding balance of loans granted and unpaid shall not exceed, at any time, twice the amount of the National Bank of Romania's own capital and reserve fund.

5. The National Bank of Romania may act as the State's agent in selecting the banks eligible to receive deposits of the State Treasury, under the terms of agreements signed with the Ministry of Finance.

ARTICLE 30

Operations in government securities

1. According to the agreements previously concluded with the Ministry of Finance and in compliance with its own regulations, the National Bank of Romania may act as the State's agent so as to:

- a) place government securities and other negotiable securities issued by the Government of Romania;
- b) act as registrar, depository and transfer agent for government securities;
- c) repay principal and pay related interest, fees and commissions;
- d) settle operations with the General Account of the Treasury;
- e) perform other operations in keeping with the major objectives and responsibilities of the central bank;
- f) make payments related to the above-mentioned operations, through the accounts it manages, including payments related to the issuers' debt servicing as well as other dealing and operational costs.

2. Borrowings based on government securities are performed according to the agreements concluded between the National Bank of Romania and the Ministry of Finance, that establish at least the following terms: value of the credit, maturity date, interest rate and method of interest calculation up to the maturity date, debt servicing costs as well as data regarding negotiable government securities issued for each borrowing.

CHAPTER VII

Gold and foreign exchange assets operations

ARTICLE 31

International reserves

1. In compliance with the general regulations on liquidity and foreign assets-related risk, the National Bank of Romania sets and maintains international reserves, under such terms that the National Bank of Romania be able to determine their precise level periodically; the reserves are made up cumulatively or selectively of the following elements:

- a) gold holdings with the National Bank of Romania or deposited abroad;

b) foreign assets, in the form of banknotes and coins, or deposits in accounts opened with banks or other financial institutions abroad, denominated in the currencies and held in the countries that the National Bank of Romania selects;

c) any other worldwide acknowledged reserve assets, including the right to purchase from the International Monetary Fund within the reserve tranches, as well as the Special Drawing Rights holdings;

d) bills of exchange, cheques, promissory notes, bonds and other negotiable or non-negotiable securities, issued or secured by non-resident legal entities, classified as low-risk securities by international rating agencies, denominated and payable in foreign currency in the places agreed by the National Bank of Romania;

e) Treasury bills, bonds and other government securities, issued or guaranteed by foreign governments or intergovernmental financial institutions, negotiable or non-negotiable, denominated and payable in foreign currency in the places agreed by the National Bank of Romania.

2. The National Bank of Romania along with the Ministry of Finance shall pursue maintenance of the international reserves at a level deemed adequate for Romania's external transactions.

3. Should the international reserves lessen to a level that might endanger the State's external transactions, and should this actually occur, the National Bank of Romania shall submit to the Government and the Parliament a report on the level of international reserves and the causes that led or can lead to such a decrease. The report shall include recommendations and draft measures to be taken by the National Bank of Romania to avert or improve the situation.

ARTICLE 32

International reserve management

The National Bank of Romania is authorised, under the terms it establishes and which it may amend periodically, to perform the following transactions:

a) to purchase, sell, and perform other transactions with ingots and gold coins, and other precious metals;

b) to purchase, sell and perform other transactions in foreign exchange;

c) to purchase, sell and perform other transactions in Treasury bills and bonds, and other securities issued or guaranteed by foreign governments or intergovernmental financial institutions;

d) to purchase, sell and perform other transactions in securities issued or guaranteed by central banks, international financial institutions, banks and non-banks;

e) to open and hold accounts with other central banks and monetary authorities, banks and international financial institutions;

f) to open and hold accounts and to perform correspondent-bank transactions for international financial institutions, central banks and monetary authorities, banking and

financial institutions, intergovernmental financial institutions from abroad as well as for foreign governments and their agencies.

CHAPTER VIII

Management and administration

ARTICLE 33

Management of the National Bank of Romania

- 1.** The National Bank of Romania is headed by the Board of Directors.
- 2.** The executive management of the National Bank of Romania shall be performed by the Governor, the prime vice-governor and two vice-governors, under the terms stipulated in the bylaw approved by the Board of Directors.
- 3.** The Board of Directors' activity is governed by the provisions of the present law and by the regulations issued by the National Bank of Romania.

ARTICLE 34

Board of Directors

- 1.** By law, the National Bank of Romania Board of Directors decides on:
 - a)** the monetary, foreign exchange, credit and payment policies, pursuing their implementation;
 - b)** the measures for bank licensing and prudential supervision of licensed banks;
 - c)** the guidelines for managing the operations and the responsibilities of the National Bank of Romania staff;
 - d)** the internal organisational structure, benefits, salaries and other entitlements granted to the staff;
 - e)** temporary delegation of powers to the executives, when special situations require such a solution.
- 2.** The National Bank of Romania Board of Directors is made up of nine members, as follows:
 - a)** the chairman – the Governor of the National Bank of Romania;
 - b)** the vice-chairman – the prime vice-governor;
 - c)** seven members, of which two are vice-governors and the other five are not National Bank of Romania employees.
- 3.** The members of the National Bank of Romania Board of Directors, including the executives, are appointed by the Parliament, on the recommendation of the competent standing committees of the two Chambers of Parliament.
- 4.** Appointments are made for a period of six years, with the possibility of renewal.

5. In case the Board of Directors becomes incomplete, the vacancy shall be filled for the respective office and only for the remainder of the term of office, in compliance with provisions of para. 3 hereof.

6. A member of the Board of Directors may be recalled from office by the Parliament, at the proposal of the competent standing committees of the two Chambers of Parliament, for each case, whenever:

- a)** s/he is no longer eligible, according to the provisions of Art. 35;
- b)** an imprisonment penal sentence was pronounced against him/her and if the court ruling is final;
- c)** during the term of office, s/he engaged in conspicuously inadequate actions, substantially damaging the National Bank of Romania's interests.

7. No member of the National Bank of Romania Board of Directors can be replaced for reasons or following a procedure other than those stipulated under para. 6 hereof.

8. Appointment, retirement and recalling from office of any member of the National Bank of Romania Board are published in *Monitorul Oficial al României*.

9. The Minister of Finance and the Director of the State Treasury may participate, without having voting rights, in the meetings of the National Bank of Romania Board of Directors.

ARTICLE 35

Incompatibilities and conflicts of interest

1. The members of the National Bank of Romania Board of Directors may not be members of Parliament or affiliated to a political party and may not belong either to the judicial authority or public administration.

2. The members of the Board of Directors and the executives of the National Bank of Romania are forbidden to represent, directly or indirectly, any financial, commercial or any other interest that would place them in a position in which their personal interest would conflict with their duties and obligations to the National Bank of Romania.

3. Without the express approval of the National Bank of Romania Board of Directors:

- a)** during their terms of office, the Governor, the prime vice-governor and the vice-governors shall neither use their professional skills to serve interests other than those of the National Bank of Romania nor shall they hold any other position, remunerated or honorary, in financial institutions, banks or non-bank commercial companies, except for teaching;
- b)** while being hired on the basis of an individual labour contract, no employee of the National Bank of Romania may simultaneously hold another position, remunerated or honorary, in a commercial company or in a profit-making company.

ARTICLE 36

The Governor's prerogatives

1. The Governor takes measures to enforce legal provisions, the Board of Directors' decisions and other regulations concerning the National Bank of Romania. The Governor may delegate some of his powers to the prime vice-governor and to the vice-governors, under the terms established by the Board of Directors.
2. The Governor appoints the staff of the National Bank of Romania headquarters and the directors of the branches and subsidiaries.
3. The Governor represents the National Bank of Romania in relation to third parties with his/her personal signature or that of the persons mandated by him/her, with respect to contracts and conventions concluded.
4. On behalf of the Board of Directors, the Governor submits to the Parliament, until 30 June of the following year, the National Bank of Romania's annual report which includes:
 - a) the main economic, financial, monetary and foreign exchange developments;
 - b) the monetary policy of the previous year and the guidelines for the following year;
 - c) banking regulation and prudential supervision;
 - d) the National Bank of Romania's activities, the annual balance sheet and the profit and loss account.
5. In the event the Governor is absent or incapacitated, the prime vice-governor shall take charge.

ARTICLE 37

Statutory audit committee

1. The statutory audit committee that includes five members, of which one is the president, is appointed under the terms of Art. 34, para. 3 and para. 4 hereof.
2. The statutory audit committee checks the observance of the legal norms on the evaluation of the National Bank of Romania's worth, the drawing up of the balance sheet and profit and loss account in accordance with the books, the vault cash extant and the securities owned or held in pledge, in custody or lodged as collateral, as well as the revenue and expenditure budget execution.
3. On a yearly basis, the statutory audit committee draws up a report on the balance sheet, the profit and loss account, and the revenue and expenditure budget execution.

ARTICLE 38

Independent audit

The National Bank of Romania's accounts and books may be audited by independent external audit companies selected by the Board of Directors on an auction basis.

CHAPTER IX

Financial statements

ARTICLE 39

The National Bank of Romania's capital

1. The National Bank of Romania's capital amounts to ROL 100 billion and is fully state-owned. The capital shall be increased by using part of the annual net profit, up to 5 percent of the aggregate monetary liabilities recorded in the balance sheet at the end of each financial year.
2. The ROL 100 billion capital is established by taking over the capital recorded on 31 December 1997, i.e. ROL 5 billion, and by allocating ROL 95 billion from the National Bank of Romania's reserve fund.
3. The National Bank of Romania's aggregate monetary liabilities are established as the total amount of the banknotes and coins in circulation, of the securities issued by it as well as of the credit balances of all accounts, opened by accountholders in its records.

ARTICLE 40

Reserve fund

The National Bank of Romania's reserve fund is built up to the limit of 20 percent of the gross profit until it equals the National Bank of Romania's own capital; afterwards, the respective share is reduced to 10 percent until the reserve fund equals the double of the National Bank of Romania's own capital and, subsequently, the share is set at 5 percent.

ARTICLE 41

Chart of Accounts

1. The National Bank of Romania's operations for financial years opening 1 January and closing 31 December are recorded, in keeping with its own chart of accounts, endorsed by the Ministry of Finance.
2. The National Bank of Romania shall keep accounts and records, and shall draw up annual reports showing its financial operations and results, including provisions for non-performing loans, pursuant to the laws in force and the international accounting principles specific to central banks.

ARTICLE 42

Revenue and expenditure budget

The revenue and expenditure budget is approved by the National Bank of Romania Board of Directors, and its execution is checked by the statutory audit committee.

ARTICLE 43

Profit and loss account

1. For each financial year, the National Bank of Romania's profit or loss is calculated pursuant to international accounting standards as the difference between operational revenues and expenses.

2. In the case that the value of National Bank of Romania's assets in its balance sheet decreases below the amount of its liabilities, reserve fund and own capital, the Ministry of

Finance shall transfer to the National Bank of Romania, upon request, government securities negotiable at market price, up to the amount that covers the deficit. Within five years, these government securities will either be redeemed by using the net profits of the National Bank of Romania or will be subject to renewed negotiations.

ARTICLE 44

Revaluation of assets and liabilities

On an annual basis, the National Bank of Romania reassesses its assets and liabilities denominated in gold, silver, other precious metals and gems, Special Drawing Rights and foreign currency, following the change in their value or in the ROL exchange rate, and the differences are shown in a special revaluation account.

ARTICLE 45

Net profit calculation and use

1. The National Bank of Romania's gross profit is made up of its net operational income only.
2. The net gains resulting from revaluation, after deducting the net operational losses, are allocated to the special revaluation account.
3. The National Bank of Romania's net profit is allotted and used according to the following priorities:
 - a) to increase its own capital up to the equivalent of 5 percent of the aggregate monetary liabilities recorded in the balance sheet at the end of each financial year;
 - b) to redeem the government securities the Ministry of Finance transferred to the National Bank of Romania according to the provisions of Art. 43, para. 2 hereof;
 - c) to set up the development fund;
 - d) to set up the employees' profit-sharing fund up to the limit of 10 percent;
 - e) for other purposes, as established by the National Bank of Romania Board of Directors;
 - f) the remaining profit is fully transferred to the state budget no later than 1 June of the next financial year.

ARTICLE 46

Allocation of net losses

Should the National Bank of Romania incur a net loss in a financial year, this shall be offset as follows:

- a) if the net loss consists of net operational losses and net losses from revaluation, the total net operational losses are covered from the reserve fund and from own capital, while the net losses from revaluation are transferred to the special revaluation account;
- b) if the net loss consists of net operational income and net losses from revaluation, the net operational income is evidenced as gross profit and the net losses from revaluation are transferred to the special revaluation account;

c) if the net loss consists of net operational losses and net gains from revaluation, the net loss is covered from the reserve fund and own capital, in this order;

d) if the net loss is not covered from the reserve fund, own capital and the amounts in the special revaluation account, for the remainder the Ministry of Finance shall transfer to the National Bank of Romania government securities under the provisions of Art. 43, para. 2 hereof.

ARTICLE 47

Liability for records

For possible errors when making payments or entries into the holders' accounts, the National Bank of Romania is liable only for the amount mistakenly paid out or entered into an account, including penalties payable to the state budget, which are borne by accountholders in such cases as provided for by law, provided a written complaint is filed by expiry of the established deadline and the accountholders are notified about.

ARTICLE 48

Publication of the balance sheet

The National Bank of Romania's annual balance sheet and profit and loss account, certified by the statutory audit committee, following their adoption by the Board of Directors, are published in *Monitorul Oficial al României*.

CHAPTER X

Final provisions

ARTICLE 49

Applicable legislation

1. The National Bank of Romania's operations are subject to the general legal provisions, unless the Banking Act and the present law stipulate otherwise.

2. Commercial operations performed by the National Bank of Romania, as shown in the revenue and expenditure budget, the annual balance sheet and the profit and loss account, are subject to subsequent auditing by the Court of Audit.

ARTICLE 50

Regulations issued by the National Bank of Romania

1. The National Bank of Romania is entitled to issue regulations to implement and impose observance of legal provisions.

2. The regulations issued by the National Bank of Romania may encompass rules, orders, norms, and circulars binding upon private and public legal entities as well as upon individuals.

ARTICLE 51

Statistical data

1. The National Bank of Romania shall contribute to harmonisation of rules and practices governing collection, processing and dissemination of statistical data in its field of competence.

2. In order to accomplish its legal tasks, the National Bank of Romania collects primary statistical data from public authorities, banks, financial institutions, other legal entities and individuals.

3. Banks and other public or private legal entities licensed by or having accounts with the National Bank of Romania shall provide any data or information required by the National Bank of Romania in order to undertake its tasks by law.

4. The National Bank of Romania may publish such data and information, either in their entirety or in part, but in aggregate format only.

ARTICLE 52

Special guarantees

1. Conventions, contracts or any other loan agreements concluded by the National Bank of Romania constitute writs of execution, in case of default of payment for the entire balance of the outstanding claim, including interest or related costs.

2. Financial or judicial state institutions enforce the claims of the National Bank of Romania on the basis of a notification by the Bank.

3. Should a debtor default on its commitments, the National Bank of Romania has the right to recover its claims by executing the guarantees as follows:

a) total or partial sale, on behalf of the debtor, of securities and commercial paper lodged as collateral, within 3 days at most following a simple summons sent through an extra-judicial act;

b) the proceeds are used to recover the claim, the payments in advance, interests and any other costs incurred by the National Bank of Romania; the prospective surplus shall be remitted to the debtor.

ARTICLE 53

Operations for third parties

1. The National Bank of Romania may perform some operations for third parties provided that the necessary documents are submitted. The National Bank of Romania may require collateral in the form of real or personal guarantees, whenever it deems necessary.

2. Except for the cases explicitly authorised under the present law, the National Bank of Romania shall not grant any financial assistance in the form of loans, resources, total or partial take-over of obligations related to a loan or another debt instrument, a debt or a related liability, or in any other form.

3. In compliance with the provisions of para. 2 hereof, the National Bank of Romania may:

- a) invest its financial resources in highly liquid securities issued by creditworthy debtors;
- b) acquire, while executing its claims, any kind of rights that can be made the most of;
- c) grant its staff one housing loan and loans for durable goods, at an interest rate equal to the average monthly interest rate applied by commercial banks.

ARTICLE 54

Tax relief

The National Bank of Romania's own capital, reserve fund and risk provisions, ingots, coins and other objects made of gold, silver, other precious metals and gems are tax-exempt.

ARTICLE 55

Professional secrecy

1. The members of the Board of Directors and the employees of the National Bank of Romania shall observe the confidentiality of any information and shall not disclose information, which they may have acquired in the performance of their duties and shall not use the information for their personal benefit, any infringement being punished by law.

2. The professional secrecy may be disclosed during judicial proceedings, under the terms approved by the Board of Directors only.

ARTICLE 56

Remuneration

The members of the National Bank of Romania Board of Directors and the internal auditors are granted remuneration.

ARTICLE 57

Equity interest

The National Bank of Romania may have equity interests, either directly or indirectly, in any commercial company or *régie autonome*, except for its own companies that print banknotes and mint coins or other companies that may contribute to the performance of the National Bank of Romania's tasks.

ARTICLE 58

Real estate

The National Bank of Romania may perform real estate investments, provided that they are destined to fulfil its own operating needs and to the common needs of its employees, as established by the National Bank of Romania Board of Directors.

ARTICLE 59

Communication with the general public

1. All regulations issued by the National Bank of Romania are published in *Monitorul Oficial al României*.

2. The National Bank of Romania shall open and keep a public register comprising its regulations published in *Monitorul Oficial al României*.

3. The National Bank of Romania shall publish periodically its annual report, reports on Romania's balance of payments and international investment position, bulletins concerning money and credit developments, studies and other papers providing information for the general public.

ARTICLE 60

Sanctions

1. For failure to observe the regulations issued by the National Bank of Romania, unless the cases fall under the provisions of the Banking Act, the National Bank of Romania's chief executives may apply the following sanctions:

a) written warning;

b) fine from ROL 1 million to ROL 10 million; the fines collected are revenues to the state budget;

c) partial or total suspension of the licence granted by the National Bank of Romania for 90 days at most;

d) withdrawal of the licence granted by the National Bank of Romania.

2. Appeals may be filed within 15 days from the date the sanction was imposed, and are solved by the National Bank of Romania Board of Directors in 30 days at most from the date they were received.

3. The decisions of the National Bank of Romania Board of Directors may be contested at the Supreme Court of Justice within 15 days from the notification.

ARTICLE 61

Entry into force

The present law comes into force 30 days after being published in *Monitorul Oficial al României*.

ARTICLE 62

Repeal

On the date the present law comes into force Law No. 34/1991 on the National Bank of Romania Statute, published in *Monitorul Oficial al României*, Part I, No. 70 of 3 April 1991, as well as any other opposite provisions are repealed.

This law was passed by the Chamber of Deputies and the Senate in the session of 5 May 1998, in compliance with the provisions of Art. 74, para. 2 and of Art. 76, para. 2 of the Constitution of Romania.

Bucharest, 26 May 1998.

No. 101.

Emergency Ordinance No. 136 of 18 October 2001 on amending and supplementing Law No. 101/1998 – The NBR Act

Published in *Monitorul Oficial al României*, Part One, No. 671 of 24 October 2001

Entry into force: 24 October 2001

Having regard to Art. 114 para. (4) of the Constitution of Romania,

The Government of Romania issues this Emergency Ordinance:

Sole article – Law No. 101/1998-The National Bank of Romania Act, published in *Monitorul Oficial al României*, Part One, No. 203 of 1 June 1998, amended and supplemented by Law No. 156/1999, shall be amended and supplemented as follows:

1. The title of Article 3 reads as follows:

"ARTICLE 3

Co-operation with other authorities"

2. After para. (4) of Art. 3, paras. (5), (6), (7) and (8) are inserted, which read as follows:

"(5) In order to fulfil the commitments resulting from agreements, treaties and conventions signed by Romania, the National Bank of Romania co-operates with the competent domestic and foreign authorities by providing information, taking the necessary steps, or in any other way.

(6) With a view to strengthening the stability and integrity of the financial system, the National Bank of Romania may also co-operate with other domestic and foreign institutions and authorities, including the authorities in charge of the supervision of financial institutions, insurance companies and financial markets.

(7) Co-operation shall be carried out through exchange of information or in any other way, according to the law and/or the agreements with these institutions or authorities in order to fulfil their specific tasks, on a mutual basis and in strict compliance of the confidentiality principle.

(8) Institutions and public authorities shall provide to the National Bank of Romania the information they deem necessary or the information requested by the NBR in order to achieve effective supervision and fulfilment of the objectives of the National Bank of Romania. "

3. After para. (2) of Art. 26, para. (3) is inserted, which reads as follows:

"(3) The members of the National Bank of Romania's Board and the National Bank of Romania's employees charged with prudential supervision tasks shall not be subject to any civil or criminal sanctions, as the case may be, if the Court finds that these persons fulfilled or failed to fulfil in good faith and with due care any action or fact related to the discharge, by law, of prudential supervision tasks."

4. Para. (2) of Art. 55 reads as follows:

(2) Supply of information mentioned under para. (1) hereof shall be possible upon being signed by the

National Bank of Romania's Governor or by the authorised persons, in the following situations:

a) during judicial proceedings, at the written request of judicial authorities, or of criminal investigation authorities upon approval of the public prosecutor, as the case may be;

b) during negotiations or when carrying out international agreements to which Romania or the National Bank of Romania is part;

c) within the framework of co-operation agreements with other authorities or at the National Bank of Romania's initiative with a view to ensuring monitoring and supervisory tasks by law;

5. After para. (2) of Art. 55 paras. (3) and (4) are inserted, which read as follows:

"(3) Persons entitled to require and receive information considered as banking professional secrecy shall be bound to confidentiality and may use such information only for the purpose for which the information was required or supplied by law or in accordance with the concluded agreements, any infringement being punished by law.

(4) Where the information originates in another state, it may not be disclosed without the express consent of the authority that has supplied it and, where appropriate, solely for the purpose for which that authority has given its consent."

PRIME MINISTER

ADRIAN NĂSTASE

Countersigned by:

Mihai Nicolae Tănăsescu,
Minister of Public Finance

Mugur Constantin Isărescu,
Governor of the National Bank of Romania

Bucharest, 18 October 2001.

No. 136.

Law No. 407 of 20 June 2002
approving Government Emergency Ordinance No. 136/2001
amending and supplementing Law No. 101/1998–The NBR Act

Published in *Monitorul Oficial al României*, Part One, No. 455 of 27 June 2002

The Parliament of Romania passes this Law.

Sole Article. – This Law approves Government Emergency Ordinance No. 136 of 18 October 2001 amending and supplementing Law No. 101/1998–The NBR Act, published in *Monitorul Oficial al României*, Part One, No. 671 of 24 October 2001, with the following amendment:

Under point 3 of the sole article, para. (3) of Art. 26 reads as follows:

"(3) The members of the National Bank of Romania's Board and the National Bank of Romania's employees charged with prudential supervision tasks shall not assume civil or criminal liability, as the case may be, if the Court finds that these persons fulfilled or failed to fulfil in good faith and with due care any action or fact related to the discharge, by law, of prudential supervision tasks."

This Law was passed by the Senate in its meeting of 3 June 2002 in compliance with the provisions of Art. 74 para. (2) of the Constitution of Romania.

PRESIDENT OF THE SENATE

NICOLAE VĂCĂROIU

This Law was passed by the Chamber of Deputies in its meeting of 6 June 2002 in compliance with the provisions of Art. 74 para. (2) of the Constitution of Romania.

PRESIDENT OF THE CHAMBER OF DEPUTIES

VALER DORNEANU

Bucharest, 20 June 2002.

No. 407.

LAW No. 156 of 12 October 1999
amending and supplementing Law No. 101/1998–The NBR Act

Published in *Monitorul Oficial al României*, Part One, No. 500/18 October 1999

Parliament of Romania passes this law

SOLE ARTICLE

Law No. 101/1998–The NBR Act, published in *Monitorul Oficial al României*, Part I, No. 203/1 June 1998, shall be amended and supplemented as follows:

Art. 54 shall read as follows:

“Art. 54. Tax relief

1. The National Bank of Romania’s capital, the reserve fund and risk provisions, gold coins and other objects made of gold, silver, and other precious metals and gems, shall be tax-exempt.

2. Purchases of gold and silver from companies are subject to provisions of Government Ordinance No. 3/1992 on value added tax, approved and amended by Law No. 130/1992 and republished in *Monitorul Oficial al României*, Part I, No. 288/12 December 1995 as subsequently supplemented.”

This law was passed by the Chamber of Deputies in the session held on 22 June 1999, in accordance with the provisions of Art. 74, para. (1) of the Constitution of Romania.

This law was passed by the Senate in the session held on 14 September 1999, in accordance with the provisions of Art. 74, para. (1) of the Constitution of Romania.

Bucharest, 12 October 1999.

No. 156.

Emergency Ordinance No. 273 of 7 December 2000
amending Law No. 101/1998
on the Statute of the National Bank of Romania

Published in *Monitorul Oficial al României*, Part One, No. 677 of 19 December 2000

Entry into force: 19 December 2000

Having regard to Art. 114 para. (4) of the Constitution of Romania,

The Government of Romania issues this Emergency Ordinance:

Sole Article – Art. 54 para. 1 of Law No. 101/1998 on the Statute of the National Bank of Romania, published in *Monitorul Oficial al României*, Part One, No. 203 of 1 June 1998, as subsequently amended and supplemented, is hereby amended and shall read as follows:

“The National Bank of Romania’s own capital, reserve fund and risk provisions, coins and other objects made of gold, silver, other precious metals and gems shall be tax-exempt.”

PRIME MINISTER

MUGUR CONSTANTIN ISĂRESCU

Countersigned by:

Cristian Popa,
for the Governor of the National Bank of Romania

Valentin Lazea,
Secretary of State
for the Minister of Finance

Bucharest, 7 December 2000.

No. 273.

Emergency Ordinance No. 136 of 18 October 2001 on amending and supplementing Law No. 101/1998 – The NBR Act

Published in *Monitorul Oficial al României*, Part One, No. 671 of 24 October 2001

Entry into force: 24 October 2001

Having regard to Art. 114 para. (4) of the Constitution of Romania,

The Government of Romania issues this Emergency Ordinance:

Sole article – Law No. 101/1998-The National Bank of Romania Act, published in *Monitorul Oficial al României*, Part One, No. 203 of 1 June 1998, amended and supplemented by Law No. 156/1999, shall be amended and supplemented as follows:

1. The title of Article 3 reads as follows:

"ARTICLE 3
Co-operation with other authorities"

2. After para. (4) of Art. 3, paras. (5), (6), (7) and (8) are inserted, which read as follows:

"(5) In order to fulfil the commitments resulting from agreements, treaties and conventions signed by Romania, the National Bank of Romania co-operates with the competent domestic and foreign authorities by providing information, taking the necessary steps, or in any other way.

(6) With a view to strengthening the stability and integrity of the financial system, the National Bank of Romania may also co-operate with other domestic and foreign institutions and authorities, including the authorities in charge of the supervision of financial institutions, insurance companies and financial markets.

(7) Co-operation shall be carried out through exchange of information or in any other way, according to the law and/or the agreements with these institutions or authorities in order to fulfil their specific tasks, on a mutual basis and in strict compliance of the confidentiality principle.

(8) Institutions and public authorities shall provide to the National Bank of Romania the information they deem necessary or the information requested by the NBR in order to achieve effective supervision and fulfilment of the objectives of the National Bank of Romania. "

3. After para. (2) of Art. 26, para. (3) is inserted, which reads as follows:

"(3) The members of the National Bank of Romania's Board and the National Bank of Romania's employees charged with prudential supervision tasks shall not be subject to any civil or criminal sanctions, as the case may be, if the Court finds that these persons fulfilled or failed to fulfil in good faith and with due care any action or fact related to the discharge, by law, of prudential supervision tasks."

4. Para. (2) of Art. 55 reads as follows:

(2) Supply of information mentioned under para. (1) hereof shall be possible upon being signed by the National Bank of Romania's Governor or by the authorised persons, in the following situations:

a) during judicial proceedings, at the written request of judicial authorities, or of criminal investigation authorities upon approval of the public prosecutor, as the case may be;

b) during negotiations or when carrying out international agreements to which Romania or the National Bank of Romania is part;

c) within the framework of co-operation agreements with other authorities or at the National Bank of Romania's initiative with a view to ensuring monitoring and supervisory tasks by law;

5. After para. (2) of Art. 55 paras. (3) and (4) are inserted, which read as follows:

"(3) Persons entitled to require and receive information considered as banking professional secrecy shall be bound to confidentiality and may use such information only for the purpose for which the information was required or supplied by law or in accordance with the concluded agreements, any infringement being punished by law.

(4) Where the information originates in another state, it may not be disclosed without the express consent of the authority that has supplied it and, where appropriate, solely for the purpose for which that authority has given its consent."

PRIME MINISTER

ADRIAN NĂSTASE

Countersigned by:

Mihai Nicolae Tănăsescu,
Minister of Public Finance

Mugur Constantin Isărescu,
Governor of the National Bank of Romania

Bucharest, 18 October 2001.

No. 136.

Law No. 341 of 6 July 2001
repealing Government Emergency Ordinance No. 273/2002 amending
Law No. 101/1998 – The NBR Act

Published in *Monitorul Oficial al României*, Part One, No. 370 of 9 July 2001

The Parliament of Romania passes this Law.

Sole Article. – Government Emergency Ordinance No. 273 of 7 December 2000 amending Law No. 101/1998–The NBR Act, published in *Monitorul Oficial al României*, Part One, No. 677 of 19 December 2000 shall be repealed.

This Law was passed by the Senate in its meeting of 26 February 2001 in compliance with the provisions of Art. 74 para. (2) of the Constitution of Romania.

for PRESIDENT OF THE SENATE,
PUSKAS VALENTIN-ZOLTAN

This Law was passed by the Chamber of Deputies in its meeting of 12 June 2001 in compliance with the provisions of Art. 74 para. (2) of the Constitution of Romania.

PRESIDENT OF THE CHAMBER OF DEPUTIES
VALER DORNEANU

Bucharest, 6 July 2001.

No. 341.

Law No. 312 of 28 June 2004

on the Statute of the National Bank of Romania

Published in *Monitorul Oficial al României*, Part One, No. 582 of 30 June 2004

The Parliament of Romania passes this Law.

CHAPTER I

General provisions

ARTICLE 1

Legal status

(1) The National Bank of Romania is the central bank of Romania and has legal personality.

(2) The National Bank of Romania is an independent public institution with its headquarters in Bucharest. It may have branches and agencies in Bucharest and other cities of Romania.

ARTICLE 2

Primary objective and main tasks

(1) The primary objective of the National Bank of Romania shall be to ensure and maintain price stability.

(2) The main tasks of the National Bank of Romania shall be:

- a) to define and implement the monetary policy and the exchange rate policy;
- b) to conduct the authorisation, regulation and prudential supervision of credit institutions and to promote and oversee the smooth operation of the payment systems with a view to ensuring financial stability;
- c) to issue banknotes and coins as legal tender on the territory of Romania;
- d) to set the foreign exchange regime and supervise its observance;
- e) to manage the international reserves of Romania.

(3) Without prejudice to its primary objective of ensuring and maintaining price stability, the National Bank of Romania shall support the general economic policy of the State.

ARTICLE 3

Co-operation with other authorities

(1) When carrying out their tasks, the National Bank of Romania and the members of its decision-making bodies shall not seek or take instructions from public authorities or from any other institution or authority.

(2) Any draft legal act issued by the central public authorities, concerning the fields related to the National Bank of Romania's tasks, shall be passed following the endorsement by the National Bank of Romania. The opinion shall be submitted within 30 days at most from the date it was sought.

(3) The National Bank of Romania shall co-operate with the Ministry of Public Finance in setting the macroeconomic indicators based on which the annual draft budget shall be drawn up.

(4) The National Bank of Romania draws up, for its own needs, surveys and research studies on money, exchange rate, credit, as well as payment systems and credit institutions operations.

(5) In order to fulfil the commitments arising from agreements, treaties and conventions Romania is part of, the National Bank of Romania shall co-operate with domestic and foreign authorities by providing information, taking the necessary steps, or in any other way consistent with this Law.

(6) In order to implement the provisions of the banking activity legislation, concerning the co-operation with the competent authorities of the EU Member States, hereinafter referred to as Member States, the National Bank of Romania shall ensure the conditions required to perform the exchange of information with these authorities. The information provided to the competent authorities of Member States shall be subject to the professional secrecy requirements, defined in Art. 52 para. (1).

(7) The National Bank of Romania may conclude co-operation agreements, referring to the exchange of information, with the competent authorities of third countries or with other authorities or bodies of third countries as defined in para. (8) hereof, provided the information disclosed is subject to professional secrecy requirements according to Art. 52. The exchange of information must be performed solely for the purpose of exercising the supervisory duties of the authorities and bodies concerned. Where the information originates in a Member State, it may be disclosed solely with the express consent of the competent authority, which disclosed it, and solely for the purposes for which that authority gave its consent.

(8) In exercising its supervisory task, the National Bank of Romania shall ensure the exchange of information with:

- a) authorities responsible for the supervision of other financial institutions and insurance companies, and the authorities responsible for the supervision of financial markets in Romania and the Member States;
- b) bodies and institutions in Romania and the Member States involved in the bankruptcy and winding-up of credit institutions as well as in other similar proceedings;
- c) persons in Romania and the Member States responsible for carrying out the financial audit of credit institutions and other financial institutions;
- d) bodies managing deposit-guarantee schemes in Romania and in Member States.

(9) The National Bank of Romania may co-operate, through exchange of information as well, with authorities in Romania and the Member States, responsible for:

a) supervising the bodies and institutions involved in the bankruptcy and winding-up of credit institutions as well as in other similar proceedings;

b) supervising the persons carrying out the financial audit of credit institutions, financial investment firms, insurance companies and other financial institutions.

(10) The exchange of information referred to in para. (9) shall be made by complying with the following minimum requirements:

a) the information shall be used by these authorities for the sole purpose of performing the supervisory tasks referred to in para. (9);

b) the information received shall be subject to the professional secrecy requirements as defined in Art. 52;

c) where the information originates in a Member State, it may be disclosed solely with the express consent of the competent authority, which disclosed it, and solely for the purposes for which that authority gave its consent.

(11) In order to strengthen the financial stability and preserve the integrity of the financial system, the National Bank of Romania may co-operate, through exchange of information as well, with the authorities or bodies responsible by law for the tracing out and investigation of breaches of corporate laws. The exchange of information shall be performed by complying with the following minimum requirements:

a) the information shall be used by the said authorities for the sole purpose of performing their tasks;

b) the information received shall be subject to professional secrecy requirements as defined in Art. 52;

c) where the information originates in a Member State, it may be disclosed solely with the express consent of the competent authority, which disclosed it, and solely for the purposes for which that authority gave its consent.

(12) The National Bank of Romania shall communicate to the European Commission and to Member States the names of the Romanian authorities, which may receive information pursuant to para. (9)-(11) hereof.

(13) Information may be exchanged between the National Bank of Romania and monetary authorities, central banks or other bodies with similar functions, as well as other public authorities responsible for overseeing payment systems in order for the National Bank of Romania to perform its tasks of authorisation, regulation and prudential supervision of credit institutions and for the above-mentioned authorities to fulfil their tasks.

(14) In order to ensure the smooth operation of the payment systems, the National Bank of Romania may communicate information of the nature of professional secrecy to clearing houses or to other similar bodies, established by law, with a view to providing clearing and settlement services for any market in Romania or in a Member State.

(15) The information the National Bank of Romania receives from the competent authorities of Member States may be disclosed to clearing houses or to other similar bodies solely with the express consent of the competent authorities which disclosed it.

(16) The entities which received information, as laid down in para. (8)-(11) and para. (13) and (14) hereof, shall be bound by professional secrecy.

(17) Public authorities and institutions shall provide the National Bank of Romania with the information they deem necessary or with the information required by the National Bank of Romania in order to perform effective supervision and to fulfil its primary objective and tasks.

(18) Until the date of Romania's accession to the European Union, the exchange of information provided for in this Article shall be made solely on a mutual basis.

(19) Upon Romania's accession to the European Union, the provisions of para. (18) hereof shall also apply to the exchange of information with entities in third countries.

ARTICLE 4

International co-operation

(1) The National Bank of Romania may be empowered by the Parliament to participate in financial, banking, monetary or payment-related international organisations and may become a member thereof.

(2) Upon Romania's accession to the Eurosystem, the National Bank of Romania may participate in financial, banking, monetary or payment-related international organisations and may become a member thereof, without prejudice to the provisions of Art. 6 para. (2) of the Statute of the European System of Central Banks and of the European Central Bank.

(3) The National Bank of Romania may participate, in its own name or on behalf of the State, in international talks and negotiations regarding financial, monetary, exchange rate, and payment issues as well as authorisation, regulation and prudential supervision of credit institutions.

(4) The National Bank of Romania exercises rights and fulfils obligations incumbent on Romania, in its capacity as a member of the International Monetary Fund, including the use of medium- and long-term financing facilities provided by this institution for balance-of-payment purposes and for strengthening the international reserves of Romania.

(5) The National Bank of Romania may negotiate and conclude agreements, conventions, or other arrangements regarding short-term credits and other financial and banking operations with international financial institutions, central banks, banks and non-banks, provided these credits are repaid within 1 year.

(6) The National Bank of Romania may conclude, in its own name or on behalf of the State, settlement and payment agreements or any other settlement and payment conventions with publicly or privately owned institutions located abroad.

CHAPTER II

Monetary policy, exchange rate policy and foreign exchange regime

ARTICLE 5

Monetary policy

In conducting monetary policy, the National Bank of Romania makes use of procedures and instruments specific to open market operations and lending to credit institutions, as well as of the required reserve mechanism.

ARTICLE 6

Open market operations

(1) Direct purchase by the National Bank of Romania of debt instruments issued by the State, national and local public authorities, régies autonomes, national corporations, national companies and other majority state-owned companies in the primary market is prohibited.

(2) Upon Romania's accession to the European Union, the prohibition prescribed in para. (1) hereof shall also apply to debt instruments issued by other bodies governed by public law and public undertakings of Member States.

(3) In compliance with the provisions of para. (1) hereof, the National Bank of Romania may perform in the secondary market reverse operations, outright purchases/sales or may grant credits collateralised by the pledge of claims against or securities of the State, national and local public authorities, régies autonomes, national corporations, national companies and other majority state-owned companies, credit institutions or other legal entities, may execute foreign exchange swaps, issue certificates of deposit and collect deposits from credit institutions, under the terms it deems appropriate for the achievement of its monetary policy objectives.

ARTICLE 7

Lending operations

(1) The National Bank of Romania may grant loans to eligible credit institutions, under the terms established by its own regulations.

(2) Overdraft facilities or any other type of credit facility with the National Bank of Romania in favour of the State, national and local public authorities, régies autonomes, national corporations, national companies and other majority state-owned companies shall be prohibited.

(3) By way of exception, the provisions of para. (2) hereof shall not apply to the majority state-owned credit institutions, which are treated as credit institutions, according to the provisions of para. (1) hereof.

(4) Upon Romania's accession to the European Union, the prohibition referred to in para. (2) hereof shall also apply to overdraft facilities or any other type of credit facility with the National Bank of Romania in favour of other bodies governed by public law and public undertakings in Member States.

ARTICLE 8

Reserve requirements

- (1) The National Bank of Romania sets the regime of reserves requirements to be held by credit institutions in accounts opened with the National Bank of Romania.
- (2) Reserve requirements for foreign exchange resources shall be set up in foreign exchange alone.
- (3) The interest paid by the National Bank of Romania for reserve requirements shall equal at least the average interest rate applied by credit institutions on demand deposits.
- (4) Penalty interest, established by the National Bank of Romania, shall be calculated and charged for non-compliance with the level of reserve requirements.

ARTICLE 9

Exchange rate policy

- (1) The National Bank of Romania shall define and implement the exchange rate policy.
- (2) The National Bank of Romania is empowered to:
 - a) draw up the balance of payments as well as other documents related to Romania's international investment position;
 - b) set the exchange rates for its own foreign exchange market operations, calculate and release the average exchange rates for statistical purposes;
 - c) hold and manage the international reserves.

ARTICLE 10

Foreign exchange regime

- (1) The National Bank of Romania may draw up regulations on monitoring and controlling foreign exchange transactions in Romania and may authorise capital transactions, transactions on foreign exchange markets and other specific operations.
- (2) The National Bank of Romania's regulations refer mainly to:
 - a) granting and withdrawal of the authorisation as well as supervising the entities authorised to conduct foreign exchange transactions;
 - b) setting ceilings and other limits on holdings of and dealings in foreign assets for legal entities and individuals;
 - c) setting the ceiling and the terms for external indebtedness of legal entities and individuals that are subject to the foreign exchange regime.

ARTICLE 11

Monitoring and reporting

In order to monitor the foreign exchange transactions, the legal entities authorised to conduct foreign exchange operations shall submit to the National Bank of Romania reports on their transactions, whose form and content are established by the National Bank of Romania.

CHAPTER III

Currency issue

ARTICLE 12

Exclusive issue right

The National Bank of Romania is the sole institution authorised to issue currency in the form of banknotes and coins as legal tender in Romania.

ARTICLE 13

Currency unit

The domestic currency is the “leu”, with its fractional unit, the “ban”.

ARTICLE 14

Currency denominations

(1) The National Bank of Romania is the sole institution entitled to set the face value, size, weight, design and other technical features of banknotes and coins.

(2) Banknotes bear the signature of the National Bank of Romania’s Governor and that of the chief cashier.

(3) Forgery or counterfeiting of banknotes and coins shall be punished by law.

(4) Legal provisions regarding lost or stolen bearer securities do not apply to banknotes and coins issued by the National Bank of Romania.

(5) The design of the banknotes and coins is protected by patents registered with the State Office for Inventions and Trademarks in Romania. Any colour full-size copy, either in whole or in part, for advertising, information or other commercial purposes shall be made with the National Bank of Romania’s prior written approval only.

ARTICLE 15

Currency issue programme

(1) The National Bank of Romania shall devise the programme for issuing banknotes and coins to meet cash requirements in accordance with the real needs of money circulation.

(2) The total amount of banknotes and coins in circulation, net of cash reserves, shall be recorded under liabilities in the National Bank of Romania’s books.

ARTICLE 16

Legal tender

The banknotes and coins issued and not withdrawn from circulation by the National Bank of Romania are legal tender and shall be accepted at their face value for the payment of every public and private debt.

ARTICLE 17

Issue and putting into circulation of banknotes and coins

(1) The National Bank of Romania ensures printing of banknotes and minting of coins, and takes measures for safekeeping the cash that is not in circulation as well as for the custody

and destruction, where appropriate, of moulds, inks, and banknotes and coins withdrawn from circulation.

(2) The National Bank of Romania distributes the currency issued and manages the cash reserves in the form of banknotes and coins.

(3) Worn-out or improper banknotes and coins shall be withdrawn from circulation and disposed of by the National Bank of Romania, and shall be replaced by new banknotes and/or coins.

(4) The National Bank of Romania shall replace, free of any charge or fee, the banknotes and coins issued and not withdrawn from circulation.

(5) The National Bank of Romania may refuse to replace the banknotes and coins if they are defaced or illegible, or if more than 40 percent of their surface is missing. These banknotes and coins shall be withdrawn from circulation and disposed of without granting any compensation to their holders, except the special cases stipulated by the regulations issued by the National Bank of Romania.

(6) The National Bank of Romania can not be compelled to grant compensations for the banknotes or coins that were lost, stolen, defaced, counterfeited, or forged.

ARTICLE 18

Replacement of banknotes and coins

(1) The National Bank of Romania may decide to cancel or withdraw from circulation any banknotes or coins that have been issued and replace them with other types of banknotes and coins.

(2) The modality of and the period for replacing the banknotes and coins shall be published in *Monitorul Oficial al României*, Part One and in at least two national daily newspapers.

(3) At the end of the replacement period, the banknotes and coins taken out of circulation shall no longer be used for payment of public and private debts.

(4) The total amount of banknotes and coins withdrawn from circulation but not replaced in due course shall be deducted from the total amount of currency in circulation entered in the National Bank of Romania's books and shall be recognised as revenue of the National Bank of Romania.

CHAPTER IV

Operations with credit institutions

ARTICLE 19

Lending to credit institutions

(1) In accordance with its monetary and exchange rate policies, the National Bank of Romania may grant loans with maturities no longer than 90 days to credit institutions, against collateral consisting of, but not limited to:

a) government securities from public issues, by their remittance into the National Bank of Romania's portfolio, or

b) deposits with the National Bank of Romania or with other legal entities agreed upon by the National Bank of Romania.

(2) Upon Romania's accession to the Eurosystem, the scope of the assets eligible to collateralise the loans granted by the National Bank of Romania shall be extended to the two categories of eligible assets defined by the European Central Bank.

ARTICLE 20

Lending terms and costs

(1) The National Bank of Romania shall set and disclose the lending terms, the minimum interest rate on loans granted to credit institutions and the criteria that credit institutions must meet in order to qualify for applying for a loan from the National Bank of Romania on a competitive basis.

(2) The National Bank of Romania may set lending ceilings, interest rates, repayment dates and other terms for granting loans on a competitive basis by the National Bank of Romania.

(3) For all its lending operations, the National Bank of Romania shall set and collect interests and fees.

ARTICLE 21

Accounts opened with the National Bank of Romania

(1) The National Bank of Romania opens and runs accounts of credit institutions, State Treasury, clearing houses and other resident or non-resident entities, as provided by the National Bank of Romania's regulations.

(2) The National Bank of Romania performs the final, irrevocable and unconditional settlement of funds transfers in the holders' accounts.

(3) The National Bank of Romania sets and collects commissions for all operations performed through the accounts opened with it, except for those of the European Commission and of international financial organisations.

ARTICLE 22

Payment systems

(1) The National Bank of Romania shall oversee the payment systems, including the payment instruments, with a view to ensuring the security and the efficiency thereof and avoiding systemic risk. In order to carry out this task, the National Bank of Romania shall set the required measures, implement them and monitor their implementation, regulate, authorise and supervise the payment systems, and may regulate payment instruments.

(2) The National Bank of Romania shall regulate, authorise and supervise the payment system administrators and may issue regulations on the payment system instruments.

(3) The National Bank of Romania may provide credit institutions with liquidity by granting facilities, with the observance of Art. 19, and by the acquisition of eligible securities in accordance with its own regulations.

(4) Upon Romania's accession to the Eurosystem, the provisions of para. (3) hereof shall apply accordingly to other market participants as well.

ARTICLE 23

Clearing, depository, settlement and payment services

(1) The National Bank of Romania may provide clearing, depository, settlement and payment services through accounts opened in its records, in compliance with Art. 21.

(2) Upon Romania's accession to the European Union, the National Bank of Romania may, on its own account, or on behalf and on the account of the State, participate in clearing, depository, settlement and payment agreements, or in any other contracts having this purpose, concluded with central institutions or specialised collective organisations, publicly- or privately-owned, located abroad.

ARTICLE 24

Prevention and containment of risks

In order to prevent and contain credit and default risks, the National Bank of Romania may collect and supply, upon request, against payment, according to its own regulations, data and information on payment incidents and lending risks in the credit institutions system, while keeping professional secrecy.

CHAPTER V

Prudential supervision of credit institutions

ARTICLE 25

Regulation, authorisation and prudential supervision of credit institutions

(1) The National Bank of Romania shall have exclusive competence to authorise credit institutions and shall be responsible for the prudential supervision of the credit institutions authorised to operate in Romania according to the provisions of Law No. 58/1998 on banking activity, as subsequently amended and supplemented.

(2) In order to ensure the well functioning and viability of the banking system, the National Bank of Romania is empowered to:

a) issue regulations, take measures for their observance and apply legal sanctions in cases of infringement;

b) check and verify, based on off-site and on-site supervision reports, the ledgers, accounts and any other documents of the authorised credit institutions that the National Bank of Romania deems necessary.

(3) The members of the National Bank of Romania's Board and the National Bank of Romania's employees charged with prudential supervision tasks shall not be subject to any civil or penal sanctions, as the case may be, if the Court finds that these persons fulfilled or failed to fulfil in good faith and with due care any action or fact related to the discharge, by law, of prudential supervision tasks.

(4) The costs associated with the judicial proceedings instituted against the persons under para. (3) hereof shall be borne by the National Bank of Romania.

(5) The employees exercising supervisory tasks are not allowed to take part either in expertise commissions or in any other control actions beyond the tasks and competences granted to them by law.

ARTICLE 26

Protection against systemic risk

In order to carry out its task on ensuring financial stability, under exceptional circumstances and only on a case-by-case basis, the National Bank of Romania may grant to credit institutions loans that are either unsecured or secured with assets other than those provided by Art. 19 hereof.

CHAPTER VI

Operations in the account of the State

ARTICLE 27

General current account of the State Treasury

(1) The National Bank of Romania keeps in its records the general current account of the State Treasury opened on behalf of the Ministry of Public Finance.

(2) Operations with the general current account of the State Treasury and their recording herein shall be based on conventions concluded between the National Bank of Romania and the Ministry of Public Finance.

ARTICLE 28

Operations with the State Treasury

(1) The National Bank of Romania records collections into the general current account of the State Treasury and makes payments within the limits of the balance on this account.

(2) The National Bank of Romania charges fees for the settlement of operations through the general current account of the State Treasury opened in its records, and pays interest on the deposits in this account.

(3) The National Bank of Romania may act as the State's agent in selecting the credit institutions eligible to collect deposits of the State Treasury, under the terms established with the Ministry of Public Finance.

ARTICLE 29

Operations in government securities

(1) In compliance with Art. 6 para. (1) of this Law, direct purchase by the National Bank of Romania of government securities in the primary market shall be prohibited.

(2) According to the agreements previously concluded with the Ministry of Public Finance and to its own regulations, the National Bank of Romania may act, for a commission, as agent on behalf of the State, so as to:

a) place with third parties government securities and other negotiable debt instruments issued by the Romanian Government;

b) act as registrar, depository and transfer agent for government securities;

- c) repay principal and pay related interest, fees and commissions;
- d) perform settlement operations with the general current account of the State Treasury;
- e) perform other operations in compliance with the central bank's primary objective and tasks;
- f) make payments related to the above-mentioned operations, through the accounts opened in its records, including payments related to the issuers' debt servicing as well as other transaction and operational costs.

(3) The State's borrowings based on government securities shall be performed according to the conventions concluded between the National Bank of Romania and the Ministry of Public Finance, that establish at least the following terms: value of borrowing, maturity date, interest rate and interest calculation up to the maturity date, debt servicing costs, as well as data regarding negotiable government securities issued for each borrowing.

CHAPTER VII

Gold and foreign assets operations

ARTICLE 30

Foreign reserves

(1) In compliance with the general regulations on liquidity and foreign assets-related risk, the National Bank of Romania sets and maintains foreign reserves, under appropriate terms allowing the National Bank of Romania to be able to periodically determine their exact level. These reserves are made up cumulatively or selectively of the following elements:

- a) gold holdings with the National Bank of Romania or deposited abroad;
- b) foreign assets, in banknotes and coins, or in accounts opened with banks or other financial institutions abroad, denominated in the currencies and held in the countries selected by the National Bank of Romania;
- c) any other worldwide acknowledged reserve assets, including the right to purchase from the International Monetary Fund within the reserve instalment, as well as the special drawing rights holdings;
- d) bills of exchange, cheques, promissory notes, bonds and other negotiable or non-negotiable securities, issued or secured by non-resident legal entities, classified as low-risk securities by worldwide recognised international rating agencies, denominated and payable in foreign currency in the locations agreed by the National Bank of Romania;
- e) Treasury bills, bonds and other government securities, issued or guaranteed by foreign governments or intergovernmental financial institutions, negotiable or non-negotiable, denominated and payable in foreign currency in the locations agreed by the National Bank of Romania.

(2) The National Bank of Romania shall maintain the foreign reserves at a level adequate for Romania's external transactions.

(3) If foreign reserves lessen to a level that might endanger the State's external transactions, and should this actually occur, the National Bank of Romania shall submit to the Government and the Parliament a report on the level of foreign reserves and the causes that led or can lead to such a decrease. The report shall include the National Bank of Romania's recommendations regarding the macroeconomic government policies required to avert or improve the situation.

ARTICLE 31

Foreign reserve management

The National Bank of Romania is authorised, under the terms established by it and subject to its periodical amendments, to perform the following transactions:

- a) to purchase, sell, and perform other transactions in gold bullion and coins, and other precious metals;
- b) to purchase, sell and perform other transactions with foreign currencies;
- c) to purchase, sell and perform other transactions, in the secondary market, in Treasury bills, bonds, and other securities issued or guaranteed by foreign governments or intergovernmental financial institutions;
- d) to purchase, sell and perform other transactions in securities issued or guaranteed by central banks, international financial institutions, banks and non-banks;
- e) to open and hold accounts with other central banks and monetary authorities, banks and international financial institutions;
- f) to open and hold accounts and perform correspondent-bank transactions for international financial institutions, central banks and monetary authorities, banking and financial institutions, intergovernmental financial institutions from abroad, as well as for foreign governments and their agencies.

CHAPTER VIII

Management and administration

ARTICLE 32

Management of the National Bank of Romania

- (1) The National Bank of Romania is managed by a Board.
- (2) The executive management of the National Bank of Romania, within the Monetary Policy Committee and the Supervision Committee, shall be performed by the Governor, the First Deputy Governor and two Deputy Governors, under the terms stipulated in the bylaw approved by the Board.
- (3) The Board's activity is subject to the provisions of this Law and to the regulations issued by the National Bank of Romania.

ARTICLE 33

The Board

- (1) By law, the National Bank of Romania's Board decides on:
 - a) the monetary and exchange rate policies, monitoring their implementation;

b) the measures for authorisation, regulation and prudential supervision of the credit institutions and oversight of the authorised payment systems;

c) the guidelines for managing the operations and the responsibilities incumbent on the National Bank of Romania's staff;

d) the internal organisational structure, indemnities, salaries and other pecuniary rights granted to the staff;

e) the tasks and composition of the Monetary Policy Committee, the Supervision Committee, the Foreign Reserves Management Committee and the Audit Committee operating within the National Bank of Romania;

f) temporary delegation of its powers to the executive management, when special situations require such a solution.

(2) The National Bank of Romania's Board is made up of nine members, as follows:

a) the chairman – the Governor of the National Bank of Romania;

b) the vice-chairman – the First Deputy Governor;

c) seven members, of whom two are Deputy Governors and the other five are not on the payrolls of the National Bank of Romania.

(3) Members of the National Bank of Romania's Board are nominated by the executive management and appointed by the Parliament at the recommendation of the competent standing committees of the two Chambers of Parliament.

(4) Appointments are made for a period of five years, with the possibility of renewal.

(5) In case the Board becomes incomplete, the vacancies shall be filled in compliance with provisions of paragraphs (3) and (4) hereof.

(6) A member of the Board may be unseated by the Parliament, at the joint proposal of the competent standing committees of the two Chambers of Parliament, if s/he no longer fulfils the conditions required for the performance of her/his duties or if s/he is found guilty of serious misconduct.

(7) No member of the National Bank of Romania's Board can be replaced for other reasons or following a procedure other than that stipulated under para. (6) hereof.

(8) Appointment, retirement and recalling from office of any member of the National Bank of Romania's Board shall be published in *Monitorul Oficial al României*, Part One.

(9) The decision to recall from office a member of the National Bank of Romania's Board may be appealed against at the High Court of Cassation and Justice within 15 days from its publication in *Monitorul Oficial al României*, Part One.

(10) The Minister of Public Finance and one of the State Secretaries in the Ministry of Public Finance may participate, without voting rights, in the meetings of the National Bank of Romania's Board.

ARTICLE 34

Incompatibilities and conflicts of interest

(1) Members of the National Bank of Romania's Board shall not be deputies, senators, or politically affiliated and shall not belong either to the judicial authority or to the public administration.

(2) Upon Romania's accession to the Eurosystem, the members of the National Bank of Romania's Board involved in the performance of European System of Central Banks-related tasks shall not hold other positions, which would conflict with their duties as members of the Board.

(3) Members of the Board and the executives of the National Bank of Romania shall observe the legal provisions on the incompatibilities and conflicts of interest regime.

(4) Members of the Board shall perform their duties on a full-time basis, while being allowed to perform teaching and research activities.

ARTICLE 35

Prerogatives of the National Bank of Romania's Governor

(1) The National Bank of Romania's Governor shall take measures to enforce legal provisions, the Board's decisions and other regulations concerning the National Bank of Romania. The Governor may delegate some of his powers to the First Deputy Governor and to the Deputy Governors, under the terms established by the Board.

(2) The Governor shall appoint the staff of the National Bank of Romania's headquarters and the managers of the branches and agencies.

(3) The Governor shall issue orders and decisions and shall represent the National Bank of Romania in its relations with third parties, and shall sign directly or by way of the persons mandated by her/him, all the treaties and conventions concluded.

(4) On behalf of the Board, the Governor shall submit to the Parliament, until 30 June of the following year, the National Bank of Romania's annual report, which covers the National Bank of Romania's activities, annual financial statements and the auditor's report, subject to debate, but not voted in the joint session of the two Chambers of Parliament.

(5) If the Governor is absent or incapacitated to act, the First Deputy Governor shall take charge.

ARTICLE 36

Auditing of annual financial statements

(1) The National Bank of Romania's annual financial statements shall be audited by financial auditors, legal entities authorised by the Financial Auditors Chamber in Romania, selected by the National Bank of Romania's Board on an auction basis.

(2) The financial auditor's report and opinion shall be submitted to the National Bank of Romania's Board and shall be published along with the annual financial statements.

CHAPTER IX

Annual financial statements and accounting records

ARTICLE 37

Annual financial statements

(1) The National Bank of Romania's financial statements shall be drawn up in accordance with the accounting principles and rules established by the international accounting standards, applicable to central banks, acknowledged by the European Central Bank and shall include the following: balance sheet, profit and loss account and the notes on the accounts.

(2) The National Bank of Romania's annual financial statements shall reflect accurately the financial standing and the financial performance for that financial year.

(3) The models of annual financial statements shall be drawn up by the National Bank of Romania, following the endorsement by the Ministry of Public Finance.

ARTICLE 38

Capital of the National Bank of Romania

(1) The National Bank of Romania's current capital shall be raised to ROL 300 billion and is fully state-owned.

(2) The capital increase shall be performed on 31 December 2004, by incorporating the amounts existing at that time in the reserve fund so that the level provided for under para. (1) be reached.

ARTICLE 39

Statutory reserves

(1) The statutory reserves shall comprise the amounts left in the reserve fund after the increase in capital, as laid down in Art. 38.

(2) The statutory reserves shall be increased annually in accordance with the provisions of Art. 43 hereof.

ARTICLE 40

Chart of accounts

(1) The National Bank of Romania shall issue its own regulations on organising and conducting the accounting activity, in compliance with the legislation in force, following the endorsement by the Ministry of Public Finance.

(2) The National Bank of Romania shall record its economic and financial operations in compliance with its own chart of accounts, following the endorsement by the Ministry of Public Finance.

ARTICLE 41

Revenue and expenditure budget

The annual revenue and expenditure budget shall be approved by the National Bank of Romania's Board and its execution shall be verified according to the practices and procedures of internal control and audit.

ARTICLE 42

Assessment of the financial statements' records

(1) The National Bank of Romania shall assess periodically, at least annually, the records entered in its financial statements.

(2) The net differences resulting from the evaluation of assets and liabilities denominated in foreign currencies, special drawing rights, gold, silver and other precious metals, as well as of coins and other objects of gold, silver, other precious metals and gems, pursuant to changes in value or ROL exchange rate, shall be recorded separately in the special revaluation account.

ARTICLE 43

Profit calculation and distribution

(1) The National Bank of Romania shall transfer to the State budget a share of 80 percent of the net revenues left after deducting the following:

- a) expenses related to the financial year, including expenses on the provisions established under para. (3) hereof;
- b) the loss related to the previous financial years that remained uncovered after applying the provisions of Art. 44.

(2) The share referred to in para. (1) hereof shall be transferred monthly, until the 25th of the following month inclusive, based on a special statement. This share represents revenue to the State budget. The adjustments related to the financial year shall be performed before the deadline for submission of the annual balance sheet according to the law, based on a special rectifying statement.

(3) The National Bank of Romania shall set up credit risk provisions according to its own norms approved by the National Bank of Romania's Board, following the endorsement by the Ministry of Public Finance thereon.

(4) The provisions set up by the National Bank of Romania according to its own norms approved by the Board, other than those referred to in para. (3) hereof, shall be borne out of the profit remaining after applying the provisions of para. (1) hereof.

(5) The profit remaining after applying the provisions of paragraphs (1) and (4) hereof shall be distributed and used in accordance with the following priority order:

- a) for statutory reserves – up to 60 percent;
- b) for setting up its own financing sources – up to 30 percent;
- c) for the employees' profit-sharing scheme – up to 10 percent;
- d) the amounts remaining after the distributions stipulated under letters a), b) and c) hereof shall be used for the purposes established by the National Bank of Romania's Board.

ARTICLE 44

Loss coverage

In the event of a loss incurred by the National Bank of Romania during a financial year, the loss shall be covered from the available sources in the following priority order:

- a) special revaluation account;
- b) statutory reserves.

ARTICLE 45

Liability for records

For possible errors in making payments or entries into the holders' accounts, the National Bank of Romania shall be liable only for the amount mistakenly paid out or entered into an account, including penalties payable to the State budget, which are borne by accountholders in such cases as provided for by law, if a written complaint is filed by the expiry of the legal prescription deadline.

ARTICLE 46

Publication of annual financial statements

Subsequent to their adoption by the Board, the National Bank of Romania's audited annual financial statements shall be published in *Monitorul Oficial al României*, along with the financial auditor's report.

CHAPTER X

Final provisions

ARTICLE 47

Applicable legislation

(1) The National Bank of Romania's operations shall be subject to the relevant legal provisions applicable in the field, unless Law No. 58/1998 on banking activity, as subsequently amended and supplemented, and this Law stipulate otherwise.

(2) Commercial operations performed by the National Bank of Romania, as shown in the revenue and expenditure budget and in the annual financial statements shall be subject to subsequent auditing by the Court of Auditors.

ARTICLE 48

Regulations issued by the National Bank of Romania

(1) The National Bank of Romania is empowered to issue the regulations required to implement legal provisions and ensure their observance.

(2) The regulations issued by the National Bank of Romania shall consist of regulations, orders, norms and circulars binding upon private and public legal entities as well as upon individuals.

ARTICLE 49

Statistical data

(1) The National Bank of Romania is authorised to collect raw statistical data and information needed to carry out its statutory tasks.

(2) The National Bank of Romania is empowered to establish methodologies on collecting, processing, analysing, distributing and building up statistical data series in its fields of competence.

(3) Public and private legal entities as well as individuals shall provide the National Bank of Romania with statistical data and information, free of charge, on the requested dates, at regular intervals and in the requested form, according to the regulations and instructions issued by the National Bank of Romania, based on this Law. The reporting obligations for the entities without legal personality shall be incumbent on the persons appointed to represent these entities.

(4) The National Bank of Romania is entitled to check the methods used to determine the reported data and information and their matching with the records of raw data holders. If the received information and documentation are not adequate or if there are doubts concerning their accuracy or entirety, the National Bank of Romania may ask for additional information and explanations in this respect.

(5) The statistical data and information are deemed confidential if they allow, directly or indirectly, the identification of statistical subjects, thus revealing information of an individual nature. The confidential statistical data and information shall not be used as evidence in Court or to establish rights or obligations for the concerned statistical subjects.

(6) The statistical data deriving from processing individual data may be published or disseminated by the National Bank of Romania, entirely or partially, provided legal entities and individuals cannot be directly or indirectly identified.

(7) The National Bank of Romania shall ensure protection of data referring to individual subjects – legal entities or individuals – obtained either directly or indirectly, from administrative or other sources.

ARTICLE 50

Special guarantees

(1) Conventions, contracts or any other loan agreements concluded by the National Bank of Romania constitute writs of execution in case of payment default for the entire balance of the outstanding claim, including interest or related costs.

(2) The competent enforcing institutions shall foreclose the claims of the National Bank of Romania on the basis of the latter's notification.

(3) Should a debtor default on its commitments, the National Bank of Romania shall exercise its right to recover claims by foreclosing the collateral as follows:

- a) total or partial sale, in the debtor's account, of securities and commercial paper lodged as collateral, within 3 days at most, following a simple summons by way of an extra-judicial act;

b) the proceeds shall be used to recover the claims, payments in advance, interest and any other costs incurred by the National Bank of Romania and the prospective surplus shall be remitted to the debtor.

ARTICLE 51

Operations for third parties

(1) The National Bank of Romania may perform some operations in favour of third parties provided that the necessary documents are submitted. The National Bank of Romania may require collateral in the form of real or personal guarantees, whenever it deems necessary.

(2) Except for the provisions of Art. 7, the National Bank of Romania shall not grant any financial assistance in the form of loans, resources, total or partial takeover of obligations related to a loan or another debt instrument, of a debt or a related liability, or in any other form.

(3) In compliance with the provisions of para. (2) hereof, the National Bank of Romania may:

a) invest its financial resources in highly liquid securities issued by creditworthy debtors;

b) acquire, while foreclosing its claims, any kind of rights that can be realised;

c) grant its employees one housing loan and loans for durable goods, at an interest rate at the level of the average monthly interest rate applied by commercial banks.

ARTICLE 52

Professional secrecy

(1) Members of the Board and employees of the National Bank of Romania shall observe the professional secrecy of any information not intended for disclosure, which they acquired in the performance of their duties and shall not use this information for their personal benefit, any infringement being punished according to the law. Members of the Board and employees of the National Bank of Romania shall further be bound by professional secrecy requirements even after their duties have ceased, any infringement being punished according to the law. The provisions of this paragraph shall also apply to the financial auditors authorised to perform supervisory actions under Law No. 58/1998 on banking activity, as subsequently amended and supplemented.

(2) Supply of information mentioned under para. (1) hereof shall be possible upon being signed by the National Bank of Romania's Governor or by the authorised persons, in the following situations:

a) during judicial proceedings, at the written request of judicial authorities, or of criminal investigation authorities upon approval of the public prosecutor, as the case may be;

b) during negotiations or when carrying out international agreements to which Romania or the National Bank of Romania is part;

c) within the framework of co-operation agreements with other authorities or at the National Bank of Romania's initiative with a view to ensuring monitoring and supervisory tasks by law;

d) during civil or commercial proceedings related to the bankruptcy of a credit institution or to its winding-up, following authorisation withdrawal, except for information concerning third parties attempting to restore to viability the credit institution in question.

(3) Persons entitled to require and receive information considered as banking professional secrecy are bound to confidentiality and may use such information only for the purpose for which the information was required or supplied by law or in accordance with the concluded agreements, any infringement being punished by law.

(4) When exercising its tasks in the field of authorisation, regulation and prudential supervision of credit institutions, the National Bank of Romania may use the information received under the conditions of professional secrecy only in the following situations:

a) to check that the conditions governing the establishment of credit institutions are met;

b) to supervise, on an individual basis and on a consolidated basis, the activity of credit institutions, especially with regard to their liquidity, solvency, large exposures, administrative and accounting procedures and internal control mechanisms;

c) to impose sanctions;

d) appeal filed by credit institutions against administrative acts issued by the National Bank of Romania;

e) court proceedings initiated pursuant to Art. 83 of Law No. 58/1998 on banking activity, as subsequently amended and supplemented.

(5) Where the information originates in another state, it may not be disclosed without the express consent of the authority that has disclosed it and, where appropriate, solely for the purpose for which that authority has given its consent.

ARTICLE 53

Indemnities

Members of the National Bank of Romania's Board shall be paid indemnities.

ARTICLE 54

Participating interest

The National Bank of Romania shall not hold a participating interest, either directly or indirectly, in any commercial company or *régie autonome*, except for its own companies that print banknotes and mint coins or other companies that may contribute to the fulfilment of the National Bank of Romania's tasks.

ARTICLE 55

Real estate property

The National Bank of Romania may only invest in real estates for its own operating needs and the collective needs of its employees, as established by its Board.

ARTICLE 56

Communication with the general public

(1) All the regulations issued by the National Bank of Romania shall be published in *Monitorul Oficial al României*, Part One.

(2) The National Bank of Romania shall keep a public register comprising its regulations published in *Monitorul Oficial al României*, Part One.

(3) The objective of communication is to provide the general public, the domestic and international business communities, public administration and the academic community, with a clear image of the policies and the measures adopted by the National Bank of Romania in fulfilling its tasks.

(4) The National Bank of Romania shall publish periodically the annual report, reports on Romania's balance of payments and international investment position, inflation report, bulletins and press releases concerning money and credit developments, studies and other papers supplying information to the general public.

ARTICLE 57

Sanctions

(1) For failure to observe the provisions of this Law as well as the regulations and decisions of the National Bank of Romania's Board, unless the cases are governed by the provisions of Law No. 58/1998 on banking activity, as subsequently amended and supplemented, the Governor, the First Deputy Governor and the Deputy Governors, in compliance with the bylaw approved by the National Bank of Romania's Board, may apply the following sanctions:

a) written warning;

b) fine from ROL 5 million to ROL 50 million; the fines collected shall be revenues to the State budget;

c) partial or total suspension of the authorisation granted by the National Bank of Romania for 90 days at most;

d) withdrawal of the authorisation granted by the National Bank of Romania.

(2) Appeals may be filed within 15 days from the date the sanction was notified and shall be solved by the National Bank of Romania's Board within 30 days at most from the date they were received.

(3) The decisions of the National Bank of Romania's Board may be appealed in the Bucharest Appeal Court within 15 days from the notification.

(4) Within the period referred to in para. (2) hereof, the appeals may be filed directly to the Bucharest Appeal Court as well.

ARTICLE 58

Abrogations

On the date this Law enters into force, Law No. 101/1998 on the Statute of the National Bank of Romania, published in *Monitorul Oficial al României*, Part One, No. 203 of 1 June 1998, as subsequently amended and supplemented, shall be repealed.

ARTICLE 59

Entry into force

This Law shall enter into force 30 days after its publication in *Monitorul Oficial al României*, Part One, except for the provisions of Art. 36, 37, 39, 40, 42, 43, 44 and 46, which shall enter into force on 1 January 2005.

This Law was passed by the Parliament of Romania, abiding by the provisions of Art. 75 and Art. 76 para. (2) of the Constitution of Romania, as republished.

PRESIDENT OF THE CHAMBER OF DEPUTIES

VALER DORNEANU

PRESIDENT OF THE SENATE

NICOLAE VĂCĂROIU

Bucharest, 28 June 2004.

Nr. 312.

Ordinance No. 94 of 26 August 2004

governing some financial measures

Published in *Monitorul Oficial al României*, Part One, No. 803 of 31 August 2004

Pursuant to Art. 108 of the Constitution of Romania, as republished, and Art. 1 point I.3 of Law No. 291/2004 on vesting the Government with the power to issues ordinances,

The Government of Romania passes this Ordinance.

.....

SECTION 15

Cessation of applicability of the provisions of some Articles in Law No. 312/2004 on the Statute of the National Bank of Romania and amendment of Government Emergency Ordinance No. 146/2002 on the establishment and use of resources flowing into/out of the State Treasury

Art. XXVII. – (1) Starting with the date of coming into force of this Ordinance until 1 January 2005, the provisions on charging commissions for all operations in the State Treasury accounts opened with the National Bank of Romania shall no longer be applicable and the prohibition of any overdraft facility in favour of the State, as specified in Art. 7 para. (2), Art. 21, 28 and 29 of Law No. 312/2004 on the Statute of the National Bank of Romania, published in *Monitorul Oficial al României*, Part One, No. 582 of 30 June 2004 shall be removed.

(2) Liabilities of the Ministry of Public Finance towards the National Bank of Romania consisting in commissions and any other amounts outstanding from 30 July 2004 to the date of the coming into force of this Ordinance, following the application of provisions of Art. 21, 28 and 29 of Law No. 312/2004 shall be exempt from payment.

Art. XXVIII. – Under Art. 11 para. (3) of Government Emergency Ordinance No. 146/2002 on the establishment and use of resources flowing into/out of the State Treasury, published in *Monitorul Oficial al României*, Part One, No. 824 of 14 November 2002, as approved and amended by Law No. 201/2003, letter g) is inserted, reading as follows:

“g) commissions charged for the settlement of operations via the General Account of the Treasury by the National Bank of Romania and/or its agent vested with the power to ensure payment system administration.”

.....

PRIME MINISTER,

ADRIAN NĂSTASE

Countersigned by:

Minister of Public Finance
Mihai Nicolae Tănăsescu

