



# RSFSR LAW OF 02.12.90 N 394-I (AS AMENDED ON 24.06.92) "ON THE CENTRAL BANK OF RUSSIA (BANK OF RUSSIA)"

*December 2, 1990 N 394-I*

## **Chapter I General Provisions Article 1. The Central Bank of the Russian Federation (Bank of Russia)**

The Central Bank of the Russian Federation (hereinafter referred to this Act - Bank of Russia) is the main bank of the Russian Soviet Federative Socialist Republic and is in its ownership. The Bank of Russia is created under this Act and shall be accountable to the Supreme Soviet of the RSFSR.

The Bank of Russia is independent of the administrative and executive bodies of state power. The Bank of Russia has the right to appeal to The Supreme Arbitration Court of the Russian Federation with the requirement to invalidate acts of these bodies, aimed at undue interference in the activities of the Bank of Russia.

(As amended. RF Law [of 24.06.92 N 3119-1](#) )

## **Article 2. The Bank of Russia - a legal entity**

The Bank of Russia is a legal entity and has its own charter, approved by the Presidium of the Supreme Soviet of the RSFSR.

The Bank of Russia economically independent institution carries out its costs from its own revenues. The Government of the Russian Federation is not liable for the obligations of the Bank of Russia, as well as Russia and the Bank shall not be liable for the obligations of the Government of the Russian Federation, unless the Bank Russia assumes such obligations.

## **Article 3. Leadership and management of the bank Russia**

The Bank of Russia headed by the Chairman of the Bank. Management of the Bank of Russia is carried out on a collective basis by the Board of Directors of the Bank.

## **Article 4. Legislation on the Bank of Russia**

The Bank of Russia is guided by this Law and other laws of the Russian Federation and the Charter.

The Bank of Russia has the right of legislative initiative.

## **Article 5. The main tasks of the Bank of Russia**

The main objectives of the Bank of Russia are: the regulation of money circulation, stability of the ruble, a single federal monetary policy, organization of settlements and cash management services,

protecting the interests of depositors, supervision of commercial banks and other credit institutions (hereinafter referred to as banks, unless otherwise specified in this Act), the transactions with foreign trade.

#### **Article 6. Share capital and funds of the Bank of Russia**

The Bank of Russia may have a share capital, which serves as collateral for its obligations. The authorized capital defined by the Charter of the Bank of Russia.

The Bank of Russia may establish various funds, the order of formation and use of which is governed by its Charter.

Bank of Russia to ensure the stability of the banking system create an insurance fund financed by assessed contributions of banks on the terms and in the manner determined by the Charter of the Bank of Russia. Means that the insurance fund is not included in the balance sheet of the Bank of Russia.

#### **Article 7. The Bank of Russia and bank associations**

Bank of Russia may join in bank alliances with central banks of other republics of the Union of Soviet Socialist Republic to conduct unified Federal monetary policy within the powers defined by the Supreme Soviet of the RSFSR.

#### **Article 8. Russian statements**

The reporting period, the Bank of Russia set from 1 January to 31 December.

The Bank of Russia annually as of January 1 is not later than May 15 report to the Supreme Soviet of the RSFSR.

The report contains an analysis of the Bank of Russia of the banking system, monetary and finance, foreign exchange regulations and Balance of Payments of the Republic, the Bank of Russia, its profit and loss account.

The Bank of Russia publishes monthly balance in the press of the Bank, as well as the annual balance sheet after its approval by the Supreme Soviet of the RSFSR.

The Supreme Council of the RSFSR defines independent audit organization for annual check balance and transactions on the accounts of the Bank of Russia.

#### **Article 9. Cost estimates for the allocation of profits and the Bank of Russia**

The composition of expenditure and the allocation of profits by the Statutes of the Bank of Russia.

The Bank of Russia annually approves the distribution of profits and its budget and submit them to the Supreme Soviet of the RSFSR.

The Bank of Russia and its agencies are exempt from all kinds of state and local taxes, fees and state duty.

### **Chapter II BANK OF RUSSIA AND ORGANIZATION OF MONETARY CIRCULATION**

#### **10. Currency RSFSR**

The official currency is the ruble. One ruble is divided into 100 cents. The ruble is the only means of payment in the RSFSR.

Payments in foreign currency on the territory of the Russian Federation can only be made in the manner prescribed by the Bank of Russia.

#### **Article 11. Issue of money**

Bank of Russia in accordance with legislation RSFSR order issuance of and withdrawal from circulation of banknotes in the RSFSR.

Non-cash issuance of money in the process is carried out deposit and lending operations.

The Bank of Russia regulates cash and non-emission means of monetary policy.

Using the issue of money directly to finance the state budget deficit RSFSR prohibited.

#### **Article 12. Organization of the banknotes**

The Bank of Russia will organize, in accordance with the laws of the RSFSR production of banknotes, as well as sets the rules of transportation, storage and indexing of banknotes, creates their reserve funds, installs signs and the order of solvency, replacement and destruction of damaged banknotes.

#### **Chapter III BANK OF RUSSIA AND MONETARY REGULATION Article 13. Monetary accommodation**

The Bank of Russia is the body monetary economy of the republic, the volume and structure of money in circulation.

Under the money supply in the sense of this Law refers to banknotes in circulation, cash accounts and deposits of legal entities and individuals, other unconditional liabilities of banks.

Monetary management of the economy provided the RSFSR Bank of Russia by determining reserve requirements, interest rates on loans, establish prudential standards for banks to conduct transactions with securities.

Main directions of monetary developed by the Bank of Russia and submitted annually to the Supreme Soviet of the RSFSR for approval.

#### **Article 14. Bank refinancing**

In order to impact on the liquidity of the banking system, the Bank Russia refinances banks by providing them with short-term loans at a discount rate of the Bank of Russia and defines the conditions for granting loans secured by various assets.

The Bank of Russia is the lender of last resort.

#### **Article 15. Regulation of the level of interest rates**

The Bank of Russia in accordance with a uniform federal monetary policy regulates the level of bank interest rates in the RSFSR on loans provided banks.

#### **Chapter IV OPERATIONS BANK OF RUSSIA Article 16. Operations and transactions with banks**

The Bank of Russia can perform the following operations and transactions:

- a) to provide loans to banks by agreement with the borrower;
- b) keep accounts of correspondent banks and carry cash and settlement services with banks charging commission fee in the amount set by the Bank of Russia;
- c) provide for third parties in the form of bank guarantees of bank acceptance, permitting in cash;

g) to buy, sell and keep government securities, as well as checks, bills of exchange, precious metals and stones and articles them;  
d) to buy and sell foreign currency, payment instruments and foreign currency liabilities of the Soviet and foreign banks;

e) carry out other operations and transactions in accordance with the objectives of the Bank of Russia under this Act and the Charter of the Bank.

#### **Article 17. Operations and maintenance budget of the RSFSR government debt**

The Bank of Russia has the right to give credit to the Ministry Finance of the RSFSR, on general terms for a period of not more than six months to cover the intra-gaps between current revenue and expenditure budget.

Supreme Soviet installs debt limit Ministry of Finance of the Russian Federation Bank of Russia on these operations, in accordance with which the Bank of Russia may buy from the Ministry of Finance of the Russian Federation for the period up to 6 months of securities at their primary placement or post them on commission terms.

The Bank of Russia performs depositary functions and fiscal agent of the Government of the RSFSR cash execution of the budget and government debt service of the RSFSR, including implementation operations on placement of loans and their repayment and payment of interest on them.

#### **Chapter V FOREIGN TRADE BANK OF RUSSIA Article 18. Foreign economic functions of Bank of Russia**

The Bank of Russia has the right to carry out any transactions in foreign currency in the Russian Federation and abroad, which comply with the legislation of the RSFSR and accepted in the international banking practice.

The Bank of Russia represents the interests of the Russian Federation in the central banks of other countries, international banks and other financial institutions, where cross-border cooperation is carried out at the level of central banks.

The Bank of Russia licenses (permits) for the opening of representative offices of foreign banks and other financial institutions in the territory of the Russian Federation in accordance with the legislation of the RSFSR.

The Bank of Russia on the territory of the Russian Federation provides equal legal rights of banks and non-residents.

#### **Article 19. Regulation of the ruble against the monetary units of foreign states**

The Bank of Russia in accordance with the laws of the Russian Federation regulates ruble monetary units of foreign states.

#### **Article 20. Management of official gold and foreign exchange reserves of the RSFSR**

The Bank of Russia in accordance with the laws of the Russian Federation controls gold and foreign exchange reserves of the Russian Federation, which are on the books of the Bank of Russia, performs operations on placement (including foreign banks) official gold and foreign exchange reserves of the RSFSR independently or through banks authorized to conduct foreign to them operations.

#### **Article 21. Issuance of licenses to conduct operations in foreign currency**

License to carry out bank transactions in foreign currency in the Russian Federation and abroad issued by the Bank of Russia in the order established by the law of the RSFSR.

The Bank of Russia may impose restrictions on the volume for banks to attract loans from abroad, and the level of interest rates on them under a single Federal monetary policy.

#### **Chapter VI RUSSIAN BANK REGULATION PERFORMANCE OF BANKS Article 22. Principles of relations between the Bank of Russia with banks**

The Bank of Russia contributes to the creation of conditions for sustainable functioning of banks.

Bank of Russia within this Law regulate and supervise the activities of banks in order to maintaining the stability of the monetary system. The Bank of Russia does not interfere in the operational activities of banks.

#### **Article 23. Issuance and revocation of licenses for banking transactions, registration of the Bank's Charter**

The Bank of Russia in accordance with the Law of the RSFSR "On Banks and Banking in the RSFSR" issues and revokes licenses for banking transactions, records and Charters leads Registration Book banks located on the territory of the RSFSR.

#### **Article 24. Economic standards set by the Bank of Russia for banks**

Bank of Russia sets the following prudential standards for banks:

minimum capital;

limit relation between the size of the authorized capital of the bank and the amount of its assets, including risk assessment;

liquidity balance;

minimum reserve deposits with the Bank of Russia;

maximum exposure to a single borrower;

limiting the size and currency exchange rate risk;

restrictions on the use of deposits for acquisition of shares of legal entities;

Supreme Soviet and the Presidium of the Supreme Soviet of the RSFSR on presentation of the Bank of Russia may prescribe other prudential standards, taking into account the situation in the republic's economy.

#### **Article 25. Limit relation between the size of the bank's capital and the amount of assets**

For setting limits on the ratio between the size of the bank's capital and the amount of assets and the calculation of maximum risk per borrower determines the order of the Bank of Russia calculating banks' capital and asset valuation.

#### **Article 26. Liquidity indicators balance**

Bank of Russia sets the liquidity of bank balance as the normative relations between assets and liabilities banks, taking into account their maturity, as well as the feasibility of assets.

#### **Article 27. Legal reserve**

The Bank of Russia sets the size of required reserves percentage of the liabilities of the banks that maintain the balance of the reserve accounts with the Bank of Russia in the prescribed amount.

#### **Article 28. The maximum exposure to a single borrower**

The Bank of Russia sets the maximum exposure to a single borrower as a percentage of the total capital of the bank.

When calculating the maximum risk per borrower risk is included in the concept of the whole amount of investments and loans that the borrower and also issued on his behalf obligations.

#### **Article 29. Powers of the Bank of Russia on the definition of the order of formation of the insurance funds**

The Bank of Russia defines the procedure for forming the required insurance funds for banks compensate for possible loss of customers that have arisen through the fault of the bank. These funds are generated by the proceeds of the relevant banks.

#### **Chapter VII Supervision BANK OF RUSSIA banks' activitiesArticle 30. Oversight functions of Bank of Russia**

The Bank of Russia oversees compliance by banks prudential standards established in accordance with this Act, as well as monitors the correct application of legislation on the banks of the RSFSR. The Bank of Russia may assign and check the operations of banks charging conduct such audits to audit organizations.

#### **Article 31. Statements of banks to the Bank of Russia**

Bank of Russia sets for banks amounts and timing of accounting and statistical reports required for supervision.

From banks data is treated as confidential, non-public without the consent of the bank.

#### **Article 32. Determination of the Bank of Russia regulations work in banks**

The Bank of Russia establishes uniform accounting rules, statistical reporting and banking operations of banks.

#### **Article 33. Powers of the Bank of Russia in the surveillance**

The Bank of Russia may give banks binding orders to eliminate violations of the RSFSR law on banks and established economic standards.

In case of default instructions of the Bank of Russia, as well as the detection of violations of regulations that have caused damage and customers failure to provide statements or providing false or misleading statements, summing up the year with a loss occurrence and therefore threats to the interests depositors and bank loans, when it detects other systematic violations of the Bank of Russia presents institutions (participants) banks the necessary requirements:

on financial recovery plan for the bank, including an increase in its capital and restructuring of assets;

on the reorganization of the bank;

to replace the head of the bank;

to liquidate the bank.

The Bank of Russia in connection with the identified violations in the banks entitled to:  
charge a fine in the amount and as defined in the Charter of the Bank of Russia;

increase the reserve requirements for banks, violating the established economic standards;

appoint a temporary administration to manage the bank on period required for its financial recovery;  
revoke the license for banking transactions in the manner prescribed in Article 18 of the RSFSR Law  
"On Banks and Banking Activity in the RSFSR" that acts as a decision on liquidation Bank.

#### **Article 34. Settlement of Disputes and appeals against decisions of Bank of Russia**

Disputes Bank of Russia and its customers are considered in arbitration court or court in order.  
The Bank of Russia is responsible for failure to perform its obligations under the transactions in the  
order established by the legislation of the Russian Federation.

Losses caused to the Bank of Russia as a result of a violation of his the property rights of citizens,  
legal persons and public authorities shall be reimbursed to the Bank of Russia in the prescribed  
manner by the court or tribunal.

Solutions Bank of Russia may be challenged banks and recognized void in the legislation of the  
RSFSR order.

(As amended. RF Law [of 24.06.92 N 3119-1](#) )

#### **CHAPTER VIII UNITED BANK OF RUSSIA Article 35. Order management organization**

Management structure and other organizational matters of the Bank of Russia, is not established by  
this Act, established by the Charter of the Bank of Russia.

#### **Article 36. Chairman of the Bank of Russia**

Bank of Russia Chairman directs the activities of the Board of Directors of the Bank of Russia and is  
personally responsible for implementation of the Bank of Russia tasks.

#### **Article 37. Appointment and dismissal of the Chairman of the Bank of Russia and the formation of the Board of Directors of Bank of Russia**

Bank of Russia Chairman shall be appointed for a term of 5 years and dismissed by the Supreme  
Soviet of the RSFSR.

Members of the Board of Directors of the Bank of Russia approved by the Presidium of the Supreme  
Soviet of the RSFSR by the Chairman of the Bank of Russia on his term.

#### **Chapter IX FINAL PROVISIONS Article 38. Liquidation of the Bank of Russia**

The Bank of Russia may be eliminated by appropriate Law of the RSFSR. In case of liquidation of the  
Bank of Russia his property is transferred to the assignee, specified in the Act.

#### **Article 39. Delegation of powers**

Powers of the Bank of Russia provided for in Articles 10, 11, 12, 13, 18, 19 of this Law shall be a  
Union of Central banks republics of the Union of Soviet Socialist Republic with, within the limits  
defined by the Union Treaty.

Moscow House of Soviets of the RSFSR

December 2, 1990

N 394-1

The site «Zakonbase» submitted RSFSR Law of 02.12.90 N 394-I (as amended on 24.06.92) "On the Central Bank of Russia (BANK OF RUSSIA)" in the latest edition. Comply with all legal requirements is simple, if familiar with the relevant sections, chapters and articles in this document for 2014. To find relevant legislation on the topic of interest should use, easy to navigate, or advanced search.

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