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Annexe

CENTRAL  
BANKING  
LEGISLATION

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# CENTRAL BANKING LEGISLATION

A collection of  
Central Bank, Monetary and Banking Laws

## INTERNATIONAL MONETARY FUND MONOGRAPH SERIES

- No. 1. Central Banking Legislation: A Collection of Central Bank, Monetary and Banking Laws, selected and annotated by Hans Aufricht (1961)
- No. 2. The Fund Agreement in the Courts, by Joseph Gold (1962)
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Volume II: Europe

Statutes and related materials  
selected and annotated by  
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## **ICELAND**

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## Publication of Statutes and Regulations

All Icelandic laws adopted through the Spring Session, 1965, of the Althing have been published, together with a chronological and subject index, in a two-volume edition called *Lagasafn* (Reykjavik, 1965). All rules that are generally applicable and have been issued subsequent to 1953 appear in *Stjórnartíðindi*; laws enacted by the Althing are included in Part A and decrees and regulations in Part B. *Lögbirtingablaðið* is the journal in which legal notices are published.

## The Central Bank of Iceland Law, 1961<sup>1</sup>

NOTE:—The National Bank of Iceland (*Landsbanki Íslands*) was set up as a commercial bank under Law No. 14 of September 18, 1885. The sole right to issue notes was conferred on it in 1927. Under Law No. 10 of April 15, 1928, the National Bank was divided into three financially independent departments—the Note Issue Department, the Savings Department, and the Mortgage Credit Department—under the joint management of the principal organs of the National Bank. In 1957, the National Bank was divided into two main sections, the Central Bank and the Commercial Bank, each under separate management; the Mortgage Credit Department and the Fisheries Mortgage Department were placed under the Central Bank, and the Savings Department became part of the Commercial Bank. (See Art. 1 of Law No. 63 of June 21, 1957.)

The Central Bank of Iceland (*Seðlabanki Íslands*) was established by virtue of Law No. 10 of March 29, 1961. As of that date the Central Bank took over all assets and liabilities of the Central Bank section of the National Bank, and the National Bank has since operated exclusively as a commercial bank.

### CHAPTER I.—ORGANIZATION AND PURPOSES OF THE BANK

**Art. 1.** Seðlabanki Íslands (in English, the Central Bank of Iceland) is an independent State-owned institution under a separate management according to the present Law.

The Central Bank of Iceland (hereinafter called the Central Bank) takes over all the assets and liabilities of "The National Bank of Iceland, the Central Bank."<sup>2</sup> Of the capital and reserve funds of "The National Bank of Iceland, the Central Bank," one hundred million krónur shall be counted as the Capital Fund of the Central Bank of Iceland.

**Art. 2.** The State Treasury is liable for all the obligations of the Central Bank. The domicile and venue of the Central Bank is at Reykjavik.

<sup>1</sup> Lögum Seðlabanka Íslands (Law No. 10) of March 29, 1961, as amended through July 31, 1966. In the version published here, the word Chapter corresponds to the Icelandic word *Káfla* and the abbreviation Art. to the Icelandic abbreviation gr. For the text in Icelandic see *Stjórnartíðindi*, 1961, A, 6, or the Central Bank's pamphlet edition, dated January 1963.

<sup>2</sup> The phrase "The National Bank of Iceland, the Central Bank" refers to the Central Bank section of the National Bank that was set up by virtue of legislation passed in 1957 (see NOTE, above).

**Art. 3.** The purposes of the Central Bank are:

- (1) to issue bank notes and endeavor to keep the supply of money and credit appropriate for the maintenance of a stable price level and for the fullest and most rational utilization of the productive capacity of the country's industries;
- (2) to build up and maintain sufficient foreign exchange reserves to ensure free trade with other countries and the external financial security of the nation;
- (3) to buy and sell foreign exchange, control the rate of exchange and control and supervise foreign exchange transactions;
- (4) to handle the banking transactions of the State Treasury and advise the Government on everything relating to foreign exchange and monetary matters;
- (5) to be the bank of other banks and monetary institutions, supervise the working of banks and savings banks and work for a healthy money and bond market;
- (6) to prepare as complete reports and forecasts as possible regarding anything pertaining to its function;
- (7) to engage in other activities compatible with its purpose as a central bank.

**Art. 4.** In all its activities the Central Bank shall maintain close cooperation with the Government and present to it its views respecting policy in economic affairs and its execution. In the event of a material disagreement with the Government, it shall be right for the Board of Governors of the Central Bank to state so publicly and explain its views. It shall nevertheless consider it as one of its main objects to endeavor to make effective the policy the Government finally decides upon.

**CHAPTER II.—FISHERIES MORTGAGE DEPARTMENT**

**Art. 5.** The Fisheries Mortgage Department is a department of the Central Bank with separate accounting. The purpose of the Fisheries Mortgage Department is to advance loans to concerns engaged in the fishing industry against mortgages on their property.

The Fisheries Mortgage Department operates according to separate laws and by-laws. The Fisheries Mortgage Department is entitled to open new categories of loans as considered necessary by the Board of Governors of the Central Bank, such new categories of loans being subject to Law No. 41/1946, but not to the provisions of Articles 3-11. Provisions respecting new loan categories shall be fixed in a regulation to be promulgated by the Minister in charge of banking affairs upon the recommendation of the Board of Governors of the Central Bank.

**CHAPTER III.—NOTE ISSUE AND COINS**

**Art. 6.** The Central Bank has the sole right to issue bank notes and other currency which may circulate in place of bank notes or lawful coins.

The bank notes issued by the Bank shall be legal tender for all payments at full denomination.

The Minister in charge of banking affairs decides upon the recommendation of the Central Bank the form, appearance and denominations of the notes issued by the Bank and publishes an announcement to that effect.

**Art. 7.** The Central Bank shall endeavor to keep at all times against one half of the notes in circulation gold, deposits or other easily salable and free assets in foreign exchange which may be used as payment anywhere. The Bank shall publish regular reports on the proportion of notes in circulation to such security.

**Art. 8.** The Ministry of Finance may make an agreement with the Central Bank to take over from the State Treasury the issue of coins and in such an event Law No. 19/1925 respecting Icelandic Coins shall be abrogated. In place thereof the provisions of Article 6 of the present Law shall take effect respecting the issue of coins in the same way as bank notes.

**CHAPTER IV.—INLAND ACTIVITIES OF THE CENTRAL BANK AND SUPERVISION OF BANKING**

**Art. 9.** The Central Bank accepts deposits from banks, savings banks and other monetary institutions, and it may advance loans to them by rediscounting sound bills of exchange, or in any other way against security deemed valid by the Bank.

**Art. 10.** The Central Bank is in charge of the inspection of the activities of banks, savings banks, deposit departments of cooperative societies, the Savings Fund of Iceland and any such other institutions as accept deposits from the public or engage in comparable activities in the judgment of the Central Bank.

The Inspectorate of Banking, which shall be the name of this activity, shall see to it that financial institutions follow the laws and rules applying at any given time concerning their activities. It shall also be entitled to make comments if it considers that the economy or operation of a financial institution is unsound, and such comments shall forthwith be brought to the notice of the Minister concerned. The Inspectorate of Banking shall take over the activities in respect of savings banks which the Inspectorate of Savings Banks was entrusted with by Law No. 69/1941 respecting Savings Banks.

Financial institutions shall furnish the Inspectorate of Banking with their accounts and other information in the form and at the intervals required. The Inspectorate of Banking is also entitled to examine the accounts and assets of financial institutions whenever deemed appropriate.

The Central Bank shall take over the custody and management of the Savings Banks' Guarantee Fund, cf. Article 17 of Law No. 69/1941, and its auditing shall be subject to the provisions of Article 30 of the present Law.

When a financial institution desires to establish a branch or agency office, it shall apply for permission therefor to the Central Bank. The Bank shall submit the application with its opinion to the Minister in charge of matters relating to the institution concerned, and the Minister shall then decide whether a permit will be granted.

**Art. 11.** The financial institutions referred to in Article 10 as well as other public credit institutions and investment funds shall as far as possible keep their liquid assets on accounts with the Central Bank.

The financial institutions referred to in Article 10 shall also have funds on a blocked account with the Central Bank if so instructed under paragraphs 3 to 5 of this Article. The main object of the blocking of deposits is that of acquiring funds from the banking system as a whole, in order to sustain the Central Bank's advances in this country, including the rediscounting of paper customarily used in the financing of commodity transactions.

The Central Bank may decide that the aforesaid financial institutions shall hold on account with the Central Bank funds amounting to a specific percentage of the deposits of the institution concerned. The maximum blocking of deposits may amount to twenty-five per cent of the total deposits of each institution.

The Central Bank may also decide that a specific portion of the increase in deposits shall be blocked on account with it, but the total deposit which the institution concerned shall be required to hold at the Central Bank shall not exceed the maximum referred to in paragraph 3.

The Central Bank shall issue further regulations relating to the implementation of the blocking of deposits in accordance with paragraphs 3 and 4, but the duty of blocking shall be equal for all institutions.

**Art. 12.** The Central Bank may decide that the financial institutions referred to in Article 10 shall own securities guaranteed by the State or other sound securities amounting to up to ten per cent of deposits with them, unless a higher amount is prescribed by law. The Bank also decides what securities shall be deemed valid for this purpose. When regular stock exchange quotations are available, securities other than those quoted shall on the whole not be deemed valid, and their value shall be reckoned according to market price.

**Art. 13.** The Central Bank has the right to fix maximum and minimum interest on deposits and loans permissible to the financial institutions referred to in Article 10. This power also extends to fixing maximum interest according to Law No. 58/1960. The fixing of interest shall be published in the *Lögbirtingablaðið*. This power also extends to remuneration equivalent to interest in the opinion of the Central Bank.

**Art. 14.** The Central Bank is the State Treasury's banker, performing for it any kind of banking services. All deposits of the State Treasury and such State institutions as appear in the finance bill shall as far as possible be kept in the Central Bank. In the event of substantial transfers of deposits being necessary as a result of this provision, the Central Bank shall endeavor to ensure, for instance by compensatory purchase of securities, that they do not cause difficulties to the financial institutions concerned.

The Central Bank may advance short-term loans to the State Treasury, and an effort shall be made to settle such loans at the end of each financial year.

**Art. 15.** The Central Bank may buy and sell securities guaranteed by the State and other sound securities, and it shall work toward the establishment of organized trading in securities. For this purpose the Bank may establish and operate a stock exchange where business is transacted in bonds and shares according to rules fixed by the Board of Governors and confirmed by the Minister concerned.

The Central Bank is authorized to incur liabilities in this country by means of the issue of bonds with a provision to the effect that capital and/or interest shall be subject to the rate of foreign exchange. Such bonds and interest thereon shall be exempt from the requirement to report them in tax returns and from taxation in the same manner as savings funds, cf. Article 21 of Law No. 70/1962.

**Art. 16.** The Central Bank shall operate a clearinghouse system to facilitate check transactions and expedite domestic payments in other ways.

In this connection the Bank is authorized to undertake the collection of checks which have been accepted by financial institutions and for which there is an insufficient deposit, and to stipulate a collection charge from the party issuing such a check in accordance with further rules to be issued by the Minister.

**Art. 17.** The Central Bank may engage in other banking activities considered consistent with its purpose as a Central Bank. It shall, however, neither transact business with the public nor compete with other credit institutions for business.

#### CHAPTER V.—RATE OF EXCHANGE AND FOREIGN BUSINESS

**Art. 18.** Subject to the approval of the Government, the Central Bank determines the par value of the Icelandic króna in relation to foreign exchange and gold. Buying and selling rates must not be more than one per cent under or one per cent over par value. Within these limits the Central Bank quotes daily the buying and selling rates of exchange of the currencies necessary for normal business.

The Central Bank shall endeavor to build up the foreign exchange reserves of the country and keep them as far as possible in safe and easily

salable securities or deposits, and in foreign exchange which may be used as payment anywhere.

**Art. 19.** In addition to the Central Bank, the National Bank of Iceland and the Fisheries Bank of Iceland have the right to deal in foreign exchange. The Board of Governors of the Central Bank may permit other banks, as also the Postal Administration, to deal in foreign exchange within limits fixed by the Board of Governors, subject to the approval of the Minister concerned.

**Art. 20.** The Central Bank is in charge of the performance of payments agreements with other States, as well as transactions with international financial institutions as agent of the Government. It shall advise the Government on all matters pertaining to foreign exchange, including the raising of foreign loans, undertaking the performance in this respect as may be agreed.

The Central Bank may raise loans abroad for the general requirements of the country in connection with its foreign exchange transactions.

Furthermore, the Central Bank may raise loans abroad for the purpose of relending the money in Iceland provided such relending is guaranteed by the State Treasury.

The Central Bank is exempt from the provision of Article 7 of Law No. 30/1960 respecting the Arrangement of Matters relating to Imports, Foreign Exchange, etc., as regards loans according to paragraphs 2 and 3.

**Art. 21.** The Central Bank exercises supervision over foreign exchange dealings and sees to it that rules respecting the dealings in and disposal of foreign exchange are followed. By virtue of this work the Currency Control of the Bank is entitled to demand of individuals, concerns and institutions all necessary information concerning matters relating to foreign exchange.

Further rules concerning the handling of foreign exchange and the performance of the Currency Control shall be fixed in a regulation to be promulgated by the Minister concerned according to the provisions of the present Law and Law No. 30/1960 respecting the Arrangement of Matters relating to Imports, Foreign Exchange, etc., the recommendation of the Central Bank having been obtained.

**Art. 22.** The Central Bank is, for and on behalf of the State, in financial relationship with the International Monetary Fund, but as soon as this Law enters into force and the quota of Iceland in the Fund is transferred to the account of the Central Bank, the Treasury's liabilities to the Bank on account of the contributions hitherto made by Iceland to the Fund will be annulled.<sup>3</sup>

<sup>3</sup> Under Art. 1 of the Law of May 18, 1965, the Central Bank was required to supply the amount due in connection with the increase of Iceland's quota in the International Monetary Fund from US\$11.25 million to US\$15 million.

#### CHAPTER VI.—STATISTICAL REPORTS

**Art. 23.** The Central Bank operates an Economic Department which gathers information and makes estimates in the fields of balance of payments, foreign exchange and monetary policy, as well as matters pertaining to the purposes of the Bank, and it shall publish the fullest possible information on those subjects.

The Economic Department shall also compile other reports and make observations respecting economic affairs, and inclusive thereof it shall deal with such subjects in this sphere as the Government may entrust to its care. In this matter the Economic Department shall maintain close cooperation with the Statistical Bureau of Iceland and other bodies dealing with similar subjects.

All those concerned shall furnish the Economic Department of the Central Bank with such information as it requires in connection with the compilation of statistical reports.

#### CHAPTER VII.—ADMINISTRATION OF THE BANK

**Art. 24.** The supreme authority of the Central Bank is vested in the Minister in charge of banking affairs and a Board of Directors as provided in this Act. In other respects the administration of the Bank is in the hands of a Board of Governors consisting of three Governors.

**Art. 25.** The Board of Governors of the Central Bank is composed of three Governors appointed by the Minister concerned upon the recommendation of the Board of Directors. The Board of Governors elects a Chairman for a term of not less than one year.

In the event of a temporary unavoidable absence of a Governor, the Minister concerned may nominate an Alternate upon the recommendation of the Board of Directors.

Governors may not hold directorships in other monetary institutions or concerns, or fill other positions which may be regarded as being in direct association with their occupation in the Bank, except by consent of the Minister concerned.

**Art. 26.** The Board of Governors is responsible for the operation of the Central Bank, and it carries executive authority in all its affairs not entrusted to others according to this Law.

The Board of Governors holds meetings as often as considered necessary, and whenever any of the Governors may desire.

The signatures of two Governors are required so as to be binding on the Bank. The Board of Directors may, however, authorize specific employees to pledge the Bank by their signatures in specific matters. Powers of attorney shall be further decided in by-laws.

**Art. 27.** Having received the opinion of the Board of Directors, the Minister concerned may dismiss a Governor. The Minister shall explain

the reason for the dismissal in writing, and the Governor is entitled to a full salary for one to three years, as also a pension after the age of sixty-five, amounting to not less than two thirds of the salary, both according to a further decision by the Minister. In the event of a Governor resigning office he shall receive salary for up to one year, as also a pension as decided by the Minister.

The Minister may also dismiss a Governor without notice and without special payment of salary if the Governor is guilty of a transgression in his office.

**Art. 28.** The Board of Directors of the Central Bank is composed of five persons, elected by the Althing by proportional representation for a term of four years, together with an equal number as Alternates. The Minister concerned appoints one of the elected Directors as Chairman of the Board of Directors for a term of four years, and a second Director as Vice-Chairman.

The Directors or their Alternates shall be resident in Reykjavik or so close to Reykjavik that they can conveniently attend Board meetings at any time.

An Alternate receives fee in lieu of a Director while acting on the Board.

**Art. 29.** The Board of Directors supervises the activities of the Central Bank, and the Board of Governors shall deliberate closely with the Board of Directors on the general policy of the Bank, as also on decisions in important matters of consequence to the policy of the Bank, such as interest rates and minimum reserve requirements. Moreover, the Board of Governors shall furnish the Board of Directors with regular reports on the activities of the Bank and the evolution of foreign exchange and monetary matters.

The Board of Directors makes proposals concerning the by-laws of the Bank and letters patent for the Governors to be issued by the Minister concerned.

The Board of Directors holds meetings as necessary, but usually not less than fortnightly. The Board of Governors prepares the meetings of the Board of Directors, together with the Chairman of the Board of Directors. The Governors attend meetings of the Board of Directors and participate in discussions, except when matters relating to themselves are discussed.

**Art. 30.** The Board of Directors is responsible for the auditing of the accounts of the Bank, and a special Auditing Department shall function in the Bank under its supervision. Further, the Chairman of the Board of Directors, and in his absence the Vice-Chairman, together with a special auditor versed in accountancy and engaged for the purpose by the Board of Directors, shall oversee the performance of the auditing and carry out regular examinations of the accounts and assets of the Bank.

**Art. 31.** The Board of Directors engages the Chief Cashier of the Central Bank and the Chief of the Auditing Department. The Board of Governors engages and dismisses all other employees.

Directors' fees are fixed by the Minister concerned. Salaries of Governors and other employees of the Bank, as also pensions, are fixed by the Board of Directors.

#### CHAPTER VIII.—ACCOUNTING

**Art. 32.** The financial year of the Central Bank is the calendar year. The annual accounts of the Bank shall be drawn up as soon as possible after the end of the year. Auditing finished, they shall be confirmed by the Board of Directors and approved by the Minister concerned. Thereupon the accounts shall be published in the Annual Report of the Bank and in the *Stjórnartíðindi*. Moreover, the Bank shall publish a monthly balance sheet.

**Art. 33.** All operating expenses as well as losses sustained by the Bank during the year shall be paid out of the annual income.

Of the remaining profit, a five per cent dividend shall be paid on the Capital Fund of the Bank, the dividend payment never to exceed one half of the profit. Circumstances permitting, and upon the recommendation of the Board of Governors, the Board of Directors may, however, determine a higher payment of dividend.

The part of the profit not paid as dividend shall be allocated by the Board of Directors to the reserve funds of the Bank and its departments upon the recommendation of the Board of Governors.

The dividend paid on the Capital Fund according to the provisions of paragraph 2 accrues to a special fund maintained at the Central Bank, and one half of the income of the fund shall accrue to the Science Fund of Iceland, cf. Law No. 51/1957 respecting the Science Fund of Iceland.

#### CHAPTER IX.—MISCELLANEOUS PROVISIONS

**Art. 34.** Governors, members of the Board of Directors and all employees of the Bank are bound to secrecy concerning matters about which they gain knowledge in their occupation and which should be kept secret according to law, instructions of superiors or by the nature of the case. Professional secrecy continues although employment ceases.

**Art. 35.** The Bank is exempt from all public dues and taxes of whatever description, including dues or taxes to the State Treasury and Municipal Treasuries, or to other institutions.

The books of the Bank, drafts, obligations issued by the Bank and in its name, as also obligations giving the Bank title to a pledge, coupons of the Bank's bonds and transfers of such coupons, shall be exempt from stamp duty.

**Art. 36.** Further provisions concerning the activities of the Bank, including a provision for penalties in the form of daily penalty or penal interest if the decisions of the Bank according to this Law are not complied with,

shall be fixed in by-laws to be promulgated by the Minister concerned, the recommendations of the Board of Directors having been obtained.

**Art. 37.** This Law takes effect forthwith. At the same time, Law No. 63 of June 21, 1957 shall be abrogated.

#### TRANSITIONAL PROVISIONS

The Althing shall, upon this Law taking effect, elect a Board of Directors according to the provisions of this Law for a term of office lasting until the end of 1964, the Board of Directors together with the Minister concerned taking measures for the appointment of a new Board of Governors for the Central Bank, whereupon the mandate of the present Board of Governors of the Central Bank shall cease.

So long as the Central Bank operates in the same building as the National Bank of Iceland, the Banks may cooperate as regards staff, auditing, etc., as may be agreed.

The Central Bank and the Ministry of Finance may make an agreement about payment into a noninterest-bearing account of the State Treasury with the Central Bank of unallocated deposits of the State Treasury with the Central Bank in respect of the Counterpart Fund, cf. the provisions of Article 5 of the Law respecting Economic Matters, and furthermore the sum of fifty million krónur out of counterpart funds kept in a separate account with the Central Bank, cf. Article 4 of Law No. 17/1953 respecting the Iceland Bank of Development, the Central Bank undertaking to settle the remainder of the account out of working profits in 1960 and the following years, as further decided by the Board of Directors.

#### The Monetary Unit: A Note

The basic monetary unit of Iceland is the króna.

The Icelandic króna was introduced as a separate currency unit on December 1, 1918. On its legal and factual status from 1918 through 1950, see René Sébillot, *Toutes les monnaies du monde: Dictionnaire des changes* (Paris, 1955), pp. 103-104. On the issue of notes and coins in terms of the króna, see Arts. 6-8 of the Central Bank of Iceland Law, 1961 (above, p. 347).

*Par Value.* With effect from December 18, 1946, Iceland agreed with the International Monetary Fund on an initial par value of 0.136954 gram of fine gold per króna or 6.48885 krónur per U.S. dollar. Subsequently, with the concurrence of the Fund, the par value was changed to 0.0951359 gram of fine gold per króna or 9.34107 krónur per U.S. dollar with effect from September 21,

1949; to 0.0545676 gram of fine gold per króna or 16.2857 krónur per U.S. dollar with effect from March 20, 1950; to 0.0233861 gram of fine gold per króna or 38 krónur per U.S. dollar with effect from February 22, 1960; and to 0.0206668 gram of fine gold per króna or 43 krónur per U.S. dollar with effect from August 4, 1961.

#### The Bretton Woods Agreements Law, 1945<sup>1</sup>

Law concerning the participation of Iceland in the establishment of a Monetary Fund and an International Bank in conformity with the proposals of the Bretton Woods Conference, and concerning borrowing for this purpose.

**Art. 1.** The Government of Iceland is hereby authorized, in the name of the Republic of Iceland, to participate in the establishment of a Monetary Fund and an International Bank in conformity with the proposals agreed upon at the United and Associated Nations' Conference at Bretton Woods in the United States of America in July 1944.

**Art. 2.** The Minister in charge of banking shall appoint, for a period of five years, a Governor and an Alternate on the Board of Governors of the Monetary Fund, and also, and for the same period, a Governor and an Alternate on the Board of Governors of the International Bank. Their compensation shall be determined by the Minister.

**Art. 3.** The Government is authorized to borrow up to the equivalent of three and a half million dollars in order to provide for the Government's subscription to the Monetary Fund and the International Bank.<sup>2</sup>

[**Art. 4.** It shall be prohibited for banks, savings banks, cities and municipalities and public institutions to contract loans abroad without the approval of the Minister in charge of banking, except as provided in Article 1 of Law No. 10/1928 respecting the National Bank of Iceland.]<sup>3</sup>

<sup>1</sup> Law No. 105 of December 20, 1945. In the version published here, the word Article (Art.) corresponds to the Icelandic abbreviation gr.

<sup>2</sup> As amended by Law No. 30 of May 9, 1959. See also footnote 3 to Art. 22 of the Central Bank of Iceland Law, 1961, above.

Iceland's initial quota in the Fund, US\$1 million, was increased to US\$1.5 million with effect from September 15, 1959, to US\$11.25 million with effect from February 22, 1960, and to US\$15 million with effect from March 17, 1966 (pursuant to Resolutions of the Board of Governors of the Fund Nos. 14-1, 14-2, and 20-6, respectively).

<sup>3</sup> Art. 4 was repealed by Art. 14 of Law No. 30 of May 25, 1960.

Art. 5. Anyone owing money abroad in foreign currencies shall inform the Statistical Institute of Iceland of such foreign debts quarterly on forms prescribed by the Statistical Institute.

Art. 6. This Law supersedes Law No. 50 of June 27, 1941, concerning a monetary reserve fund and control of foreign borrowing.

Art. 7. This Law shall enter into force immediately.

#### Bibliographical Note

##### PUBLICATIONS OF THE CENTRAL BANK OF ICELAND

*Annual Report* (1961—). For the period 1957–1960, see the *Annual Report* issued by The National Bank of Iceland, the Central Bank.

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"Banking in Iceland," in *Scandinavia Past and Present*: vol. 3, *Five Modern Democracies* ([Copenhagen], 1959), pp. 840–842.

Thór, Vilhjálmur, "Banks and Savings Banks," in *Iceland To-Day* (Reykjavik, 1961), pp. 83–88.

Tryggvason, Björn, "Stutt yfirlit um sögu, löggjöf og starfsemi Seðlabankans" (A Short History of the Law and Operation of the Central Bank), *Ulfjótur* (Reykjavik), No. 1, 1964, pp. 37–44.

##### RELATED LAWS

Lög um tékka (Check Act), No. 94 of June 19, 1933.

Vixillög (Bills of Exchange Act), No. 93 of June 19, 1933.

See also section entitled "Island" (text in Icelandic and German) in Schettler and Büeler, *Das Wechsel- und Scheckrecht aller Länder* (Cologne, 1957—, loose-leaf).