

Law on the National Bank of Moldova no.548-XIII of 21 July 1995

UNOFFICIAL TRANSLATION

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LAW ON THE NATIONAL BANK OF MOLDOVA no. 548-XIII of July 21, 1995

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The Parliament has adopted the following law.

CHAPTER I GENERAL PROVISIONS

Article 1. Legal Status of the National Bank of Moldova

(1) The National Bank of Moldova (equivalent name – the National Bank) is the central bank of the Republic of Moldova.

(2) The National Bank of Moldova is an autonomous public legal entity and is responsible to the Parliament.

(3) The National Bank is not subject to registration in the State Register of companies and in the State Register of organizations.

(4) The National Bank may establish branches and representative offices within the state and abroad, where it deems necessary.

Article 2. Definitions used

For the purpose of this law, the following definitions shall be used:

Liquidity assistance in emergency situations – supply of liquidity by the National Bank of Moldova from its funds or any other form of assistance in emergency situations which may lead to an increase of the volume of money of the National Bank, to a solvent and viable bank which is experiencing temporary liquidity problems, without such an operation being a component part of the monetary policy.

Bank – bank as defined in art. 3 of the Law no. 202/2017 on the activity of banks.

Requirement – a requirement for assets or for any other values, submitted by a person to another person, a request to perform the payment for the reimbursement of the debt or of any other forms to settle the obligations.

Debt security - any negotiable instrument of indebtedness or any other instrument equivalent to such instrument of indebtedness, and any negotiable instrument giving the right to acquire another negotiable debt security by subscription or exchange. Negotiable debt securities may be in form of certificates or in a book-entry form.

Financial market infrastructure - a multilateral system between participants and the operator of this system, which operates on the basis of common, formal and standardized rules and is used for settlement, clearing (compensation) or recording of payments, values, derivative instruments or other financial transactions.

Monetary liabilities - all liabilities reflected in the balance sheet of the National Bank, except the liabilities owed to the Government and to the International Monetary Fund.

Ordinance – a mandatory rule issued by the National Bank in implementation of the present law, with regard to one or more banks that constitute less than a category of banks.

Basic rate – the monetary policy interest rate set out by the Executive Board and published periodically by the National Bank.

Recommendation – a non-compulsory instruction of the National Bank.

Regulation – mandatory rule, issued by the National Bank in the implementation of the present law, with regard to one or more categories of banks and other legal or natural persons.

[Art.2 supplemented by Law No 114 of 15.08.2019, in force on 02.09.2019]

[Art.2 amended by the Law no.58 of 06.04.2017, in force on 14.04.2017]

Article 3. The power of the National Bank

The National Bank is empowered to:

- a) enter into contracts and issue obligations;
- b) acquire and dispose of movable and immovable property, in order to exercise its tasks and for its operational needs;
- c) take legal action in the court and to take part to proceedings as a subject.

Article 4. The primary objective

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

(2) Without prejudice to the primary objective, the National Bank shall aim at ensuring the

stability and viability of the banking system and shall support the general economic policy of the state.

[Art.4 paragraph 2 amended by the Law no.178 of 11.11.2021, in force on 29.11.2021]

Article 5. Basic tasks

(1) National Bank shall have the following basic tasks:

- a) establish and implement the state monetary and foreign exchange policy;
- b) act as banker and agent of the state;
- c) conduct economic and monetary analyses and, based on them, to submit proposals to the Government, to publish the results of the analyses;
- d) license, regulate and supervise, on an individual basis and, as the case may be, on a consolidated basis, the activity of legal entities banks in the Republic of Moldova and branches of banks in other states;
- e) provide credits to banks including liquidity assistance in emergency situations;
- f) constitute, license, operate, regulate and supervise the financial market infrastructures, under the conditions established by law, and promote their stable and efficient operation;
- g) act as the sole issuer of the national currency;
- h) establish the exchange rate regime of the national currency;
- i) hold and manage foreign exchange reserves of the state;
- j) undertake, in the name of the Republic of Moldova, obligations and perform transactions resulting from the participation of the Republic of Moldova in the activity of international public institutions in the banking, credit and monetary areas pursuant to conditions of international agreements;
- k) elaborate the balance of payments, international investment position and the statistics of the external debt of the Republic of Moldova;
- l) perform foreign exchange regulation on the territory of the Republic of Moldova;
- m) license, regulate and supervise the activity of providing payment services and the issuance of electronic currency.

[Letter n) repealed by the Law no. 58 of 06.04.2017, in force on 14.04.2017]

o) act as a resolution authority for the banks in accordance with the Law on banks' recovery and resolution.

(2) National Bank shall have the right to process personal data obtained in the course of its duties stipulated by the present law without the consent of the personal data subjects.

(3) Personal data subjects shall not have the right to oppose the processing of personal data encompassed in the exercise of the National Bank duties stipulated in this law.

(4) Processing of personal data obtained by the National Bank under this Article shall be carried out in accordance with the law on the protection of personal data.

(5) In order to ensure the stability of the financial system, in cases of systemic financial crisis or threat of its occurrence, defined so by the national body created for the management of systemic financial crises, National Bank may decide to adopt measures for financial stabilization, by which National Bank may impose the suspension and/or limitation of any payment liability or delivery obligation resulting from any contract concluded with an entity supervised by the National Bank, or of any of its activity/operation, from the date of publication of this decision on

the official website of the National Bank, for a period of up to 6 months. The decision on the application of measures for financial stabilization shall be taken by the National Bank in consultation with the Government. The measures for financial stabilization may be applied to all or certain categories of persons, as well to all or certain types of financial activities/operations, in foreign currency or in national currency. The conditions and procedures for application of the measures for financial stabilization shall be established by the National Bank of Moldova.

*[Art.5 amended by Law No 114 of 15.08.2019, in force on 02.09.2019]
[Art.5 amended by the Law no.58 of 06.04.2017, in force on 14.04.2017]
[Art.5 amended by the Law no.233 of 03.10.2016, in force on 04.10.2016]
[Art.5 amended by the Law no.62 of 08.04.2016, in force on 06.05.2016]
[Art.5 amended by the Law no.242 of 29.12.2015, in force on 29.01.2016]*

(6) The provisions of the laws no. 235/2006 On the Main Principles of Regulating Entrepreneurial Activity, no. 160/2011 Regarding the Regulation by Authorization of the Entrepreneurial Activity, no. 161/2011 On the Implementation of the One-stop Shop in Carrying out the Entrepreneurial Activity and no. 131/2012 On State Control over Entrepreneurial Activity shall not apply to the National Bank, while exercising its duties as provided by the present law.

Article 6. Cooperation with state bodies

(1) The National Bank shall cooperate with the Government in pursuing its objectives and shall, in accordance with the present law, take the necessary actions in order to promote such cooperation.

(2) The National Bank shall provide to the economic and financial bodies of the Government, upon their request, information on monetary and financial matters. These bodies shall also provide to the National Bank, upon its request, information concerning macroeconomic, monetary or financial matters.

(3) Any draft normative act that is within the fields of competence of the National Bank shall be adopted by the public authorities after receiving of the National Bank's opinion. The opinion shall be submitted within 30 days from the date of request.

(4) The National Bank and the members of its decision-making bodies shall be independent in exercising the tasks conferred upon them by this law, and shall neither seek nor take instructions from public authorities or from any other authority. Public authorities, as well as any other authorities shall not seek to influence the members of the decision-making bodies of the National Bank in exercising their duties.

(5) Without prejudice to the provisions of Article 11 paragraph (4) and Article 11¹, any public authority or any other third party cannot approve, suspend, cancel, censor, adjourn or condition the entry into force of the National Bank's acts, neither may issue opinions ex-ante on National Bank's acts, nor otherwise influence the issuance of the final act of the National Bank.

[Art.6 amended by the Law no.62 of 08.04.2016, in force on 06.05.2016]

Article 7. International cooperation

(1) The National Bank shall represent the Republic of Moldova in intergovernmental meetings, councils and organizations on monetary policy matters, banking licensing and supervision, on banking inspection matters and other matters that are within its field of competence.

(1¹) National Bank of Moldova may conclude cooperation and exchange of information agreements with the authorities from other countries that are empowered with competences with regard to regulation and supervision of the financial and banking sector. Exchange of information shall be circumscribed exclusively to the purpose of performing the tasks that the respective authorities are in charge with, and the information provided by the National Bank shall be subject to requirements of keeping the professional secrecy similar to those referred to in Article 36 and in Chapter 3 of the Title V of the Law no. 202/2017 On Banks Activity.

(2) The National Bank may provide banking services to foreign governmental, financial and banking institutions and to public international organizations in which the National Bank or the Republic of Moldova participates.

(3) The National Bank may participate in international organizations that pursue financial and economic stability through international cooperation.

(4) The National Bank, as agent of the Republic of Moldova may, within its powers, undertake obligations and perform transactions concerning the participation of the Republic of Moldova in international organizations.

Article 8. Communication with the public, Government and Parliament

(1) The National Bank shall periodically inform the public on the results of the macroeconomic analysis, the evolution of the financial market and on statistical information, including with regard to monetary supply, crediting, balance of payments and the state of the foreign exchange market.

(2) The National Bank shall cooperate with the Government on financial and budgetary matters:

(a) The Governor of the National Bank:

- may attend and may address meetings of the Government, his speech being recorded in the minutes of meetings;

- following the participation at the meeting, may submit written opinions on the matters addressed at the meeting.

(b) The ministers responsible for economic and financial matters may attend the meetings of the Supervisory Board and of the Executive Board, without voting rights.

(3) The Governor of the National Bank or the members of the Supervisory Board or Executive Board shall explain to the Parliament or to its standing committees the policy of the National Bank, and shall submit opinions on draft laws, upon the request of the Parliament.

Article 9. Head Office

The head office of the National Bank shall be in Chisinau.

Article 10. Accounts

(1) The National Bank may open accounts in its books only on behalf of the state and its bodies, to the licensed banks and the branches of banks in other states, licensed by the National Bank, to banks in process of liquidation, to the Deposit Guarantee Fund in the banking system, to the legal entity carrying out the activity of the Single Central Securities Depository as a basic activity, payment institution, electronic money institution, postal operator for the purpose of providing payment services, to foreign central banks and international public banks. The National Bank

shall not open accounts to local public administration or to companies, including state owned companies, except of those foreseen by the law for the purpose of providing payment services.

(2) Seizure, suspension of the operations or other preservation measures over the funds lodged in the banks accounts opened at the National Bank are not allowed.

[Art.10 amended by the Law no.208 of 12.10.2018, in force on 23.12.2018]

[Art.10 amended by the Law no.233 of 03.10.2016, in force on 04.10.2016]

Article 11. Acts issued by the National Bank

(1) In order to exercise its tasks, the National Bank shall have the right to issue decisions, regulations, instructions and ordinances.

(2) The National Bank's normative acts, that are mandatory for the banks and other legal entities and natural persons, shall be published in the Official Monitor of the Republic of Moldova and shall enter into force on the date of their publication or on another date provided in the act, under the condition of informing the public.

(2¹) The National Bank's normative acts can be contested only by persons with respect to whom an act of individual character was adopted or was refused to be adopted based on the normative act that is being contested. The normative act based on which the act of individual character was adopted or was refused to be adopted can be contested only jointly with the appeal of the act of individual character.

(3) The decisions on the interest rates on monetary policy instruments, the ordinances and other acts of the National Bank that do not have a normative character enter into force at the date of their adoption, if the respective acts do not provide otherwise.

(3¹) The acts of individual character issued by the National Bank of Moldova are handed over to recipients against signature or by registered mail with confirmation of receipt. Registered mail with confirmation of receipt is addressed to the place of residence or headquarters of the person, as the case may be. If communication of the act is not possible via one of the methods specified in this paragraph, including when the recipient refuses to confirm acknowledgment, the act shall be considered communicated if it is available at the headquarters of the National Bank of Moldova. In the latter case, the proof of communication of the individual act is the official statement of the National Bank of Moldova about the availability of the act of individual character at the headquarters of the National Bank of Moldova, published within 10 days on National Bank's website and in the Official Monitor of the Republic of Moldova, and the date of violation, within the meaning of Article 75¹, is considered the date of its publication in the Official Monitor of the Republic of Moldova.

(3²) The normative acts issued by the National Bank shall not be the object of legal expertise of the Ministry of Justice. The National Bank shall submit its normative acts, after adoption, to the Ministry of Justice to be registered in the State Register of Legal Acts. Registration term shall not exceed 3 working days.

(3³) The normative acts issued by the National Bank shall fall under the provisions of the Law no.239-XVI of 13 November, 2008 on transparency in decision making process. In the consultation of stakeholders on the elaboration of its normative acts, the National Bank shall request an advisory opinion from the Ministry of Justice.

(4) The acts issued by the National Bank are subject to review of legality by the administrative courts, in accordance with the procedure established by the Administrative Code, only to the

extent they do not conflict with the provisions set forth in this Law. Provisions of other laws can be applied in cases concerning the contestation of the acts of the National Bank of Moldova only to the extent they do not conflict with the provisions set forth in this Law.

(5) The acts issued by the National Bank are not subject to review of their appropriateness.

(5¹) The acts of the National Bank of Moldova can be contested with the Executive Board of the National Bank of Moldova, by submitting a preliminary appeal within 30 days from the day of notification. The 30-day term does not cover normative acts.

(5²) Preliminary appeals to contest the acts of the National Bank of Moldova shall be addressed only to and reviewed only by the Executive Board of the National Bank of Moldova.

(5³) The Executive Board of the National Bank of Moldova shall review preliminary appeals on the acts of the National Bank of Moldova within 30 days from the day of submission.

(5⁴) Reinstatement within the deadline for submitting a preliminary appeal to the National Bank and within the deadline for submitting an administrative lawsuit regarding the documents of the National Bank or regarding the non-settlement within the legal term of an application by it may be requested within 3 months from the date of expiry of the omitted term. The period of 3 months provided for in this paragraph shall be a term of forfeiture.

(6) Administrative lawsuits regarding the acts of the National Bank or its failure to settle an appeal within the legal term shall be submitted at the Chisinau Court of Appeal, on condition of mandatory compliance with the preliminary appeal procedure provided in paragraphs (5¹) - (5³). Appeals or lawsuits shall not suspend enforcement of the acts issued by the National Bank of Moldova, unless the law provides otherwise.

(7) The acts issued by the National Bank in the field of monetary and foreign exchange policy, including the safeguard measures, may be challenged only with regard to their adoption procedure.

[Paragraph (8) art. 11 repealed by the Law no. 108 of 19.06.2014, in force on 15.08.2014]

(9) The lawsuits challenging the acts issued by the National Bank in the field of monetary and foreign exchange policy, including safeguard measures, acts on special administration over the bank and on withdrawal of bank licenses, acts adopted in the process of assessing and supervising the quality of the shareholders of the legal entities supervised by the National Bank, measures implemented by the National Bank or by the special administrator during the period of special administration regime over a bank, as well as measures imposed by the National Bank of Moldova during liquidation of a bank, shall be settled by the court within three months from the filing date.

(10) In administrative lawsuits regarding the administrative acts of the National Bank, the court, as a basis for its own assessment, uses the qualitative and quantitative assessments of the factual situations made by the National Bank, except in cases where the court finds an obvious error likely to lead to a solution diametrically opposed to the solution provided in the contested act.

(11) When finding an obvious error according to paragraph (10), the court analyzes whether the evidence invoked by the National Bank is materially accurate, reliable and coherent in terms of aspects of substantial importance, whether the evidence contain all information of substantial importance, which should be taken into account in assessing a complex situation, and whether it is likely to support the conclusions drawn from it.

[Art.11 amended by the Law no.233 of 03.10.2016, in force on 04.10.2016]

[Art.11 amended by the Law no.62 of 08.04.2016, in force on 06.05.2016]

[Art.11 paragraphs 4,6 amended by the Law no.178 of 11.11.2021, in force on 29.11.2021]

[Art.11 supplemented by paragraphs 5⁴, 10, 11 by the Law no.178 of 11.11.2021, in force on 29.11.2021]

Article 11¹ Suspension of the enforcement of acts issued by the National Bank by the administrative court

(1) By way of derogation from the provisions of the Article 21, paragraphs (1) and (2) of the Law on administrative litigation no.793-XIV of 10.02.2000, the acts issued by the National Bank on the withdrawal of banking license and the measures imposed by the National Bank during the bank liquidation process cannot be suspended until the final settlement of the case, the provisions of the Article 144 paragraph (4) of the Law no. 202/2017 on Banks Activity being applicable.

(2) Suspension of enforcement of the acts of the National Bank of Moldova may be requested in an administrative court only after having contested these acts with the Executive Board of the National Bank of Moldova, within 30 days from the day of adoption by the Executive Board of the resolution regarding the preliminary appeal concerning these acts, or from the day when the deadline for settlement of the preliminary appeal expires. The 30-day term does not cover normative acts.

(3) The administrative court may order the suspension of the enforcement of acts issued by the National Bank, only at the plaintiff request, submitted simultaneously with filing the suit and only if all of the following conditions are met:

a) the reasons given by the plaintiff in support of his/her suit are pertinent and well founded and there is a prima facie case challenging the legality of the contested act.

b) the plaintiff presents arguments based on facts that the circumstances of the case claim immediate suspension of the challenged administrative act, in order to prevent grave and irreparable damages to the plaintiff interests;

c) the potential damages caused to the plaintiff exceeds the public interest pursued by adopting the challenged administrative act.

(4) The burden of proving compliance with all criteria specified in paragraph (3) of this Article lies with the plaintiff. Until proof of the contrary is provided, the existence of a public interest for immediate and uninterrupted enforcement of the acts of the National Bank of Moldova is presumed.

(4¹) While reviewing appeals to suspend the acts of the National Bank of Moldova, the court shall summon the parties to the lawsuit, specifying the day and hour of the court hearing and attaching the copy of the appeal to suspend the acts of the National Bank of Moldova, and shall also request the National Bank of Moldova to provide a note of reference on the appeal for suspension.

(4²) Within three working days from the day of receiving the copy of the claim to suspend enforcement of the acts of the National Bank of Moldova, the National Bank shall submit the note of reference on that claim.

(4³) The court shall decide on the appeal to suspend enforcement of the acts of the National Bank, within 5 days from the day of the submission of the NBM's note of reference or from the day by which the note of reference should have been submitted.

(5) The court may order the suspension of the enforcement of the acts of the National Bank of Moldova only in cases when all requirements specified in paragraph (3) are met cumulatively.

The court shall pronounce a grounded procedural order on the suspension or the refusal to suspend the enforcement of the acts of the National Bank.”

(6) The court judgment declaring the National Bank normative act illegal, partially or totally, shall be submitted immediately to the National Bank and shall be published without delay on the official website of the National Bank.

(7) The procedural order of the court on the suspension or the refusal to suspend the acts of the National Bank of Moldova may be appealed, in accordance with the provisions of the Code of Civil Procedure of the Republic of Moldova. By derogation from Article 426, paragraph (3) of the Code of Civil Procedure, the appeal against the procedural order shall be reviewed within short time limits that shall not exceed 10 days from the day when the appeal was submitted.

CHAPTER II

MONETARY AND FOREIGN EXCHANGE POLICY

Article 14. Monetary policy instruments

With a view to exercising its monetary and foreign exchange policy tasks, the National Bank shall undertake measures, including those described in the present chapter.

Article 15. Open market operations

The National Bank may deal in financial markets in debt securities issued by the state, debt securities issued by the National Bank or any other debt securities by purchasing, holding and selling outright (spot and forward). Operations with debt securities issued by the State may be carried out by the National Bank on the secondary market exclusively.

Article 16. Foreign exchange operations and other operations

The National Bank shall have the right to:

- a) buy, sell and negotiate gold coins, gold bullions and other precious metals;
- b) buy, sell and negotiate foreign currency, using for these purposes the assets as described in Article 53 (1);
- c) purchase and sell treasury bills and other securities issued or guaranteed by foreign governments and international public banks;
- d) establish the rate at which it will buy, sell or perform the operations mentioned at letters a)–c).

Article 17. Minimum reserves of banks

(1) The National Bank shall prescribe to banks the minimum reserves requirements related to deposits and other similar liabilities, specified for this purpose. Such reserves shall be maintained by way of retaining cash at the cash desk or in the correspondent accounts of the banks or in special accounts of the banks held at the National Bank. Seizure, suspension of the operations, application of other preservation measures, and enforcement measures with regard to the funds lodged in the special accounts of required reserves, are not allowed.

(2) The National Bank shall prescribe the same minimum reserves ratios for similar liabilities

and shall determine the method of their calculation. The requirement with regard to maintaining and increasing the minimum reserves shall enter into force within at least ten days from the notification of the banks.

(3) The National Bank can remunerate the required reserves held by the bank. The principles and method of remuneration of required reserves shall be established by the regulatory acts of the National Bank.

(4) In case if the banks fail to observe the requirements established with regard to minimum reserves, the National Bank shall apply a equal to the basic rate per day on the deficiency date plus 0.2 per cent multiplied with the deficiency for the entire period the deficiency continues. The fine shall be charged in the state budget by way of incontestable deduction from the account of the bank held at the National Bank.

[Art. 17 amended by Law No 114 of 15.08.2019, in force on 02.09.2019]

Article 18. Credit to banks

(1) The National Bank may grant credits to banks under the terms established periodically by the National Bank and collateralized with:

- a) securities issued by the Government;
- b) securities issued by the National Bank;

Letter c), d) repealed by Law no 114 of 15.08.2019, in force on 02.09.2019

e) deposits and other accounts held at the National Bank or at any other bank accepted by the National Bank, containing any assets that the National Bank may buy, sell or negotiate;

f) any other eligible financial assets established by the National Bank.

(2) The credits provided for in paragraph (1) may take the form of payments in advance, loans, purchases, sales, of financial instruments, either on a competitive or noncompetitive basis.

Paragraph (2) repealed by Law no 114 of 15.08.2019, in force on 02.09.2019

(3) The provisions of the Administrative Code shall not be applied in the procedure of preparation, approval, application and withdrawal, revocation or cancellation of acts issued by the National Bank for the purpose of application of paragraph (2).

(4) The National Bank shall establish and periodically publish:

- a) the minimum interest rate for emergency credits intended for banks;
- b) the objective criteria, governing the eligibility of banks for granting emergency credits on a competitive basis.

(5) The National Bank may establish different rates, ceilings for different classes of such transactions and maturity time limits.

[Art.18 amended by Law No 114 of 15.08.2019, in force on 02.09.2019]

Article 18¹. Liquidity assistance in emergency situations

(1) In order to maintain the stability of the financial system, the National Bank of Moldova can provide at its own discretion and according to conditions established by National Bank of Moldova, liquidity assistance in emergency situations to solvent and viable banks that are experiencing temporary liquidity problems, secured against the assets mentioned in Article 18, paragraph (1).

(2) The term for which liquidity assistance in emergency situations is granted is up to 3 months, with the possibility of an extension not exceeding one year from the date of provision, under the conditions established by the Executive Board of the National Bank.

(3) Liquidity assistance in emergency situations shall be provided with an interest rate higher than the rate applied by the National Bank for its lending operations, including its permanent lending facility.

(4) The provisions of the Administrative Code shall not be applied in the procedure of preparation, approval, application and withdrawal, revocation and cancellation of acts issued by the National Bank for the application of paragraphs (1)-(3).

[Art. 18¹ introduced by Law No 114 of 15.08.2019, in force on 02.09.2019]

Article 18². Granting loans to the Deposit Guarantee Fund

National Bank may extend loans to the Deposit Guarantee Fund under conditions of the article 16 paragraphs (1), (2) and (4) of the Law no. 575/2003 On Deposit Guarantee in the Banking System and under conditions set by the NBM's Executive Committee.

[Art. 18² introduced by Law No 27 of 27.02.2020]

CHAPTER III FINANCIAL PROVISIONS

Article 19. Capital

(1) The capital of the National Bank includes the statutory capital, the reserve accounts constituted in accordance with the provisions of Article 66 and reserve accounts of unrealized gains.

(2) The statutory capital is the sum of the authorized capital and of the general reserve fund. The authorized capital shall be subscribed and held exclusively by the state; the capital shall not be transferable or subject to encumbrance.

(3) The statutory capital is dynamic and shall be formed from the annual profit available for distribution, , allocated according to the provisions of paragraph (5) of Article 20, from the income obtained according to Article 64 paragraph (3) and/or from the Government's contributions, until it reaches the value of 10% of the total monetary liabilities of the National Bank and shall have the following structure:

a) 1/3 – the authorized capital

b) 2/3 – the general reserve fund

(4) None of the decreases in the monetary liabilities' level, neither during nor at the end of the financial year, shall imply the reduction of the previously created statutory capital.

- (5) The general reserve fund shall be used exclusively for covering the incurred losses in accordance with the results of the accounting period as at the end of the financial year.
- (6) If the level of statutory capital decreases below 4.0 percent of the total monetary liabilities of the National Bank of Moldova at the end of the financial year, the Government, in the person of the Ministry of Finance, within 60 days from the receipt of the external auditor's report on the financial situations of the National Bank, shall transfer to the National Bank, as a capital contribution, state securities bearing interest at market-related rates in the amount necessary for replenishing the statutory capital up to 4.0 percent of the total monetary liabilities of the National Bank of Moldova.
- (7) The issue of capital contribution in the form of state securities and its transfer to the National Bank of Moldova shall take place in a single tranche, during the following year after the statutory capital goes below 4.0 percent.

Article 20. Profit distribution and losses coverage

- (1) The result of the accounting period (profit/ loss) of the National Bank for each financial year shall be determined in accordance with the provisions of Article 66.
- (2) The profit available for distribution shall represent the result of the accounting period derived after:
- (a) deduction of all unrealized gains and their transfer in the corresponding reserve accounts of unrealized gains;
 - (b) the defrayal of all the unrealized losses from the corresponding reserve accounts of unrealized gains until their balance is equal to zero.
 - (c) the deduction of the incomes obtained according to article 64 paragraph (3) in the statutory capital within the limits provided for in article 19, paragraph (3).
- (3) The reserve accounts of unrealized gains shall be formed separately for each source generating these gains and shall be used for covering the unrealized losses of subsequent periods, generated merely by the sources that formed these reserves.
- (4) If the deduction of unrealized gains and/or the defrayal of unrealized losses provided for in paragraph (2) letter a) and b) exceeds the net profit, this excess shall be covered from the general reserve fund in accordance with Article 19 paragraph (5).
- (5) At the end of the financial year, profit available for distribution shall be allocated to increase statutory capital, as follows:
- a) when statutory capital is below 4.0 percent of total monetary liabilities of the National Bank of Moldova, profit available for distribution shall be allocated in full to increase statutory capital, as specified in Article 19, paragraph (3);
 - b) when statutory capital ranges between 4.0 percent and 10.0 percent of total monetary liabilities of the National Bank of Moldova, 50 percent of profit available for distribution shall be allocated to increase statutory capital, according to Article 19, paragraph (3), and 50 percent of profit available for distribution shall be transferred to supplement state budget revenue;
 - c) when statutory capital exceeds 10.0 percent of total monetary liabilities of the National Bank of Moldova, profit available for distribution shall be transferred in full to supplement state budget revenue.
- (6) The remaining profit available for distribution shall be transferred to the state budget within 15 days from the receipt of the external auditor's report on the financial situations of the National Bank.

Article 21. The expenditure estimates

(1) Annually, all administrative expenditures and capital investments of the National Bank are provided in the expense estimate and in the investment allowances, accordingly, which are approved by the Supervisory Board and are verified during enforcement, according to the practices and procedures of the internal audit and control.

(2) The legality and regularity of expenditure estimates and investments allowances of the National Bank shall be audited by the Court of Accounts. The public external audit of the Court of Accounts shall be limited to the examination of the operational efficiency of the decisions taken by the National Bank's management, excluding those related to the implementation of monetary and foreign exchange policy of the National Bank and to the state foreign exchange reserves management.

CHAPTER IV ORGANIZATION AND ADMINISTRATION

Article 22. Decision-making bodies of the National Bank

(1) The decision-making bodies of the National Bank are the Supervisory Board and the Executive Board.

(2) The Supervisory Board and the Executive Board are collegial bodies and their activity is regulated by this law and by the regulations of the National Bank.

(3) The Supervisory Board is the body responsible for the organisation of an efficient system of public independent supervision of the activity of the National Bank.

(4) The Executive Board shall exercise the executive management of the National Bank and ensure the independent performance of its basic tasks, as provided by law.

Article 23. Composition of the decision-making bodies, appointment and dismissal of their members

(1) The Supervisory Board consists of 7 members, as follows:

- a) a Chairman, who is, at the same time, the Governor of the National Bank;
- b) a Deputy Chairman, who is, at the same time, the First Deputy Governor of the National Bank;
- c) a member who is, at the same time, a Deputy Governor of the National Bank;
- d) four members, who are not employees of the National Bank.

(2) The Executive Board consists of 5 members, as follows:

- e) a Chairman, who is, at the same time, the Governor of the National Bank;
- f) a Deputy Chairman, who is, at the same time, the First Deputy Governor of the National Bank;
- g) 3 members, who are, at the same time, Deputy Governors of the National Bank.

(3) The Governor of the National Bank is appointed by the Parliament upon the proposal of the Chairman of the Parliament.

(4) The First Deputy Governor and the Deputy Governors of the National Bank are appointed by the Parliament upon the proposal of the National Bank Governor.

(5) The member of the Supervisory Board referred to in paragraph (1), letter c) is appointed by

the Parliament upon the proposal of the National Bank Governor, and the members of the Supervisory Board referred to in paragraph (1), letter d) are appointed by the Parliament, upon the proposal of the Commission of economy, budget and finance of the Parliament, according to the procedure established by the Commission.

(6) A candidate may be proposed to the Parliament for appointment at most twice in the course of a year.

(7) Candidates to the function of member of the Supervisory Board and of the Executive Board shall hold the citizenship of the Republic of Moldova, a university degree, have a good reputation, does not have the prohibition to hold public office or public dignity position, deriving from the fact-finding document of the National Integrity Authority, has not in the last 5 years, in the professional integrity record, inscriptions of the negative result of the professional integrity test for breach of the obligation under Article 7 paragraph (2) letter a) of the Law no.325 of 23 December 2013 on the assessment of institutional integrity, and, in the case of the candidate to the membership of the Supervisory Board, a work experience of at least 10 years in the financial, legal or auditing field or in a scientific or academic position in the these fields or, in the case of the candidate to the membership of the Executive Board a work experience of at least 10 years in the financial or monetary field.

(8) Members of the Supervisory Board and of the Executive Board are appointed for a period of 7 years, with the possibility of renewing the mandate. On the expiry of the mandate, the member of the Supervisory Board or Executive Board shall hold office until the appointment of a new member.

(9) Members of the Supervisory Board and Executive Board may resign, under the condition of a 3 month prior notification in written form submitted to the public authority that appointed them.

(10) Any member of the Supervisory Board or Executive Board may be dismissed by the Parliament according to the procedures set out in paragraph (11), only in case he/she no longer fulfils the conditions required for the performance of his/her duties, committed a serious misconduct, concluded directly or through a third party a legal act, participated in a making decision process without solving the real conflict of interest in accordance with the legislation regulating the conflicts of interests, failed to submit his/her declaration of assets and personal interests or refused its submission, under Article 27 paragraph (8) of the Law no.132 of 17 June, 2016 on the National Integrity Authority, or was ordered by the court, by irrevocable decision, the confiscation of unjustified property.

[Art.23 paragraph (10) amended by the Law no.134 of 17.06.2016, in force 01.08.2016]

(11) The Chairman of the Supervisory Board is dismissed at the proposal of the Chairman of the Parliament, by the vote of 2/3 of the total number of the elected members of the Parliament. The dismissal of the other members of the Supervisory Board and Executive Board is carried out at the proposal of the Supervisory Board, proposed at the request of the Governor of the National Bank or upon the proposal of the Chairman of the Parliament by the vote of the majority of the elected members of the Parliament.

(12) The decision on the dismissal of a member of the Supervisory Board or Executive Board may be appealed before the Chisinau Court of Appeal, within a period of 15 days from its publication in the Official Monitor of the Republic of Moldova.

(13) The Parliament appoints the members of the Supervisory Board and Executive Board to the functions that became vacant within a period of at most 3 months from the date the function became vacant.

[Art.23 amended by Law no.305 of 21.12.2017, in force 12.01.2018]

[Art.23 amended by Law no. 74 of 26.04.2018, in force 29.06.2018]

[Art.23 supplemented by the Law no.102 of 21.07.2016, in force on 12.11.2016]

Article 24. Powers of the Governor

(1) The Governor shall be responsible for the formulation of monetary and foreign exchange policy initiatives in order to present them to the Executive Board and for their execution. The Governor organizes and manage the activity of the National Bank, takes action on its behalf without any power of attorney, represents the National Bank in its relations with any legal entity or natural person in the Republic of Moldova, as well as abroad, issues mandatory orders and prescriptions for the employees of the National Bank, controls their execution, signs, directly or through persons empowered by him, agreements and other acts concluded by the National Bank.

(2) In the absence of the Governor or if he/she is unable to discharge his/her duties, the Governor shall be replaced by the First Deputy Governor, or, in the absence of the First Deputy Governor, by one of the Deputy Governors who is empowered according to the internal regulations of the National Bank. The Governor may delegate some of his/her powers to the members of the Executive Board and to the Heads of the National Bank subdivisions.

Article 25. Incompatibilities and restrictions

(1) Members of the decision-making bodies of the National Bank shall not be members of the Parliament, members of the Government, members of a political party or a social-political faction, part of the judicial authority or public administration, and shall not carry out or participate to activities of political character, get involved in electoral propaganda in favour of a party or social-political faction.

(2) Members of the decision-making bodies and the staff of the National Bank shall not carry out activities that may generate a conflict of interests in the process of performing their duties. The members of the Executive Board shall not perform remunerated activities, except for teaching and scientific research activities or activities laid down in the operating Regulation of the Executive Board, or the designations by the National Bank of Moldova under the Law on Bank Recovery and Resolution, in this case the mandate shall be suspended.

(3) Members of the decision-making bodies, for a period of one year after their dismissal or resignation, shall not be members of the management bodies of the entities regulated and supervised by the National Bank except the designations by the National Bank of Moldova under the Law on Bank Recovery and Resolution.

(4) Members of the decision-making bodies hold public dignity positions by appointment and fall under the applicable provisions of the legislation on the status of the persons holding public dignity positions, to the extent to which this law does not provide otherwise.

(5) The staff carrying out supervisory functions shall be prohibited from participating in expertise commissions, as well as in any other investigation actions that are beyond the duties and competences conferred by the law.

[Art.25 amended by the Law no.233 of 03.10.2016, in force on 04.10.2016]

Article 26. Powers of the Supervisory Board

- (1) In the exercise of the supervisory powers, provided for in Art. 22, paragraph (3), the Supervisory Board shall have the following duties:
- a) approve the annual report and the annual financial statements that are to be submitted by the National Bank to the competent authorities;
 - b) adopt the standards of the internal control system, verify and evaluate continuously the functioning of the internal control system and its elements;
 - c) appoint the Comptroller General upon the proposal of the Audit Committee and decide on his/her remuneration by the vote of at least 2/3 of the appointed members;
 - d) adopt the rules of professional ethics in the National Bank;
 - e) decide on the remuneration fund of the National Bank and remuneration of the members of the Executive Board by the vote of at least 2/3 of the appointed members;
 - f) decide on the conditions of granting loans to National Bank employees;
 - g) establish the nominal value and design of the banknotes and coins, the way of placing them into circulation and the conditions of withdrawing them from circulation by the vote of at least 2/3 of the appointed members;
 - h) make proposals with regard to the increase of the capital of the National Bank by the vote of at least 2/3 of the appointed members;
 - i) approve and monitor the enforcement of the National Bank expense estimate and the investment allowances of the National Bank;
 - j) select on a tender basis the external audit organization ;
 - k) determine the amount of monthly allowances of the members of the Supervisory Board who are not members of the Executive Board by the vote of at least 2/3 of the appointed members. The amount of monthly allowances is established up to 50% of the average amount of the average monthly income obtained in the last 12 months at the National Bank by the members of the Executive Board holding this position no less than 12 months on the date of the establishment;
 - l) establish the way of creating and functioning of the Monetary Council, Investments Committee, Audit Committee, Prudential Supervision Committee and other committees that may operate within the National Bank;
 - m) approve, by the vote of at least 2/3 of the appointed members, the submission to the Parliament of proposals on the dismissal of the members of the decision-making bodies, based on the request of the Governor;
 - n) approve internal regulations related to the exercise of the duties provided for in this paragraph, by the vote of at least 2/3 of the appointed members.
- (2) Supervisory Board may request information necessary for the exercise of its duties only from the Executive Board, by submitting a written request to the Executive Board. The information requested shall be provided to the Supervisory Board by decision of the Executive Board.
- (3) Supervisory Board submits reports to the Parliament, at least annually, with regard to the supervisory activity carried out.

[Art.26 amended by the Law no.233 of 03.10.2016, in force on 04.10.2016]

Article 27.Powers of the Executive Board

- (1) The Executive Board shall have the following powers:
- a) establish the State monetary policy, including the limits of the interest rates for the monetary

- policy instruments, conditions for granting loans, type and level of required reserves maintained by banks with the National Bank;
- b) establish the foreign exchange policy and the exchange rate regime for the national currency;
 - c) adopt the normative acts of the National Bank and approve the recommendations that are to be submitted by the National Bank to the competent authorities;
 - d) approve, by the vote of at least 2/3 of the members of the Board that are present at the meeting, each granting of liquidity assistance in emergency situations or the use of other financial instruments in favour of a bank, according to Article 18¹;
 - e) ensure the implementation of the Supervisory Board decisions, taken in accordance with Article 26;
 - f) decide on the way of issuing licenses, authorizations, permissions, approvals that are to be issued by the National Bank according to the legislation in force;
 - g) plan and organise the National Bank current activity;
 - h) examine, where appropriate, the results of the inspections performed at the entities supervised by the National Bank, and adopt decisions related to them;
 - i) decide on the issuance of National Bank receivables, the amount and the conditions for issuing them.
- (2) Executive Board shall perform any other duties, which are not assigned by law to the Supervisory Board.
- (3) The meetings of the Executive Board shall be convened by its Chairman at least once in a month and shall take place according to the provisions of Article 31. The meetings may be also convened upon written request of at least three members of the Executive Board.

[Art. 27 amended by Law No 114 of 15.08.2019, in force on 02.09.2019]

Article 28. Audit Committee

- (1) Audit Committee is created by the decision of the Supervisory Board.
- (2) The Audit Committee consists of 3 members of the Supervisory Board that are not employees of the National Bank.
- (3) The Audit Committee shall have the following duties:
 - a) monitor the process of financial reporting of the National Bank;
 - b) monitor the efficiency of the internal control system and the risk management;
 - c) monitor and direct the internal audit function;
 - d) monitor the independence and the activity of the external audit.
- (4) The detailed areas of competence of the Audit Committee are established by an internal regulation, approved by the Supervisory Board.
- (5) The Audit Committee shall submit to the Supervisory Board, at least annually, reports on its monitoring activity, which shall contain recommendations for the optimization and development of the activity processes of the National Bank.

Articles 29 and 30 repealed by Law No.147 of 30.07.2015 for the amendment and supplement of some normative acts, in force as of 21.08.2015

Article 31. Meetings of the Supervisory Board

- (1) The Governor or, in his/her absence, the First Deputy Governor shall chair the meetings of the Supervisory Board.

- (2) The meetings of the Supervisory Board shall be convened by the Governor at least quarterly. The meetings may be also convened upon a written request of 4 members of the Board.
- (3) The decision to convene the meetings of the Supervisory Board shall be communicated to all the members at least five working days prior to the meeting, except for the emergency situations, when the meetings may be convened immediately. At the same time, the members of the Supervisory Board shall be notified with regard to the date, venue and agenda of the meeting.
- (4) Each member of the Supervisory Board shall have one vote. The quorum of a meeting of the Supervisory Board is met in the presence of more than a half of the appointed members of the Supervisory Board , including the Governor or the First Deputy Governor.
- (5) The meetings of the Supervisory Board shall be secret. The Supervisory Board may decide to publish all or some of its decisions in accordance with the Law on Commercial Secret.
- (6) The decisions of the Supervisory Board shall be adopted with the simple majority of the votes of the members of the Supervisory Board who are present at the meeting, except for the cases provided by law or the acts of the National Bank. Only members of the Supervisory Board who are present at the meeting shall have the right to vote. In the event of a tie, the chairman of the meeting shall have the decisive vote.
- (7) Decisions of the Supervisory Board shall be issued under the signature of the Chairman of the Meeting.
- (8) No decision of the Supervisory Board shall be invalidated based on the existence of vacancies in the Supervisory Board.
- (9) Decisions of the Supervisory Board shall remain valid notwithstanding the subsequent discovery of some irregularities related to the appointment of the Supervisory Board member, to eligibility or professional qualification.
- (10) At any meeting of the Supervisory Board minutes shall be draw up and signed by the Chairman of the meeting and by the Secretary of the Supervisory Board.

Article 32. Personal interests of the members of the decision-making bodies

- (1) Upon the appointment and annually thereafter, members of the decision-making bodies shall disclose to the Board all their direct or indirect financial interests and those of their family members , in the manner established by the Council.
- (2) Whenever any matter related to such interests is examined, the member of the decision-making body shall inform the Supervisory Board or the Executive Board about these interests at the beginning of debates and shall not participate in the examination and the voting on this matter. However, his presence shall be taken into account when establishing the quorum.

Article 33. Internal Audit

- (1) National Bank shall have an internal audit body, composed of persons having competences in audit, accounting, finance and information technologies and shall be headed by the Comptroller General.
- (2) Comptroller General of the National Bank shall be appointed for a period of 5 years by the Supervisory Board upon the proposal of the Audit Committee and shall be dismissed by way of a reasoned decision of the Supervisory Board. The Comptroller General may resign from office under the condition of 3 month prior notification submitted to the Chairman of the Supervisory Board.

(3) The Comptroller General jointly with the auditors of the internal audit body shall have the following duties:

- a) establish the procedures of internal audit;
 - b) examine and assess the activity processes, including the quality of control and risk management methods, the information systems used, to examine other subjects, aiming at ensuring due observance of the legal requirements in force and internal rules;
 - c) examine the financial statements and the enforcement of the National Bank expenses estimate and investment allowances, confirming that by a notice;
- (4) The internal audit body is subordinated and reports to the Supervisory Board.

Article 34. Staff of the National Bank

- (1) The Executive Board shall adopt the Regulation on the staff of the National Bank.
- (2) The Governor shall appoint and dismiss the staff of the National Bank in accordance with the conditions established by the Executive Board.
- (3) The Executive Board shall decide upon the remuneration of the staff of the National Bank in accordance with the legislation. The National Bank shall establish and maintain the remuneration system of its employees in a way that ensures the internal equity and external competitiveness, strengthens the institutional capacity, the continuity of the activity and the human resources, according to international accepted principles. In this regard, the level of remuneration of the National Bank employees shall not be below the level of remuneration for positions of similar impact and complexity from the banking sector and/or the general market of specialized services.
- (4) By way of derogation from the provisions of the Article 71 and 72 of the Labour Code, the National Bank may detach its officials to the Single Central Securities Depository for a period of up to 5 years.
- (5) The staff of the National Bank is obliged to report any loans, except for those received from the National Bank, to the internal audit body, which shall record them. The Executive Board may establish the maximum limits for loans received from banks by the National Bank staff.
- (6) The National Bank officials are obliged to comply with the provisions of Article 7 (2) of the Law no.325 of 23 December 2013 on the assessment of institutional integrity.

[Art.34 amended by Law no.305 of 21.12.2017, in force 12.01.2018]

[Art.34 amended by the Law no.58 of 06.04.2017, in force on 14.04.2017]

[Art.34 amended by the Law no.102 of 21.07.2016, in force on 12.11.2016]

[Art.34 amended by the Law no.233 of 03.10.2016, in force on 04.10.2016]

[Art.34 amended by the Law no.62 of 08.04.2016, in force on 06.05.2016]

Article 35. Guarantees in the discharge of duties

- (1) National Bank, the members of the decision-making bodies of the National Bank, liquidator appointed by it, and its employees shall not be liable under the civil, administrative or criminal law, for the acts or facts performed or for failure to fulfil certain acts or facts related to exercising the duties conferred to the National Bank by the law, including for performing internal operations circumscribed the exercising of these duties, except for the cases when the judicial court finds the fulfilment or omission to fulfil by these people, with bad-faith, of any act or fact related to the exercise of the National Bank's duties, which caused damage to third parties.

2) National Bank will cover the expenses incurred as a result of the criminal, civil or administrative proceedings against the persons mentioned in paragraph (1), for the acts or facts performed by them or for the failure to fulfil certain acts or facts conferred to National Bank under law during exercising their duties , including for performing internal operations circumscribed to exercise these duties. For the purposes of this Article, the meaning of the expenses incurred as a result of the criminal, civil or administrative proceedings shall be read to include at least the legal assistance expenditure and expertise expenses, unless the National Bank regulations do not provide any other type of expenditure. The National Bank shall issue regulations in order to regulate the types of expenditure incurred and the defrayal procedures.

(3) For acts or facts performed or for failure to perform acts or facts in the exercise of duties conferred by law on the National Bank, including for performing internal operations circumscribed to the exercise of these duties, initiating criminal proceedings against the member of the decision-making body of the National Bank, retention, forced bringing, arrest and his search can only take place at the order of the Prosecutor General, with the authorization of a panel of 3 judges from the Chisinau Court of Appeal. Procedural actions regarding the member of the decision-making body of the National Bank, except in cases of flagrant crime, may be carried out only after the issuance of the order to initiate criminal proceedings.

(4) The provisions of the paragraphs (1) and (2) of this Article shall apply even after the termination of the mandate or employment contract of the persons mentioned at paragraph (1), for the acts or facts performed or for the failure to fulfil certain acts or facts in exercising their duties during the period within which he or she has the status of employee, liquidator or member of the executive body.

(5) In criminal proceedings, the National Bank shall make available to the persons referred to in paragraph (1), at their request, all the information and materials necessary to ensure their right to defense.

(6) The reparation of the damage caused by the persons provided in paragraph (1) by acts or facts performed or by omission to perform acts or facts in the exercise of the duties conferred by law on the National Bank, including for performing internal operations circumscribed to the exercise of these duties, may be requested only from National Bank.

(7) In case of reparation by the National Bank, according to paragraph (6), of the damage caused by the persons provided in paragraph (1), the National Bank exercises the right of recourse against these persons, proportionally to the degree of their guilt, only on the basis of a court final decision by which it was found the fulfillment or omission of the fulfillment by these persons, intentionally and in bad faith, of any act or fact related to the exercise of the duties conferred by law to the National Bank, including the performance of internal operations circumscribed to the exercise of these duties, which caused damage to third parties and which establishes the extension of the patrimonial liability of these persons.

[Art.35 amended by the Law no.233 of 03.10.2016, in force on 04.10.2016]

[Art.35 amended by the Law no.62 of 08.04.2016, in force 06.05.2016]

[Art.35 paragraph 3 amended by the Law no.178 of 11.11.2021, in force on 29.11.2021]

[Art.35 supplemented by paragraphs 5, 6, 7 by the Law no.178 of 11.11.2021, in force on 29.11.2021]

Article 36. Professional secrecy

(1) Members of the decision-making bodies, employees of the National Bank, expert accountants, certified accountants and other specialists appointed by the National Bank, according to the law, to carry out the control (inspection), as well as the auditors are obliged to preserve the professional secrecy over any information that represents banking secret, fiscal, commercial or other secret protected by law, which they become aware of during the execution of their obligations. These persons are obliged to keep professional secrecy even after the termination of their activity at the National Bank or after the termination of the relationships of other nature with it.

(2) The obligation to preserve the professional secrecy shall cover also the confidential information created by the National Bank for the purpose or in connection with carrying out of its tasks, the disclosure of which can damage the interest or reputation of the person concerned.

(3) Persons referred to in paragraph (1) may use the information covered by professional secrecy only for the purpose and within the performance of their obligations related to the tasks of the National Bank. The persons referred to do not have the right to use the information that constitutes professional secret for personal interest or in the interest of third parties, to disclose this information or to allow its use by third parties or to allow the third parties access to this information.

(4) The information covered by professional secrecy can be disclosed or provided in the following situations:

- a) with the express consent of the person concerned by this information;
- b) when this information shall be published according to the legislation;
- c) if the information is provided in summarized or aggregated form, so that the bank or the person concerned can not be identified, as well as when carrying out the tasks of informing the public;
- d) in the cases foreseen in Article 97 of the Law no. 202/2017 On Banks Activity, which shall apply accordingly;
- e) in the framework of cooperation agreements with other public authorities or on the National Bank's initiative, for the purpose of carrying out specific tasks of supervision and control over the observance of the legal provisions;
- f) in case of providing this information to the Fund of Deposit Guarantee in the banking system, necessary for the performance of its duties.
- g) in the framework of proceedings related to the forced liquidation of a bank, except for the information referring to third parties involved in actions related to the liquidation of the bank;
- h) when the National Bank's interests require the disclosure of such information in judicial proceedings;
- i) at the request of central banks, supervisory bodies of financial markets and payment systems from other states;

(5) Persons and bodies empowered to request and receive information that constitutes a professional secret are obliged to keep it confidential and may use it only for the purpose for which they have requested it or for which it was provided to them, according to the law or the agreements concluded, and shall not provide it and nor disclose it to third parties, except for the cases of performing their obligations prescribed by law.

(6) Information that constitutes professional secret may be provided to central banks, financial market and payment systems supervision bodies of a foreign state on the basis of the reciprocity

principle in the manner prescribed by international treaties to which Moldova is a party and of by the agreements concluded between the National Bank and financial market and payment systems supervision bodies of a foreign state.

(7) When the information covered by professional secrecy comes from a foreign state, it may be disclosed or provided only with the express consent of the competent body which has provided the information and, where applicable, only for the purpose for which the consent has been given.

(8) By derogation from the provisions of paragraphs (1) - (7), the provisions of chapter 3 of title V of the Law no. 202/2017 On Banks Activity shall apply in case of exchange of information and obligation to maintain professional secrecy during National Bank's performing of duties in licensing, regulation and prudential supervision of banks legal entities in the Republic of Moldova and branches of banks in other states.

CHAPTER V

FINANCIAL RELATIONS WITH STATE BODIES

Article 37. Banker and agent of the state

(1) The National Bank shall act as banker and agent of the state and its bodies. No transaction or operation carried out by the National Bank may result in granting financial assistance to the mentioned bodies.

(2) The National Bank shall have the duty to consult the Government on all significant monetary and financial matters that are within its field of competence, and the Government shall have the duty to consult the National Bank on matters that are within its field of competence.

(3) Annually, at the elaboration of the state budget, the Government shall seek the advice of the National Bank on financial and economic matters, and the National Bank shall submit to the Government a report on these matters.

[Art.37 amended by the Law no.242 of 29.12.2015, in force on 29.01.2016]

Article 38. Consultations and Reporting on Public Sector Borrowing

Annually, the Government shall seek the advice of the National Bank on the Government's objectives with regard to the domestic and external borrowings of the public sector for the next financial year, including the amounts to be contracted and the conditions of such borrowings. The borrowings of the state and its bodies shall be reported to the National Bank in the manner established by the National Bank. All such borrowings shall be contracted according to the legislation.

Article 39. Deposits and cash desk operations

(1) Based on the Government request, the National Bank shall accept deposits from the Ministry of Finance and other state bodies, under market conditions, pursuant to the regulations of the National Bank. As depository, the National Bank shall receive and release money, keep the accounts record and provide any other financial services. The National Bank shall make payments within the balance limits of these accounts.

(2) The National Bank may authorize other banks to accept such deposits under the conditions mutually agreed.

(3) Taxes, fees and other compulsory payments, which were charged from the tax payers to the state budget accounts and to the special funds of the banks that provide the services shall be transferred to the treasury sole account (CUT) at the National Bank or to the corresponding accounts of the administrative-territorial units' budgets not later than the end of the day following the day when the payments were made. For each day of delay, the banks shall pay a fine of 5 per cent from the amounts transferred with delay.

Article 40. Agent of the state tasks

National Bank, by agreement with the Ministry of Finance, acts as the State agent for state securities in book-entry form regarding:

a) organization and development, on behalf of the Ministry of Finance, of the placement of state securities on the internal market;

Letter b) repealed by Law no.58 of 06.04.2017, in force on 14.04.2017

c) *<repealed>*

d) providing consultancy for Ministry of Finance in the continued development of state securities market;

e) other operations in accordance with the fundamental objective and basic tasks of the National Bank.

[Art.40 amended by the Law no.242 of 29.12.2015, in force on 29.01.2016]

Article 41. Interdiction of crediting the state

The National Bank shall not grant loans and guarantees in any form to the state or its bodies, including by way of acquiring state securities on the primary market or by providing overnight loans..

Article 42. Purchases of Government Securities

No provision in this Chapter shall prohibit the National Bank from purchasing and selling, on the secondary market, debt securities issued by the state:

a) under the condition that the National Bank shall purchase securities that have been issued by the state only by way of open market operations,;

b) in connection with granting credits to banks.

Article 43. Provision of information

The National Bank shall receive from the state bodies all the economic and financial information and documents, which are necessary for carrying out its tasks.

CHAPTER VI

RELATIONS WITH BANKS LEGAL ENTITIES FROM THE REPUBLIC OF MOLDOVA AND WITH BRANCHES OF BANKS FROM OTHER STATES

Article 44. Supervision and regulation of activity of banks legal entities in the Republic of Moldova and branches of banks in other states

The National Bank is exclusively responsible for the licensing, regulation and supervision, on an individual basis and, as the case may be, on a consolidated basis, of banks legal entities in the Republic of Moldova and branches of banks in other states. To that end, the National Bank shall be empowered:

- a) to issue the necessary regulations and to take the proper actions in order to perform its powers and duties under this law, by way of granting the licenses of banks legal entities in the Republic of Moldova and branches of banks in other states and elaborating supervision standards and establishing the way of implementing the regulations and measures mentioned above;
- b) to perform, through its staff or other qualified professionals involved for this purpose, inspections over banks legal entities in the Republic of Moldova and branches of banks in other states, and to examine these institutions' books, documents and accounts, conditions in which the business is carried out and banks' compliance with the legislation;
- c) to require any bank legal entity from the Republic of Moldova and any branch of the bank from another state or any employee thereof to provide the National Bank with the documents, information and data necessary for the exercise of licensing, regulation and supervision of their activity;
- d) to apply to any bank legal person from the Republic of Moldova and to any branch of the bank from another state supervisory measures or to apply sanctions and / or sanctioning measures according to the provisions of the Law no. 202/2017 On Banks Activity;
- e) to verify, within its competence, in the course of off-site and/or on-site inspections the truthfulness of information provided by commercial banks to the credit bureau and the correctness of the use of credit reports, including the way of obtaining the consent of the subjects of credit reports for the purpose of providing information to the credit bureau and the way of obtaining credit reports.

[Art.44 amended by Law no.149 of 14.07.2017, in force 04.08.2017]

Article 45. Deposit Services

The National Bank may open accounts for and accept deposits from banks legal entities in the Republic of Moldova and branches of banks in other states under the conditions established by the National Bank with regard to the payment of interest rates and charges.

Article 46. Prudential Regulations

Banks will comply with the provisions of the Law no. 202/2017 On Banks Activity and of the normative acts of the National Bank issued in its application regarding the prudential requirements.

Article 47. Submission of Information

(1) Banks are obliged to furnish to the National Bank any information and data as the National Bank may require for the discharge of its functions and responsibilities.

(2) The National Bank may publish such information and data in a wholly or partly aggregated form, according to the categories of the banks, as classified according to their type of business.

Article 48 repealed by Law No.147 of 30.07.2015 for the amendment and supplement of some normative acts, in force as of 21.08.2015

Article 49. Information network for banks

The National Bank may create and maintain an information network for the needs of the banking system.

CHAPTER VI¹

FINANCIAL MARKET INFRASTRUCTURES

[The name of Chapter VI¹ in the wording of the Law no.58 of 06.04.2017, in force on 14.04.2017]

Article 49¹. Regulation and supervision of the payment systems which operates in the Republic of Moldova

(1) National Bank regulate and supervises the payment and clearing systems, payment instruments and other components of the payment systems of the Republic of Moldova, which stable and efficient functioning is essential for the financial stability, for the implementation of the monetary policy and for the promotion of public trust in carrying out cashless payments.

(2) In order to regulate and supervise the payment systems in the Republic of Moldova, the National Bank is entitled to:

- a) enact policies in which to establish the principles and the modality of organizing the supervision of the payment and clearing systems , payment instruments and other components of the payment system that will be subject to supervision;
- b) adopt normative acts that establish the conditions and the organization, functioning and use of the payment and clearing systems, the payment instruments, other components of the payment systems of the Republic of Moldova;
- c) request and receive information and reports from the operators (administrators) and the participants to the payment and clearing systems;
- d) perform control over the organization and functioning of the payment and clearing systems, over the activity of operators (administrators) and participants to the payment and clearing systems;
- e) apply remedial measures and sanctions to operators (administrators) of the payment and clearing systems.

[Art. 49¹ amended by the Law no.208 of 12.10.2018, in force on 23.12.2018]

Article 49². Single Central Securities Depository

The National Bank establishes, regulates the activity and supervises the Single Central Securities Depository in accordance with the Law No. 234 of 03.10.2016 on the Single Central Securities Depository.

[Art. 49² amended by the Law no.58 of 06.04.2017, in force on 14.04.2017]

Article 49³. Provision of clearing and payment services

National Bank may provide clearing and payment services to banks and other eligible institutions, as well as may establish rules and enact the respective normative acts.

CHAPTER VII THE REGULATION OF FOREIGN EXCHANGE OPERATIONS

Article 50. Foreign exchange Control

The National Bank, as a foreign exchange control body,, performs, within the limits of its competence, the control over the observance of the foreign exchange legislation.

Article 51. Foreign exchange regulation

In the field of foreign exchange regulation, he National Bank shall:

- a) issue normative acts for the regulation (including authorization and reporting) of foreign exchange operations of individuals and legal entities, including those of banks and state bodies;
- b) license, withdraw the licenses of, supervise and regulate the activity of foreign exchange entities, including banks;

Letter c) repealed by Law No.147 of 30.07.2015 for the amendment and supplement of some normative acts, in force as of 21.08.2015

- d) establish the method for the determination of the rate of Moldovan Leu against foreign currencies.

Article 52. Reporting the foreign exchange operations

Banks, foreign exchange entities (other than banks), other legal entities and natural persons are obliged to report to the National Bank on the foreign exchange operations in accordance with the provisions of foreign exchange legislation.

Article 53. International reserve

(1) The National Bank shall hold in its balance sheet the international reserves of the state, which consist of the following assets:

- a) gold;
- b) foreign currency in the form of banknotes and coins or bank accounts held abroad in foreign currencies;
- c) any other assets internationally recognized;
- d) bills of exchange payable in foreign currencies;

e) receivables expressed in and payable in a foreign currency, issued or collateralized by foreign states, their central banks or international public banks, as well as forward purchase and repurchase agreements concluded with or collateralized by them.

(2) The main criteria in selecting reserve assets shall be safety of principal and liquidity.

(3) The National Bank shall maintain the international reserve at the level which, in the National Bank's opinion, is adequate for the implementation of the monetary and foreign exchange policies of the state.

(4) If the international reserve diminishes or the National Bank estimates that it is going to diminish to such an extent as to jeopardize the implementation of the foreign exchange policy or the timely fulfillment of the international transactions, the National Bank shall submit to the Parliament and to the Government a report on the state of international reserves and on the causes which have led or may lead to such a reduction. The report shall also contain recommendations to remedy the situation.

(5) The National Bank shall continue to make such reports and recommendations, until, in its opinion, the situation has been remedied.

[Art.54 repealed by the Law nr.382-XVI of 07.12.2006, in force 22.12.2006]

Article 55. International payments and clearing agreements

The National Bank may conclude payments and clearing agreements or any other similar contracts with public or private central clearing institutions from other countries, both on its own behalf and on the behalf of the and at the assignment of the state bodies.

CHAPTER VIII NATIONAL CURRENCY

Article 56. Monetary unit

(1) The monetary unit of the Republic shall be the Moldovan Leu. One Leu is divided in one hundred bani.

(2) The Moldovan Leu shall be the legal tender within the territory of the Republic of Moldova.

Article 57. The right to issue banknotes and coins

The National Bank shall have the exclusive right to issue on the territory of the Republic of Moldova banknotes and coins as legal tender, as well as commemorative and jubilee banknotes and coins as legal tender and for numismatic purposes.

Article 58. Legal tender

Banknotes and coins, issued as legal tender by the National Bank and not withdrawn from circulation, shall be accepted at their nominal value for the payment of all public and private debts on the territory of the Republic of Moldova.

Article 59. National currency features

- (1) The National Bank shall establish the nominal value, dimensions, weight, design and other features of the banknotes and coins that are legal tender in the Republic of Moldova.
- (2) The banknotes bear the signature of the National Bank Governor.
- (3) Any color reproduction of banknotes and coins, with the dimension from 2/3 to 4/3, partial or integral, for advertising purpose, for information or other commercial purposes is prohibited.

Article 60. Printing banknotes and minting coins

The National Bank shall organize the printing of banknotes and the minting of coins and shall take measures for the safekeeping of banknotes and coins, which are not placed into circulation, for the withdrawal and destruction of the banknotes and coins withdrawn from circulation.

Article 61. National currency exchange

- (1) The National Bank may exchange the national currency that is legal tender in the Republic of Moldova.
- (2) Worn out banknotes and coins shall be withdrawn, destroyed and replaced with other banknotes and coins by the National Bank.
- (3) The National Bank may refuse to exchange banknotes and coins, if the way of their submission does not correspond to the rules established by it.

Article 62. Ensurance of monetary circulation

- (1) The National Bank shall ensure the supply of banknotes and coins in order to meet the requirements of the monetary circulation.
- (2) National Bank may charge commissions when putting banknotes and coins into circulation as a legal tender and may set the price which is different from the nominal value, for the sale of commemorative and jubilee banknotes and coins.

Article 63. Keeping record of the currency issued

The aggregate amount of circulating banknotes and coins shall be recorded in the books of the National Bank as liabilities of the National Bank. These liabilities shall not include banknotes and coins placed in the cash reserve.

Article 64. National currency withdrawal

- (1) The National Bank has the exclusive right to withdraw from circulation any previously issued banknotes or coins.
- (2) At the end of the exchange period, withdrawn banknotes and coins shall cease to be legal tender.
- (3) The total amount of banknotes and coins withdrawn from circulation, but not replaced during the period established by the National Bank shall be deducted from the total cash in circulation registered in the accounting records and recorded as income of the National Bank.

CHAPTER IX

FINANCIAL STATEMENTS. EXTERNAL AUDIT. REPORTS

Article 65. Financial year

The financial year of the National Bank shall begin on 1st of January and end on 31st of December.

Article 66. Accounting Procedures

National Bank shall maintain at all times accounts and records adequate to reflect, in accordance with internationally accepted accounting practices, its operations and financial condition.

Article 67. Annual financial statements

At the end of each financial year, the National Bank shall prepare financial statements in accordance with financial reporting standards accepted in the international practice.

Article 68. External audit

The annual financial situations, accounts and records of the National Bank shall be subject to annual external audit, in accordance with international standards on auditing, conducted by an external audit organization, which shall be independent, with a recognized reputation and experience in the auditing of central banks and international banks, selected by the Supervisory Board on auction basis. The external auditor's report shall be published together with the annual financial situations of the National Bank. The same external audit organization may not be appointed consecutively for a period exceeding five years.

Article 69. Submission and publication of financial statements and reports

(1) National Bank shall submit to the Parliament in a plenary session, by June the 1st, a report that includes information on:

- a) financial statements certified by the external auditor;
- b) activity and its operations for the concluded financial year;
- c) economic situation of the State.

(1¹) A copy of the report shall be submitted to the President of the Republic of Moldova for information purposes.

(2) National Bank shall submit quarterly, within 45 days from the end of the quarter, to the Parliament and Government a report which contains the analysis of the macroeconomic situation and a medium term forecast on inflation and main macroeconomic indicators, which is published in the indicated time limit.

(3) National Bank may publish the financial statements and reports referred to in paragraphs (1)

- and (2), as well as any other financial and economic reports and studies.
- (4) National Bank publishes on an annual basis the state's balance of payments.
- (5) National Bank shall make public the statistics of the payment balance, international investment position and external debt of the Republic of Moldova:
- a) provisional data – quarterly, within 3 months from the end of the operating quarter;
 - b) final data – annually, within 9 months from the end of the operating year.

[Art.69 amended by the Law no.58 of 06.04.2017, in force on 14.04.2017]

CHAPTER X

MISCELLANEOUS PROVISIONS

Article 70. Preferential right

- (1) The National Bank shall have the preferential and unconditioned right to satisfy each of its claims that reaches maturity from any banking accounts or from other assets that it holds:
- a) on its own account;
 - b) on the account of the debtor concerned;
 - c) as collateral to secure its claims;
 - d) in any other way.
- (2) The National Bank shall exercise the right mentioned above by withdrawing the amounts due from bank accounts and selling other assets against a reasonable price, covering the claims from the net revenue received from sale. The exercise of this right in accordance with the present article shall not require a legal action. No competition between claims, including between the claims based on the property right shall impede the exercise of this preferential right, except for the cases when there are certain proofs that the staff of the National Bank knew or should have known that at the time when these assets, except for the monetary assets, came under the National Bank's possession, the assets did not belong to the debtor concerned.

Article 71. Prohibited activities

- (1) Except for the cases provided by this law, the National Bank shall not:
- a) grant any financial assistance, whether in the form of a direct or indirect loan, or by purchasing a loan, participation to a loan or the use of any instrument that has as result any liabilities, the assumption of a debt or in any other similar actions;
 - b) practice commercial activities, like purchasing shares of commercial companies, including the shares of banks, the acquisition of any ownership right of a financial commercial, agricultural, industrial nature.
- (2) By way of derogation from the provisions of paragraph (1), the National Bank may:
- a) make investments in amount of maximum 20 per cent from its capital and reserves in the institutions that have committed to offer only to the National Bank and to other banks financial services with regard to evaluation, administration and storage of collateral, processing and submission of data, printing financial instruments, clearing operations, courier services and property sale;
 - b) invest its financial means in liquid securities (receivables), issued by reliable institutions;

- c) to purchase for the purpose of covering the amounts owed to it, any goods, and exercise the rights and obligations related to these goods, under the condition to relieve itself of all these goods as soon as possible;
- d) grant credit to any of its employees on the basis of the regulation approved by the Supervisory Board.
- e) constitute and hold up to 100%, but not less than 76% of the share capital of the Single Central Securities Depository.

[Art.71 amended by Law No 114 of 15.08.2019, in force on 02.09.2019]

[Art.71 amended by the Law no.58 of 06.04.2017, in force on 14.04.2017]

[Art.71 amended by the Law no.62 of 08.04.2016, in force on 06.05.2016]

Article 72. Collection of statistical information

- (1) The National Bank shall collect the primary statistical information, necessary for the implementation of its objectives and duties, from the competent authorities of the state, banks and from other legal entities and individuals.
- (2) The National Bank shall contribute to the harmonization of the rules and practices governing the collection, processing and distribution of statistical data within its fields of competence.
- (3) By way of derogation from Article 5, paragraphs (1) and (2) of the Law on Commercial Secret, the National Bank shall define in its regulation the types of primary statistical information which are necessary for the National Bank and the way to provide this information, the persons obliged to provide such information to the National Bank, and the confidentiality regime that shall apply to this information.
- (4) In view of fulfilling its duties, under Article 8 paragraph (1), the National Bank may publish the statistical data that it collects totally or partially aggregated.
- (5) The provisions of this chapter shall also refer to the compilation and publication of the statistics of the payment balance, international investment position and external debt.

Article 73. [Repealed by Law nr. 268-XVI of 28.07.2006, in force from 08.09.2006]

Article 74. Standards of adequate management

- (1) The National Bank shall exercise the powers conferred upon by this law in a equitable and uniform way and in accordance with adequate management practices. The Bank may not use its powers for purposes that exceed its competence and objective.
- (2) The decisions of the National Bank, adopted pursuant to this law, shall be impartial, based merely on objective reasons and shall be strictly and correctly executed.

Article 75. Sanctions, sanctioning measures, supervision and other remediation measures

- (1) The National Bank, in case of finding a violation of the law or its regulations, of the licensing conditions, of the requirements of authorizations, permits, approvals and confirmations issued by National Bank (hereinafter authorizations), of the shortcomings in the activity, of the failure to execute the sanctions, sanctioning measures, supervision and remedial measures imposed (hereinafter violations), may apply the following sanctions:
 - a) sanctions provided for in the Law no. 202/2017 On Banks Activity;

- b) issuance of a written warning;
 - c) incontestable application and charge of a fine to the foreign exchange entity (other than banks) in the amount from 5000 up to 25,000 lei;
 - d) suspension of the activity, partially or totally;
 - e) withdrawal of the license, authorization.
- (2) When finding the violations referred to in paragraph (1), the National Bank may apply the following remedial measures, sanctioning and supervision measures:
- a) sanctioning and supervision measures provided by the Law no. 202/2017 On Banks Activity;
 - b) issuance of prescriptions;
 - c) conclusion of an agreement;
 - d) other measures that are not contrary to the law and the tasks of the National Bank.
- (3) The sanctions provided for in paragraph (1) can be applied simultaneously with the remedial measures, sanctioning and supervision measures, referred to in paragraph (2) or independently.
- (4) As a rule, the written warning provides the information about the violations found, the requirement to liquidate the violations in the prescribed period and recommendations on the way of remediating them, and a warning on the possibility to apply tougher sanctions and/or remedial measures, or supervision measures, in case of failure to liquidate the violations in the time limit established or in the case of repeated violations.
- (5) The written warning can be issued and applied simultaneously with the application of other sanction or remedial measure, or sanctioning or supervision measure, or independently of them.
- (6) Partial or total suspension of the activity has as effect the prohibition to perform, for a certain period of time, some activities / all the activities, the activity of some subdivisions or the prohibition to carry out some operations / all operations for which the license/authorization was issued. In case of suspension of the activity, the conclusion of new contracts or the prolongation for a new term of the contracts previously concluded, if the execution of these contracts is connected with the suspended activity or with the future performance of the prohibited transactions or operations, is not allowed.
- (7) During the suspension of the activity, the validity period of the license/authorization issued for a fixed period is not extended.

Article 75¹. Finding of violations

- (1) Finding of facts that constitute violations is done by the National Bank staff or by expert accountants, authorized accountants and other qualified professionals appointed to that effect by the National Bank (hereinafter inspectors), on the basis of reports and other data submitted according to the law and National Bank regulations or at the National Bank express written request (off-site inspection) or during inspections conducted at the premises of the bank / foreign exchange entity (on-site inspection).
- (2) Finding of violations is done, on a case by case basis, through studying and analyzing of the acts of incorporation, of the internal regulations and policies, reports and statements, internal documents prepared as a result of the operations performed, accounting acts, business acts of internal and external character (contracts, certificates, protocols, requests, informative notes etc.), including acts referring to the shareholders (associates), beneficial owners, customers, counteragents of the person under control, other documents and data, on paper and / or electronic format.
- (3) On-site inspection is performed on the basis of a written decision of the National Bank, that

includes: the number and the date of the decision, name and address of the person subject to inspection; the type of inspection (complex, thematic, etc.), as applicable, the period of activity subject to inspection (except for the inspection on the liquidation of the violations previously found), date of inspection commencement, name, surname of the inspectors mandated to conduct the inspection, function, name and signature of the person who issued the decision.

(4) The off-site inspection shall be conducted without issuing a written decision.

(5) The inspection over compliance with the authorizations requirements in the foreign exchange sector issued by the National Bank shall be conducted on the basis of the off-site inspection .

(6) The inspection over the foreign exchange entity activity is conducted in accordance with the Law No. 62-XVI from 21 March 2008 on foreign exchange regulation, taking into account the provisions of the present article.

(7) Based on results of the on-site inspection, a document (report) on the inspection results shall be drawn up, in two copies, that includes: date and place of drawing up, the number and the date of the decision on the basis of which the control was performed; the name and address of the person subject to inspection and in the case of the presence of the person's subject to inspection representative - name and her function; period (date) of the inspection, information on the inspection results, including on the violations found and their character; name, surname, function of the Executive Board Chairman or of the person's subject to inspection representative that received the document, date and his signature or refusal to sign the document; names and signatures of the inspectors who carried out the inspection. The date of drawing up the act shall be the date when it was handed (received) under paragraphs (8) and (9).

(8) In case of on-site inspection over the bank's activity, a copy of the preliminary act on inspection results shall be submitted (handed) to the bank for presenting, if the case is, in written form within 5 working days from the date when the act was drawn up, the argumentation of disagreement, attaching, where applicable, the relevant documents. Following the examination of the objections and explanations of the bank, the act on the results of the on-site inspection shall be drawn up (in two copies), a copy of which shall be submitted (handed) to the bank.

(9) In case of on-site inspection over the activity of the foreign exchange entity, a copy of the act on inspection results shall be submitted (handed to) the person subject to inspection (to its representative) for signature and, where applicable, for submission in written form, within 5 working days from the date when the act was drawn up, of the argumentation of disagreement, attaching, if the case is, the relevant documents.

(10) If during the off-site inspection violations are found, the information on violations found shall be notified to the person subject to inspection, with the request to liquidate them. In case of disagreement with the results of the off-site inspection, the person shall be entitled, within 5 working days after handing (receiving) that information, to submit a written argumentation of the disagreement, attaching the relevant documents.

(10¹) By way of derogation from the provisions of paragraph (8) and (10), in the event an urgent decision needs to be adopted in order to prevent significant damages in the financial system, the National Bank may order that the application of sanctions and measures without prior informing the person subject to inspection with regard to the violations found and without providing a term to submit the argumentation of disagreement. In these cases, by way of derogation from the provisions of paragraph (11), the date of violation is considered the date of the decision provided in this paragraph.

(11) The date of finding the violation shall be:

- a) in the case of on-site inspection – the date of drawing up the act on inspection results;
- b) in the case of off-site inspection – the date of notifying the person on the violations found.

[Art. 75¹ amended by the Law no.233 of 03.10.2016, in force on 04.10.2016]

Article 75². Application of sanctions, sanctioning measures, supervision measures and remedial measures

- (1) Sanctions, sanctioning measures and supervision measures for banks shall be applied by the management bodies of the National Bank empowered to do so under the Law 202/2017 On Banks Activity.
- (2) Sanctions and remedial measures applied to foreign exchange control agents, specified in Article 58 (2) b) and c) of the Law No. 62-XVI of 21 March 2008 on foreign exchange regulation, and also to the holders of authorizations issued by the National Bank, shall be applied by the Governor, First Deputy Governor, Deputy Governors, except the suspension of activity and withdrawal of the license/authorization which shall be applied by the Executive Board.
- (3) The Executive Board may issue decisions concerning the application of sanctions, sanctioning measures, supervision measures and remedial measures with regard to any person subject to control.
- (4) Application of sanctions shall have a limitation period of 6 months after finding a violation, but not more than three years after its commission, unless the law provides otherwise.
- (5) At the individualization of sanctions shall be taken into account the seriousness of violations committed, the repeated character, and the real and personal circumstances of the violations. Repeated is considered the violation committed within 2 years from the date of finding the same kind of violation.
- (6) Sanctions, sanctioning measures, supervision measures and remedial measures shall be executed immediately after receiving the decision on their application, unless the decision provides otherwise.
- (7) Issuance of a written warning, suspension of the activity, the revocation of the license for the foreign exchange entity activity (other than the bank), is performed according to the Law No. 62-XVI of 21 March 2008 on foreign exchange regulation.
- (8) A foreign exchange entity (other than banks) can be fined in case it committed two or more violations that, according to the Law No. 62-XVI of 21 March 2008 on foreign exchange regulation, serve as a basis for the issuance of a written warning by the National Bank.
- (9) *<repealed>*
- (10) The decision on the application of a fine is an enforceable document.
- (11) The decision on the application of a fine shall be handed personally to the person subject to control or sent by registered letter within 3 working days from the issuance date. In case of failure to pay the fine within 10 days from the receipt of the decision on imposing the fine, the National Bank shall:
 - a) incontestably charge the fine to the bank by deducting the amount from the bank accounts opened at the National Bank;
 - b) submit to the bank holding the account of the foreign exchange entity (other than the bank) the decision, together with the collection order for the incontestable charge of the fine.
 - c) submit the decision (excerpt of decision) for enforcement to the judicial executor, in the order established by the Enforcement Code of the Republic of Moldova, in case of withdrawal/return

of that decision because of the lack or insufficiency of funds in the bank account of the foreign exchange entity (other than the bank), and in case applying fines to other persons.

(12) The fine shall be transferred to the state budget.

(13) The decision (excerpt of the decision) on the application of fine, after fully executing it, shall be returned to the National Bank together with the notice of enforcement.

(14) The person that was subject to sanctions (other than withdrawal of the license/authorization), sanctioning measures, supervision measures and remedial measures is obliged to notify the National Bank about the liquidation of circumstances that led to the application of sanctions, sanctioning measures, supervision measures and remedial measures and, where applicable, to take other actions provided by the decision on the application of the sanction, sanctioning measure, supervision measure and the remedial measure and by the normative acts. The National Bank shall have the right to check if the circumstances mentioned were liquidated.

(15) The person whose license/authorization was withdrawn is obliged, within 10 working days, and in case of bank license withdrawal - within 3 working days from the date of adoption of the decision to withdraw the license/authorization, submit to the National Bank the original of the withdrawn license/authorization and the authorized copies of the license.

Article 76. Disputes settlement

The disputes arising between the National Bank and other subjects are examined by the competent court.

CHAPTER XI FINAL AND TRANSITORY PROVISIONS

Article 76¹

(1) Annually, for the corresponding budgetary year, the Government and the National Bank shall agree on the balance of the state debt previously contracted from the National Bank.

(2) By way of derogation from the provisions of Article 41 of this law, the Executive Board shall approve the re-conclusion of loans in Moldovan Lei previously provided to the state and the approval of reissuance of state securities issued following the conversion of previously contracted loans.

(3) Re-concluded loans shall be collateralized with negotiable receivables bearing the market interest rate with the maturity date corresponding to the maturity of collateralized loans, issued and delivered by the state to the National Bank. For each re-concluded loan and for each tranche of re-issued state securities, an agreement shall be concluded between the Government, represented by the Ministry of Finance, and the National Bank. The agreement shall specify the principal amount of the re-concluded loan or of the reissued state securities, the maturity, interest rate and other charges.

Article 77

(1) The present law shall enter into force from the date of publication.

(2) At the entrance into force of the present law the following acts shall be abrogated:

- The law No 599-XII dated June 11, 1991 on State National Bank of Moldova (the National Bank of Moldova);
- Parliament decree No 600-XII dated June 11, 1991 on the implementation of the Republic of Moldova Law on the State National Bank of Moldova;
- Parliament decree No 667-XII dated July 24, 1991 on approval of the Statute of the National Bank of Moldova;
- Law No 884-XII dated January 23, 1992 on the introduction of a modification in the Law on the State National Bank of Moldova;
- Parliament Decree No 976-XII dated March 19, 1992, on the assignment of Mr. Leonid Talmaci in the position of the Governor of the State National Bank of Moldova;
- Article 4 (1) from the Parliament decree No 1201-XII dated November 19, 1992 on the solution of the socio-economic problems exposed in the Prime-minister's report;
- Law No 1202-XII dated November 19, 1992 on modification of the Law on the State National Bank of Moldova (the National Bank of Moldova);
- Law No 1234-XII from December 18, 1992 for the modification and completion of the Law on the State National Bank of Moldova;
- Parliament decree No 1235-XII dated December 15, 1992, on modification of the Article 19 from the State National Bank of Moldova Statute;
- Law No 125-XIII dated May 27, 1994 for the modification and completion of the Law on the State National Bank of Moldova (the National Bank of Moldova);
- Parliament decree No 125a-XIII dated May 27, 1994 on implementation of the Law for the modification and completion of the Law on the State National Bank of Moldova (the National Bank of Moldova);
- Parliament decree No 128a-XIII dated May 27, 1994 for the modification of the paragraph 5 from the Parliament decree on implementation of the Law on the State National Bank of Moldova;
- Parliament decree No 281-XIII dated November 11, 1994 on modification and completion of the State National Bank of Moldova Statute (the National Bank of Moldova).

(3) It is suggested to the President of the Republic of Moldova to abrogate the Decree dated June 4, 1991 on the National Bank of Moldova.

[Para 4 Art. 77 abrogated following law. 378 XIV dated 30.04.99]

[The Article 77 Para (4) is declared non-constitutional following the Decision of the Constitutional Court no. 9 dated 18.02.99]

Chairman of the Parliament

Petru LUCINSCHI

Chisinau, July 21, 1995

No 548-XIII.