

Eesti Pank Act

Passed 18 May 1993 (RT [11](#) I 1993, 28, 498),
entered into force 18 June 1993.

Amended by the following Acts:

28.10.2010 entered into force 15.11.10 - RT I 12.11.2010, 1;
22.04.2010 entered into force 01.01.11 - RT I 2010, 22, 108; 01.01.2011, shall enter into force on the date provided for in the Decision of the Council of the European Communities on the abrogation of the derogation of the Republic of Estonia on grounds prescribed in Article 140 (2) of the Treaty on the Functioning of the European Union, Council Decision of 13.07.2010 No. 2010/416/EU (OJ L 196, 28.07.2010, pp 24-26)
12.03.2008 entered into force 06.04.08 - RT I 2008, 14, 93;
25.01.2007 entered into force 01.01.08 - RT I 2007, 16, 77;
07.06.2006 entered into force 8.07.2006 - RT I 2006, 29, 219; 08.07.2006, partially 01.01.2011, shall enter into force on the date provided for in the Decision of the Council of the European Communities on the abrogation of the derogation of the Republic of Estonia on grounds prescribed in Article 140 (2) of the Treaty on the Functioning of the European Union, Council Decision of 13.07.2010 No. 2010/416/EU (OJ L 196, 28.07.2010, pp 24-26)
29.01.2003 entered into force 15.03.2003 - RT I 2003, 21, 121;
22.01.2003 entered into force 27.02.2003 - RT I 2003, 15, 88; partially upon Estonia's accession to the European Union
12.06.2002 entered into force 1.08.2002 - RT I 2002, 57, 356;
13.06.2001 entered into force 1.01.2002 - RT I 2001, 59, 358;
06.06.2001 entered into force 12.07.2001 - RT I 2001, 58, 353;
26.01.1999 entered into force 28.02.99 - RT I 1999, 16, 271;
18.06.1998 entered into force 16.07.98 - RT I 1998, 64/65, 1006;
05.04.1994 entered into force 07.05.94 - (RT I 1994, 30, 463) 7.05.1994.

Chapter I

General Provisions

§ 1. Legal bases of Eesti Pank

(1) Eesti Pank is the central bank of the Republic of Estonia and a member of the European System of Central Banks. Eesti Pank is the legal successor of Eesti Pank which was established as the central bank of the Republic of Estonia in 1919.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

(2) Eesti Pank is a legal person with its own statute, seal, coat of arms and other attributes permitted by law.

(3) Eesti Pank operates pursuant to the Constitution of the Republic of Estonia, the Constitution of the Republic of Estonia Amendment Act, the Treaty establishing the European Community, the statute of the European System of Central Banks and of the European Central Bank, legislation of the European Central Bank, this Act, other Acts and its statute.

[RT I 2010, 22, 108 - entered into force 01.01.2011]

(4) The legal status of Eesti Pank can only be changed by passing an Eesti Pank Act Amendment Act.

(5) In order for the functions of Eesti Pank to be performed, the Supervisory Board of Eesti Pank shall issue decisions and the Governor of Eesti Pank shall issue regulations and decrees.

(6) Eesti Pank and its divisions shall be registered in the state register of state and local government agencies pursuant to the procedure provided for in the statutes of the register.

§ 2. Objective and functions of Eesti Pank

(1) The primary objective of Eesti Pank is to maintain price stability. Eesti Pank also supports the achievement of other economic policy objectives in accordance with the Treaty establishing the European Community.

[RT I 2010, 22, 108 - entered into force 01.01.2011]

(2) Eesti Pank is the sole legal issuer of Estonian currency. Currency shall be issued and withdrawn from circulation pursuant to law.

- (3) Eesti Pank shall hold the precious metal and foreign currency reserves of the state and organise the use thereof.
- (4) Eesti Pank shall implement state monetary and banking policy and direct credit policy.
- (5) Eesti Pank shall co-operate with the Financial Supervision Authority in order to ensure financial stability. Eesti Pank has the right to obtain information from the Financial Supervision Authority which is necessary for the performance of its functions.
- (6) Eesti Pank shall co-operate with international monetary, banking and credit organisations and maintains relations with the central banks of other countries.
- (7) Eesti Pank shall conduct banking transactions with Estonian and foreign currency, securities and other monetary instruments for the purposes and pursuant to the procedure prescribed by the statute of Eesti Pank.
- (8) other functions of Eesti Pank arising from the law which are not in conflict with the objectives specified in subsection (1) of this section and the functions specified in clauses 1)-7) of this subsection.

[RT I 2006, 29, 219 - entered into force 01.01.2011]

§ 3. Autonomy of Eesti Pank

(1) Eesti Pank operates independently of other state agencies. Eesti Pank shall report on its activities to the *Riigikogu*^[2] and it is not subordinated to the Government of the Republic or any other executive state agency or any third person.

(1¹) As part of the European System of Central Banks, Eesti Pank and members of its directing bodies may apply for and receive instructions to be carried out only from the European Central Bank.

(2) Eesti Pank shall not be held liable for any proprietary obligations of the state and the state shall not be held liable for any proprietary obligations of Eesti Pank.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

§ 4. Co-operation between Eesti Pank and Government of Republic

(1) *[Repealed - RT I 2006, 29, 219 - entered into force 08.07.2006]*

(2) Eesti Pank shall advise the Government of the Republic in matters relating to economic policy. The Government of the Republic shall not take any important economic policy decisions without hearing the opinion of Eesti Pank.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

(3) Eesti Pank is authorised by the Government of the Republic to represent the Republic of Estonia in international organisations of which the Republic of Estonia is a member.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

(4) *[Repealed - RT I 2010, 22, 108 - entered into force 01.01.2011]*

§ 4¹. Financial Supervision Authority

(1) The Financial Supervision Authority, established pursuant to law, operates as an agency at Eesti Pank.

(2) The Financial Supervision Authority has autonomous competence in the conduct of state financial supervision and has its own directing bodies, a separate budget and its own reporting system.

(3) The Financial Supervision Authority has the right to obtain information necessary for the performance of its functions from Eesti Pank.

[RT I 2001, 59, 358 - entered into force 01.01.2002]

§ 5. Seat of Eesti Pank

(1) The seat of Eesti Pank is in Tallinn.

(2) Eesti Pank may open independent divisions and representative offices which operate pursuant to their own statutes both in Estonia and abroad.

Chapter II

Supervisory and Directing Bodies of Eesti Pank and their Competence

[RT I 2010, 22, 108 - entered into force 01.01.2011]

§ 6. Supervisory Board of Eesti Pank

The supervisory body of Eesti Pank is the Supervisory Board of Eesti Pank, which consists of a Chairman and seven members. *[RT I 2010, 22, 108 - entered into force 01.01.2011]*

§ 7. Chairman of Supervisory Board of Eesti Pank

(1) The Chairman of the Supervisory Board of Eesti Pank is appointed to office for a term of five years by the *Riigikogu* on the proposal of the President of the Republic.

(1¹) The Chairman of the Supervisory Board of Eesti Pank shall notify the President of the Republic of his or her resignation from office at least four months in advance.

[RT I 2003, 21, 121 - entered into force 15.03.2003]

(2) The Chairman of the Supervisory Board of Eesti Pank must be an Estonian citizen and have a university degree. The Governor of Eesti Pank or the Minister of Finance shall not be appointed as the Chairman of the Supervisory Board of Eesti Pank.

[RT I 2008, 14, 93 - entered into force 06.04.2008]

(3) The Chairman of the Supervisory Board of Eesti Pank shall organise the activities of the Supervisory Board, chair the meetings of the Supervisory Board, monitor the implementation of the Supervisory Board's decisions, represent the Supervisory Board of Eesti Pank and respond to interpellations concerning the activities of the Supervisory Board of Eesti Pank submitted to him or her in the *Riigikogu*.

§ 8. Members of Supervisory Board of Eesti Pank

(1) The members of the Supervisory Board of Eesti Pank are appointed by the *Riigikogu* on the proposal of the Chairman of the Supervisory Board of Eesti Pank.

(2) Members of the Supervisory Board of Eesti Pank must be Estonian citizens and have a university degree.

(3) Members of the Government of the Republic and employees of Eesti Pank shall not be members of the Supervisory Board of Eesti Pank.

(4) A member of the Supervisory Board of Eesti Pank shall not be an employee of any management institution, investment fund, investment company, credit institution, insurance company or other subject of financial supervision, nor be a member of the decision-making body of any such institution.

(5) The members of the Supervisory Board of Eesti Pank shall be appointed for a term of five years.

(6) The authority of a member of the Supervisory Board of Eesti Pank shall terminate upon the expiry of his or her term of authority, upon his or her resignation or, pursuant to the procedure prescribed in § 12 of this section, dismissal, or in the event of his or her death.

(6¹) A member of the Supervisory Board shall notify the Chairman of the Supervisory Board of his or her resignation from office at least four months in advance.

(7) If a member of the Supervisory Board of Eesti Pank is appointed as a member of the Government of the Republic or commences work at Eesti Pank, the *Riigikogu* shall, on the proposal of the Chairman of the Supervisory Board of Eesti Pank, appoint an alternate member of the Supervisory Board whose authority terminates when the member of the Supervisory Board

of Eesti Pank leaves the office which precludes his or her membership of the Supervisory Board of Eesti Pank or when he or she ceases to be employed at Eesti Pank.

(8) The authority of members appointed to the Supervisory Board of Eesti Pank at a later time terminates at the same time as the authority of the given composition of the Supervisory Board of Eesti Pank.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

§ 9. Competence of Supervisory Board of Eesti Pank

(1) The Supervisory Board of Eesti Pank shall exercise supervision over all the activities of Eesti Pank.

(2) The following issues are within the exclusive competence of the Supervisory Board of Eesti Pank:

1) *[Repealed - RT I 2003, 15, 88 - entered into force 01.05.2004]*

2) making a proposal to the President of the Republic for appointment of the Governor of Eesti Pank;

3) *[Repealed - RT I 2001, 59, 358 - entered into force 01.01.2002]*

4) appointment to office and release of Deputy Governors of Eesti Pank, the heads of the independent divisions and representative offices of Eesti Pank, and the head of the internal audit department of Eesti Pank and for the appointment and removal of members of the Supervisory Board of the Financial Supervision Authority on the proposal of the Governor of Eesti Pank;

5) approval of the statute of Eesti Pank, the statutes of the independent divisions and representative offices of Eesti Pank and the statutes of the internal audit department;

6) supervision of the implementation of the budget of Eesti Pank;

7) appointment of internal auditors of Eesti Pank and approval of the work schedule for internal audits.

7¹) appointment of the independent auditors of Eesti Pank pursuant to the procedure provided in subsection 31 (1) of this Act;

8) approval of Eesti Pank's annual report on the proposal of the Governor;

9) passing decisions on the design of the national side of Estonian euro coins and on the nominal value and design of collector coins, pursuant to the legislation of the European Union;

[RT I 2010, 22, 108 - entered into force 01.01.2011]

10) deciding, on the proposal of the Governor of Eesti Pank, on the establishment, reorganisation and liquidation of independent divisions of Eesti Pank;

11) review and approval of written proposals and other documents submitted to the *Riigikogu* in the name of Eesti Pank.

(2¹) The Supervisory Board of Eesti Pank shall regularly obtain information from the Governor of Eesti Pank concerning Estonia's economy and monetary policy, the situation in the financial sector and the implementation of Eesti Pank's budget.

(3) Decisions concerning the activities of Eesti Pank shall be formulated as decisions of the Supervisory Board of Eesti Pank.

(4) Meetings of the Supervisory Board of Eesti Pank shall be held as necessary but not less frequently than eight times a year.

(5) Meetings of the Supervisory Board of Eesti Pank shall be closed unless otherwise decided by the Chairman of the Supervisory Board. Members of Eesti Pank participate in the meetings with the right to speak. The Minister of Finance of the Republic of Estonia may participate in the meetings, taking account of the provisions of Article 130 of the Treaty establishing the European Community.

[RT I 2010, 22, 108 - entered into force 01.01.2011]

(6) The Supervisory Board of Eesti Pank shall pass decisions and issue statements. The Governor of Eesti Pank shall be responsible for the implementation of decisions of the Supervisory Board of Eesti Pank.

(7) The Supervisory Board of Eesti Pank has a quorum if at least five members participate in the meeting. In the absence of the Chairman, a member of the Supervisory Board elected from among those present shall chair the meeting.

(8) Decisions on issues specified in clauses (2) 2), 5), 6) and 8) of this section shall only be passed by a majority vote of the members of the Supervisory Board. Other decisions shall be passed by a majority vote of those members of the Supervisory Board present at the meeting. If the votes are equally divided, the Chairman of the Supervisory Board shall have the deciding vote.

(9) Decisions of the Supervisory Board of Eesti Pank which are of a regulatory nature shall be published in the *Riigi Teataja*.
[RT I 2006, 29, 219 - entered into force 08.07.2006]

§ 10. Governor of Eesti Pank

[RT I 2006, 29, 219 - entered into force 08.07.2006]

(1) The Governor of Eesti Pank is appointed to office for a term of seven years by the President of the Republic on the proposal of the Supervisory Board of Eesti Pank. The Governor of Eesti Pank shall not be appointed to office for more than one consecutive term.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

(1¹) The Governor of Eesti Pank shall notify the Supervisory Board of Eesti Pank of his or her resignation at least four months in advance.

(2) The Governor of Eesti Pank must be an Estonian citizen and have a university degree. Deputy Governors of Eesti Pank must be Estonian citizens and have a university degree.

[RT I 2008, 14, 93 - entered into force 06.04.2008]

(2¹) Deputy Governors of Eesti Pank shall be appointed to office by the Supervisory Board of Eesti Pank for a term of five years on proposal of the Governor of Eesti Pank.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

(3) The Governor and Deputy Governors of Eesti Pank shall be independent in the performance of their functions. They shall not hold any other office, be in service or be party to any activities which, by their nature, restrict or may restrict the autonomy of Eesti Pank or adversely affect or may adversely affect Eesti Pank in the achievement of its objectives or the performance of its functions.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

(4) In the absence of the Governor of Eesti Pank, a Deputy Governor shall substitute for him or her and the Governor of Eesti Pank shall transfer his or her authority temporarily to the Deputy Governor by a regulation. If it is not possible to transfer the authority to a Deputy Governor, the Supervisory Board of Eesti Pank shall designate the person to substitute for the Governor from among the Deputy Governors. If the Supervisory Board has not designated a person to substitute for the Governor, the Deputy Governor who is senior in age shall substitute for the Governor. The person substituting for the Governor of Eesti Pank shall, during his or her term of authority, have the full authority of the Governor of Eesti Pank.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

§ 11. Competence of Governor of Eesti Pank

(1) The following issues are within the exclusive competence of the Governor of Eesti Pank:

- 1) designing of banking policies, general management of Eesti Pank's activities and organisation of the performance of the tasks of the European System of Central Banks;
- 2) organisation of the implementation of decisions of the Supervisory Board of Eesti Pank and the application of measures (including sanctions) necessary to ensure their implementation;
- 3) [Repealed - RT I 2003, 15, 88 - entered into force 01.05.2004]
- 4) representation of Eesti Pank without special authorisation in all matters and instances both in Estonia and abroad;
- 5) grant of authorisation to represent Eesti Pank in certain cases or in certain matters;
- 6) making proposals to the Supervisory Board of Eesti Pank for the appointment to office and release of the Deputy Governors and the head of the internal audit department of Eesti Pank and the heads of the independent divisions of Eesti Pank, and for the appointment and removal of members of the Supervisory Board of the Financial Supervision Authority;
- 7) approval of Eesti Pank's budget;

(2) The Governor of Eesti Pank shall report to the *Riigikogu* and respond to interpellations concerning Eesti Pank's activities submitted to him or her in the *Riigikogu*.

(3) If the Governor of Eesti Pank does not agree with a decision of the Supervisory Board of Eesti Pank, he or she shall report to the President of the *Riigikogu* not later than within three working days and make a proposal to submit an interpellation in the matter to the Chairman of the Supervisory Board of Eesti Pank.

(4) The Governor of Eesti Pank shall report regularly on his or her activities to the Supervisory Board of Eesti Pank.

(5) The Governor of Eesti Pank shall issue regulations and decrees.

(6) The regulations of the Governor of Eesti Pank shall be published in the *Riigi Teataja*
[RT I 2006, 29, 219 - entered into force 08.07.2006]

§ 11¹. Access of Governor of Eesti Pank and Chairman and members of Supervisory Board of Eesti Pank to state secrets and classified information of a foreign state

(1) The Governor of Eesti Pank and the Chairman and members of the Supervisory Board of Eesti Pank have the right by virtue of office to access state secrets and classified information of foreign states in order to perform duties which have been assigned to them by the Constitution or Acts of the Republic of Estonia and by legislation issued on the basis thereof.

(2) If, under an international agreement, performance of security vetting is a mandatory prerequisite for granting right for access to classified information of a foreign state, security vetting shall be performed with respect to the Governor of Eesti Pank, Chairman and members of the Supervisory Board of Eesti Pank, except a member of the *Riigikogu* being a member of the Supervisory Board of Eesti Pank.

(3) Security vetting with respect to the Governor of Eesti Pank, Chairman and member of the Supervisory Board of Eesti Pank shall be performed by the Security Police Board as provided by the State Secrets and Classified Information of Foreign States Act.

(4) For passing security vetting, the Governor of Eesti Pank, Chairman or member of the Supervisory Board of Eesti Pank is required to complete the application form for a Personnel Security Clearance and sign a consent that shall entitle an agency competent to conduct security verification to obtain information concerning the person from natural and legal persons and from institutions and bodies of local government, submitting the documents to the Security Police Board.

(5) The Security Police Board shall perform security vetting with respect to the Governor of Eesti Pank, Chairman and member of the Supervisory Board of Eesti Pank within three months as of the receipt of documents, specified in subsection (4) of this section. A Personnel Security Clearance Certificate for Access to Foreign Classified Information shall be issued under the procedure specified in the State Secrets and Classified Information of Foreign States Act.

[RT I 2007, 16, 77 - entered into force 01.01.2008]

§ 11². Security clearance of candidates for Governor of Eesti Pank and for Chairman and members of Supervisory Board of Eesti Pank

(1) Candidates for the position of Governor of Eesti Pank, Chairman and member of the Supervisory Board of Eesti Pank must pass security vetting before being appointed Governor of Eesti Pank, Chairman or member of the Supervisory Board of Eesti Pank, except when holding a valid Personnel Security Clearance classified as 'top secret' or if holding an office, when becoming a candidate, granting access to all the classification levels of state secrets by virtue of office.

[RT I 2007, 16, 77 - entered into force 01.01.2008]

(2) The status of candidate for Chairman of the Supervisory Board of Eesti Pank is acquired by a person to whom the President of the Republic makes a proposal to apply for the office and who agrees thereto in writing. The status of candidate for member of the Supervisory Board of Eesti Pank is acquired by a person to whom the Chairman of the Supervisory Board of Eesti Pank makes a proposal to apply for the office and who agrees thereto in writing. The status of candidate for Governor of Eesti Pank is acquired by a person to whom the Supervisory Board of Eesti Pank makes a proposal to apply for the office and who agrees thereto in writing.

(3) The security vetting of candidates for Governor of Eesti Pank and for Chairman and member of the Supervisory Board of Eesti Pank shall be performed by the Security Police Board pursuant to the procedure provided for in the Security Authorities

Act.

[RT I 2007, 16, 77 - entered into force 01.01.2008]

(4) In order to pass the security check, candidates for Governor of Eesti Pank and for member of the Supervisory Board of Eesti Pank shall submit through Eesti Pank and candidates for Chairman of the Supervisory Board of Eesti Pank shall submit through the Office of the President of the Republic a completed application form for a permit to access state secrets to the Security Police Board, and also written consent which permits the agency performing security checks to obtain information concerning the person from natural and legal persons and from state and local government agencies and bodies during the performance of the security check.

[RT I 2007, 16, 77 - entered into force 01.01.2008]

(5) Within three months as of receipt of the documents specified in subsection (4) of this section, the Security Police Board shall present the information gathered as a result of the security check on a candidate for Governor of Eesti Pank to the Supervisory Board of Eesti Pank, the information gathered as a result of the security check on a candidate for Chairman of the Supervisory Board of Eesti Pank to the President of the Republic and the information gathered as a result of the security check on a candidate for member of the Supervisory Board of Eesti Pank to the Chairman of the Supervisory Board of Eesti Pank and shall provide an opinion concerning the compliance of the candidate with the conditions for the issue of a permit for access to state secrets.

(6) If the authority of the Chairman of the Supervisory Board of Eesti Pank or the Governor of Eesti Pank terminates prematurely, a security vetting on the candidate for Chairman of the Supervisory Board of Eesti Pank or for Governor of Eesti Pank shall be performed within one month as of receipt of the documents specified in subsection (4) of this section. With the permission of the Security Committee of the Government of the Republic, the term for performing the security vetting may be extended by one month if circumstances specified in clause 33 (4) 1) or 2) of the State Secrets and Classified Information of Foreign States Act arise or if it is possible that circumstances specified in clause 33 (4) 3) or 4) of the State Secrets Act may arise within one month.

[RT I 2007, 16, 77 - entered into force 01.01.2008]

(7) A candidate may be appointed for office, supported by data collected as the result of security vetting, within nine months as of the communication of information collected as the result of security vetting to a competent authority or constitutional institution by an agency performing security vetting. A candidate may be appointed to the office after the expiry of this term only after passing another security vetting.

[RT I 2007, 16, 77 - entered into force 01.01.2008]

§ 11³. Extension of authority

If a new Governor of Eesti Pank or a new Chairman or member of the Supervisory Board of Eesti Pank has not been appointed by the due date for termination of the authority of the Governor of Eesti Pank or the Chairman or a member of the Supervisory Board of Eesti Pank, the authority of the person in office shall extend until the entry into force of a corresponding decision on appointment to office.

[RT I 2003, 15, 88 - entered into force 27.02.2003]

§ 12. Dismissal

(1) The Chairman and members of the Supervisory Board of Eesti Pank may be dismissed upon the entry into force of a judgment of conviction.

(2) The Governor and a Deputy Governor of Eesti Pank may be dismissed only on the basis specified in Article 14.2 of the Statute of the European System of Central Banks and of the European Central Bank.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

§ 13. Executive Board of Eesti Pank

(1) Eesti Pank's activities are managed by the Executive Board of Eesti Pank, the Chairman of which by virtue of office shall be the Governor of Eesti Pank. The Executive Board of Eesti Pank is composed of the Governor of Eesti Pank and the Deputy Governors.

(1¹) The Executive Board shall be responsible for planning and organising Eesti Pank's activities. The Governor of Eesti Pank may assign additional functions to the Executive Board. The Executive Board passes decisions for performance of the functions thereof.

(2) The division of tasks and bases for the organisation of work of the Executive Board of Eesti Pank shall be provided for in the statute of Eesti Pank.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

Chapter III

Monetary Policy and Currency Circulation

§ 14. Rights of Eesti Pank

In order to perform its duties, taking account of the competence of the European Central Bank and of the European System of Central Banks, Eesti Pank has the right to:

[RT I 2010, 22, 108 - entered into force 01.01.2011]

- 1) take and grant loans against adequate collateral;
- 2) make and accept deposits;
- 3) trade in securities, precious metals and foreign currency;
- 4) conclude other transactions in money, securities or foreign currency markets;
- 5) process payment instructions and clearing payments;
- 6) own shares and other holdings or real estate;
- 7) establish rules regulating the money market, and prudential standards based on law;
- 8) establish rules regulating the handling of euro banknotes and coins;
- 9) impose sanctions on persons violating the rules of currency circulation, except for the sanctions imposed by the European Central Bank based on Article 34.3 of the statute of the European System of Central Banks and of the European Central Bank;
- 10) receive information from state and local government authorities and other persons and agencies required for the performance of its functions;
- 11) perform other acts for the performance of its functions.

[RT I 2006, 29, 219 - entered into force 01.01.2011]

§ 14¹. Euro banknotes and coins

(1) With the permission of the European Central Bank, Eesti Pank has the right to emit euro banknotes.

(2) Eesti Pank has the exclusive right to emit euro coins in the Republic of Estonia. The amount of the issue of euro coins must be approved by the European Central Bank in advance.

(3) Eesti Pank and credit institutions authorised thereby shall receive mutilated or damaged euro banknotes and coins and substitute them with new banknotes and coins pursuant to the procedure provided by the legislation of the European Union. The Governor of Eesti Pank has the right to establish with a regulation specific rules for handling mutilated or damaged euro banknotes and coins.

[RT I 2006, 29, 219 - entered into force 01.01.2011]

§ 15. Regulation of foreign currency operations

(1) The procedure for foreign currency operations is determined by law.

(2) Eesti Pank shall, pursuant to law, establish rules for the import into Estonia and the export of foreign currency and for the formation and use of foreign currency reserves.

(3) Eesti Pank shall establish the conditions and rules for the performance of cross-border banking transactions by credit institutions and other legal persons.

(4) *[Repealed - RT I 2001, 59, 358 - entered into force 01.01.2002]*

(5) *[Repealed - RT I 2006, 29, 219 - entered into force 01.01.2011]*

§ 16. *[Repealed - RT I 2010, 22, 108 - entered into force 01.01.2011]*

Chapter IV

Supervision over Activities of Credit Institutions

§ 17.- § 18. *[Repealed - RT I 2001, 59, 358 - entered into force 01.01.2002]*

§ 19. Correspondent accounts and reserve accounts of credit institutions

Eesti Pank shall hold the correspondent accounts and reserve requirement accounts of credit institutions, monitor that the balances of these accounts meet the established requirements and, in the case of deviations, implement measures to ensure that the requirements are met.

§ 20. *[Repealed - RT I 2001, 59, 358 - entered into force 01.01.2002]*

§ 21. Confidential and public information

(1) Eesti Pank shall ensure the confidentiality of information which contains banking secrets.

(1¹) Eesti Pank classifies information the disclosure of which would damage price stability or financial stability and information to which restrictions on access are established by the European System of Central Banks as information intended for internal use.

[RT I 2008, 14, 93 - entered into force 06.04.2008]

(2) *[Repealed - RT I 2001, 59, 358 - entered into force 01.01.2002]*

(3) *[Repealed - RT I 2001, 59, 358 - entered into force 01.01.2002]*

(4) Eesti Pank has the right to disclose information at its disposal concerning credit institutions provided that such information does not contain banking secrets.

(5) Eesti Pank shall periodically publish information concerning its activities and the economy of Estonia and the European Union.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

§ 22.-§ 24. *[Repealed - RT I 2001, 59, 358 - entered into force 01.01.2002]*

Chapter V

Assets and Reporting of Eesti Pank

[RT I 2003, 15, 88 - entered into force 27.02.2003]

§ 25. Capital and funds of Eesti Pank

(1) The own capital of Eesti Pank includes:

- 1) statutory capital;
- 2) reserve capital;
- 3) foundation capital and funds for specific purposes.

(2) The statutory capital of Eesti Pank is 100,000,000 eurot.

[RT I 2010, 22, 108 - entered into force 01.01.2011]

(3) *[Repealed - RT I 2010, 22, 108 - entered into force 01.01.2011]*

§ 26. Assets of Eesti Pank

(1) *[Repealed - RT I 2003, 15, 88 - entered into force 27.02.2003]*

(2) Eesti Pank shall possess, use and dispose of its assets independently.

(3) Immovable and movable property which was in the ownership of the Eesti Pank established as the central bank of the Republic of Estonia in 1919 and which was unlawfully expropriated in 1940 also belongs to Eesti Pank.

(4) The holding and use of the precious metal and foreign currency reserves of the state shall be organised pursuant to law and the statute of Eesti Pank and the guidelines of the Governing Council of the European Central Bank. *[RT I 2006, 29, 219 - entered into force 01.01.2011]*

§ 27. Reserve capital, foundation capital and funds for specific purposes of Eesti Pank

(1) Reserve capital, foundation capital and funds for specific purposes shall be established from the profits of Eesti Pank and from other revenue intended for specific purposes and prescribed by the statute.

(2) When reserve capital becomes equal to statutory capital, the *Riigikogu* shall decide whether the size of reserve capital shall be increased further or not.

(3) The procedure for the establishment and use of reserve capital, foundation capital and funds for specific purposes shall be prescribed by the statute of Eesti Pank.

§ 28. Financial year

Eesti Pank's financial year begins on 1 January and ends on 31 December.

§ 29. *[Repealed - RT I 2010, 22, 108 - entered into force 01.01.2011]*

§ 30. Profit and loss of Eesti Pank

(1) The profit (loss) of Eesti Pank is the difference between its revenue and its expenditure.

(2) At least 25 per cent of annual profits shall be used to increase statutory capital up to the amount determined by the *Riigikogu*.

(3) At least 25 per cent of annual profits shall be used to increase reserve capital pursuant to a decision of the Supervisory Board of Eesti Pank.

(4) After the allocations specified in subsections (2) and (3) of this section are made, part of the profits may be used, pursuant to a decision of the Supervisory Board of Eesti Pank, to establish and augment the foundation capital and funds for specific purposes prescribed by the statute of Eesti Pank.

(5) Any profits remaining after the allocations specified in subsections (2), (3) and (4) of this section are made shall be transferred to the state budget.

(6) Any loss incurred by Eesti Pank shall be covered from reserve capital. If the reserve capital is insufficient, losses may be covered from statutory capital with the permission of the *Riigikogu*.

(7) Eesti Pank, being the central bank of the state, does not pay income tax or any other taxes related to its economic activity into the state budget or local budgets, except taxes related to natural persons. The Government of the Republic has the right to release Eesti Pank from the payment of other state taxes in exceptional circumstances.

§ 31. Monitoring of activities and annual report of Eesti Pank

(1) The Supervisory Board of Eesti Pank shall appoint independent auditors recommended by the Governing Council of the European Central Bank and approved by the Council of the European Union to monitor Eesti Pank's activities during the financial year and to attest to the accuracy of the annual report prepared by Eesti Pank. Eesti Pank's activities may be

examined further if the *Riigikogu* passes a corresponding resolution.

[RT I 2008, 14, 93 - entered into force 06.04.2008]

(1¹) An auditor of Eesti Pank shall audit the annual profit and loss account of the Financial Supervision Authority.

(13.06.2001 entered into force 01.01.2002 - RT I 2001, 59, 358)

(2) Eesti Pank's annual report shall be prepared pursuant to the rules established on the basis of Article 26.4 of the Statute of the European System of Central Banks and of the European Central Bank.

(07.06.06 entered into force 08.07.06 - RT I 2006, 29, 219)

(3) The annual report shall be approved and, together with the auditor's report, submitted to the *Riigikogu* by the Supervisory Board of Eesti Pank. The annual report of the Financial Supervision Authority approved by the Supervisory Board of the Financial Supervision Authority shall be submitted to the *Riigikogu* at the same time as Eesti Pank's annual report.

The *Riigikogu* shall hear a presentation concerning Eesti Pank's annual report by the Governor of Eesti Pank.

[RT I, 12.11.2010, 1 - entered into force 15.11.2010]

(4) The annual report shall be published in the *Riigi Teataja* and in Eesti Pank's Yearbook. [RT I 2006, 29, 219 - entered into force 08.07.2006]

Chapter VI

Final Provisions

§ 32. Relations with central banks of other countries and cross-border transactions

Eesti Pank shall maintain relations with the central banks of other countries and other financial institutions and it has the right to carry out transactions therewith for the performance of functions specified in this Act.

§ 33. Banking operations with own employees

(1) Under the conditions approved by the Supervisory Board of Eesti Pank, Eesti Pank has the right to accept cash deposits from members of the Supervisory Board of Eesti Pank and employees of Eesti Pank and to pay interest thereon not exceeding the average rates of interest paid by banks.

(2) [Repealed - RT I 2001, 59, 358 - entered into force 01.01.2002]

(3) Eesti Pank has the right to grant loans to its employees and members of the Supervisory Board under the conditions approved by the Supervisory Board of Eesti Pank.

[RT I 2001, 59, 358 - entered into force 01.01.2002]

§ 34. Compilation of balance of payments

(1) In order to obtain and publish monetary, financial and balance of payments statistics, necessary for performance of its functions, taking account of the competence of the European Central Bank and of the European System of Central Banks, Eesti Pank shall collect data on the basis and pursuant to the procedure provided by the Official Statistics Act.

[RT I 2010, 22, 108 - entered into force 01.01.2011]

(2) Eesti Pank has the right to obtain, free of charge, the information necessary for drawing up the balance of payments of Estonia from all state and local government agencies and persons conducting cross-border economic transactions in the territory of Estonia.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

§ 35. Obligation to maintain confidentiality of professional secrets

(1) Members of the Supervisory Board of Eesti Pank and persons employed by Eesti Pank are required to maintain the confidentiality of information pertaining to Eesti Pank, all credit institutions and other legal persons if the disclosure of such information could result in damage to the Estonian economy or to the economic interests of credit institutions or their clients.

(2) The obligation to maintain confidentiality applies to information which has become known to employees of Eesti Pank solely in connection with their employment at Eesti Pank. The obligation to maintain confidentiality applies even after the persons have left the employment of Eesti Pank.

(3) If a professional secret is disclosed, the persons at fault shall be punished under disciplinary or criminal procedure pursuant to law.

§ 36. Participation in enterprise

Eesti Pank may establish enterprises which are necessary for the performance of its functions and may participate in the activities of such enterprises.

§ 37. *[Omitted from this text]*

Chapter VII

Implementing Provisions

§ 38. Exception to implementation of subsection 8 (6) of this Act

If the new members of the Supervisory Board of Eesti Pank have not been appointed by the due date for termination of the authority of the members of the Supervisory Board of Eesti Pank appointed to office in 1993, the authority of the members of the Supervisory Board in office shall be deemed to be extended until the appointment to office of the new members but not for longer than three months.

§ 39. Implementation of subsections 10 (1) and (2¹) of this Act

(1) The Governor in office at the time of entry into force of subsection 10 (1) of this Act is deemed to have been appointed for office for a period of seven years as of the date of his or her appointment.

(2) The Deputy Governors in office at the time of entry into force of subsection 10 (2¹) of this Act are deemed to have been appointed for office for a period of five years as of the date of entry into force of the above provision.

[RT I 2006, 29, 219 - entered into force 08.07.2006]

[1] RT = *Riigi Teataja* = the State Gazette

[2] *Riigikogu* = the parliament of Estonia