

LAW

on the Statute of the National Bank of Romania

Chapter I

GENERAL PROVISIONS

Article 1. Legal status

(1) The National Bank of Romania is the central bank of the Romanian State, having legal personality.

(2) The National Bank of Romania has its headquarters in Bucharest and may have subsidiaries and offices in the capital city and in other towns of the country.

Article 2. Fundamental objective

(1) The fundamental objective of the National Bank of Romania is to ensure the stability of the national currency in order to contribute to price stability.

(2) In order to attain its fundamental objective, the National Bank of Romania elaborates, implements and is responsible for the monetary, foreign-exchange, credit, payments policies, bank licensing and prudential supervision, in the framework of the general policy of the State pursuing the normal operation of the banking system and the participation in the promotion of a financial system specific to market economy.

Article 3. Cooperation with State authorities

(1) The National Bank of Romania cooperates with central and local public authorities in fulfillment of its aims.

(2) In pursuit of its fundamental objective, the National Bank of Romania will be required to state its point of view about public authority regulations directly concerning the monetary policy, banking activity, foreign-exchange regime and public debt.

(3) Central administration budget bills are to be drafted in consultation with the National Bank of Romania inasmuch as the terms of public sector loans are concerned.

(4) The National Bank of Romania undertakes currency, lending, and banking system operations and payments studies and surveys for its own use or the use of public authorities.

Article 4. International cooperation

(1) The National Bank of Romania may - with powers from Parliament - be a party to international financial, banking, monetary or payments organisations and join their membership.

(2) The National Bank of Romania may participate, on behalf of the state, in foreign talks and negotiations on financial, monetary, lending and payments issues, as well as on bank licensing and supervision.

(3) The National Bank of Romania exercises all the rights and fulfils Romania's obligations in its capacity as a member of the International Monetary Fund, including the use of the facilities granted by this institution on medium and long term to meet balance-of-payments needs and consolidate the country's international reserves.

(4) The National Bank of Romania may negotiate and conclude agreements, conventions or other understandings on short-term loans and other financial-banking operations with international financial institutions, central banks, banking and non-banking companies on condition that these be returned within a year.

(5) The National Bank of Romania may conclude - in its own name or on behalf of the State, on its account and upon its instructions - settlements and payments agreements or any other contracts for similar purposes with public or private institutions having their head offices abroad.

Chapter II

MONETARY AND FOREIGN EXCHANGE POLICY

Article 5. Monetary policy

In the framework of the monetary policy it promotes, the National Bank of Romania uses procedures and instruments specific to monetary market, lending to banks and control of liquidity through minimum compulsory reserves operations.

Article 6. Monetary market operations

The National Bank of Romania may discount, acquire, accept as collateral or sell bonds, securities or other claims to the state, banks, or other legal entities on such terms as it may deem necessary in fulfillment of its monetary policy aims.

Article 7. Credit operations

(1) The National Bank of Romania may lend to banks on such repayment, security and interest-rate terms as are consistent with its own rules made under this law.

(2) No loans on overdraft accounts shall be made by the National Bank of Romania.

Article 8. Minimum compulsory reserves

(1) The National Bank of Romania determines the minimum compulsory reserves that banks must keep in accounts opened with NBR.

(2) For foreign exchange deposits, the minimum compulsory reserves are made only in foreign exchange.

(3) For the minimum compulsory reserves, the National Bank of Romania will grant interests at least as high as the level of the average interest rate granted for sight deposits by the commercial banks.

Article 9. Foreign exchange policy

(1) The National Bank of Romania elaborates and implements the exchange rate policy, establishes and monitors the enforcement of the foreign exchange regime on the Romanian territory.

(2) The National Bank of Romania acts as State agent as regards the implementation of any legal regulation on foreign exchange control on the legal persons licensed by it and from which it is entitled to require and receive all information and documents needed to fulfil its tasks; it is empowered to take measures in order to enforce its regulations.

Article 10. Foreign exchange management

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

a) issuing regulations regarding the operations involving foreign assets and gold with a view to protecting the national currency;

b) elaborating the balance of payments and other accounts on the country's international investment position;

c) setting exchange rates for its own foreign exchange market operations, computing and issuing average rates for statistical purposes;

d) issuing and withdrawing licences as well as supervising legal persons licensed to carry on foreign exchange transactions;

e) setting ceilings and other limits to foreign asset holdings as well as to operations involving gold and foreign assets to both individuals and legal persons;

f) setting foreign indebtedness ceilings and terms for individuals and legal persons who are subject to the of the foreign-exchange regime;

g) holding and managing the international reserves of the State.

Article 11. Foreign exchange regulations

The National Bank of Romania elaborates regulations for monitoring and controlling foreign-exchange transactions across the country and issues authorisations for transfers abroad, transactions on foreign exchange markets and other specific operations.

Article 12. Monitoring and reporting

In order for the foreign exchange transactions to be monitored, legal persons authorised to carry out foreign exchange transactions report to the National Bank of Romania using documents the format and content of which are defined by the latter.

Chapter III

MONEY ISSUE

Article 13. Exclusive issue rights

The National Bank of Romania is the only institution authorised to issue money in the form of banknotes and coins as legal tender on the Romanian territory.

Article 14. Currency unit

The national currency unit is the *leu* with its centesimal subdivision the *ban*.

Article 15. Money

(1) The National Bank of Romania alone has the right to determine the nominal value, size, weight, design and other technical characteristics of banknotes and coins.

(2) Banknotes shall be signed by the Governor and the Treasurer.

(3) Banknote or coin forging or counterfeiting is an offence punishable by law.

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

(5) The design of banknotes and coins is protected by registration with the Romanian Office for Inventions and Trademarks. No full-size colour copy in whole or in part for advertising, informative or other commercial purposes may be made unless prior agreement has been sought and got in writing from the National Bank of Romania.

Article 16. Currency issue program

(1) The National Bank of Romania elaborates the banknote and coin issue program so that the country's requirements for cash be met strictly according to the real needs of money circulation.

(2) The cumulative value of banknotes and coins in circulation, which excludes the cash reserve is recorded as a liability in the National Bank of Romanian accounts.

(3) That part of money in circulation which was issued by the National Bank of Romania exceeding the foreign reserves level established and kept in accordance with Article 31 must be fully covered by the following assets:

- a) Government bonds in the investment portfolio;
- b) assets generated by lending to banks or other legal entities subject to legal provisions;
- c) cheques, bills of exchange and other bonds discounted or in its portfolio.

Article 17. Legal tender

Banknotes and coins that were issued but not withdrawn from circulation by the National Bank of Romania are legal tender and must be accepted at their face value for the payment of all public and private debts.

Article 18. Money printing and circulation

(1) The National Bank of Romania ensures that banknotes are printed and coins minted; also, it undertakes to safekeep those banknotes and coins which are not in circulation, and takes custody and dispose, if necessary, of the moulds, inks and other supplies as well as of the banknotes and coins withdrawn from circulation.

(2) The National Bank of Romania distributes the money issue and manages the banknote and cash reserves.

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

(4) The National Bank of Romania replaces at no cost the banknotes and coins it issued which are still in use.

(5) The National Bank of Romania may decline to replace banknotes or coins that are damaged, unreadable or have more than 40 per cent of their surface area missing. That money is to be withdrawn from use and destroyed without compensation to their holders, unless its own rules provide otherwise.

(6) The National Bank of Romania cannot be held liable for compensation for banknotes or coins which were lost, stolen, destroyed, counterfeited or forged.

Article 19. Replacing the Money

(1) The National Bank of Romania may decide to cancel or withdraw any banknotes or coins it issued and to replace them with others of a different kind.

(2) How the replacement is to occur and the deadline for it will be published in the Official Gazette and at least two national newspapers.

(3) Beyond the deadline, the banknotes and coins withdrawn from circulation, while not contrary to Article 17, may no longer be used to pay public or private debts.

(4) The aggregate value of the banknotes and coins withdrawn from use but not surrendered for replacement in due time will be deducted from the worth of the cash in circulation as recorded in the books and registered as revenue of the National Bank of Romania.

Chapter IV

OPERATIONS WITH BANKS

Article 20. Lending to banks

As part of its monetary, foreign exchange, lending and payments policies, the National Bank of Romania may lend to banks on up to 90 days term against securities that include:

a) Government bonds which are part of public issues redeemable within no more than a year from the time of their acquisition by the National Bank of Romania;

b) bills of exchange or promissory notes drawn or endorsed for commercial, industrial or agricultural purposes by eligible legal entities in accordance with the rules of the National Bank of Romania;

c) warrants or warehouse receipts issued for fungible or other goods dully insured against loss, damage or destruction;

d) deposits with the National Bank of Romania or other legal entity acceptable to the National Bank of Romania consisting of any assets which it may sell, buy or trade.

Article 21. Credit terms and costs

(1) The National Bank of Romania sets and publicises its credit terms, the minimum lending rate and the criteria that banks must meet to qualify for requesting credits on competitive bases.

(2) The National Bank of Romania may set lending ceilings, the interest rate, repayment terms and other conditions for discretionary or competitive lending.

(3) For all the operations performed, the National Bank of Romania establishes and cashes interests, fees and the like to cover its operating costs and risks, with the exception of the transactions performed through the general current account of the Treasury.

Article 22. Bank accounts

(1) The National Bank of Romania opens one current account for the Treasury, for each bank and for each subsidiary of a bank, foreign legal person, authorised to operate in Romania.

(2) The National Bank of Romania may open current accounts, clearing accounts and other accounts for resident interbank clearinghouses and for non-resident foreign central banks and international financial institutions.

(3) The final and irrevocable settlement of cash and payments transactions among account holders are performed through current accounts.

Article 23. Payments systems

The National Bank of Romania issues general rules about payment instruments, coordinates and supervises payments systems of national interest and sets the requisite measures to prevent and remove any situation that may threaten the proper operation of the payments system.

Article 24. Clearing, deposit and payments services

(1) Through the accounts opened with the National Bank of Romania clearing, deposit and payment services may be provided.

(2) The National Bank of Romania may take part in clearing, deposit or payment arrangements on its own account or on behalf and account of the State, or in other contracts having this purpose concluded with central institutions, collective specialist organizations, public or private with headquarters abroad.

Article 25. Risk prevention and limitation

To prevent and limit payments and credit risks, the National Bank of Romania may supply, on request, against payment, data and information on payments incidents and credit risks in the banking system with the observance of the bank operations secret.

Chapter V

BANK SUPERVISION

Article 26. Bank licensing and prudential supervision

(1) The National Bank of Romania has exclusive competence for granting banks the operation licence and is responsible for the prudential supervision of the banks it authorised to operate in Romania, according to the provisions of the Banking Law.

(2) To ensure a viable and operational banking system, the National Bank of Romania has powers to:

a) issue regulations, take measures to enforce their observance and rule lawful penalties for non-compliance;

b) check and verify on the basis of reports and field inspections the books, accounts and any other documents of authorised banks that the National Bank of Romania may deem necessary to fulfil its supervisory tasks.

Article 27. Protection against system risk

To limit risks in the banking and payments system, the National Bank of Romania may, in exceptional circumstances and on a case-by-case basis, grant loans to banks that are either unsecured, or secured with assets other than those provided for in Article 20 .

Chapter VI

OPERATIONS IN GOVERNMENT ACCOUNT

Article 28. Treasury account

(1) The National Bank of Romania keeps the general current account of the Treasury opened to the name of the Ministry of Finance.

(2) The functioning of the general current account of the Treasury and entries in this account are jointly agreed by the National Bank of Romania and the Ministry of Finance.

Article 29. Operations with the Treasury

(1) The National Bank of Romania will accept deposits for the general current account of the Treasury and make payments within the limits of the funds available in this account.

(2) The National Bank of Romania does not charge commissions for settling the transactions performed through the general current account of the Treasury opened with it and pays interests to the deposits existing in this account.

(3) During the annual financial exercise, in order to bridge the temporary gap between the general current account of the Treasury income and expenditure, the National Bank of Romania may grant financial assistance in the way of loans to be repaid within maximum 180 days and under market interest terms, on the basis of conventions concluded with the Ministry of Finance.

(4) The total amount of the loans granted may not exceed, during no financial exercise, 7% of past year budget revenues and the permanent balance of the loans granted and unpaid may not exceed, at no times, the total amount resulted from doubling the capital and the reserve fund of the National Bank of Romania.

(5) The National Bank of Romania may act as State agent to determine the banks eligible for receiving Treasury deposits on terms to be jointly agreed with the Ministry of Finance.

Article 30. Government bond operations

(1) On the basis of prior agreements concluded with the Ministry of Finance and in conformity with its own rules, the National Bank of Romania may act as an agent on behalf of the State, to:

a) sell government bonds and other securities and negotiable bills having as an effect the indebtedness of the Romanian State;

b) act as a registrar, depositor and transferor of government bonds;

c) pay the principal, interest, fees and expenses involved;

d) perform settlements into the general current account of the Treasury;

e) make other operations in line with the major objectives and responsibilities of the central bank;

f) make payments related to the above through accounts opened with NBR, including those related to the servicing of the debt of the issuers and to other trading and operating costs.

(2) The borrowings through government bonds are made according to the agreements concluded by the National Bank of Romania with the Ministry of Finance establishing at least the following elements: credit value, maturity date, interest rate and the way it is calculated for the whole duration of the credit, debt servicing costs, as well as information about the negotiable government bonds issued for each credit.

Chapter VII

GOLD AND FOREIGN ASSET OPERATIONS

Article 31. International reserves

(1) The National Bank of Romania, while observing the general rules on liquidity and risk specific for foreign assets, sets and holds international reserves, in such a way as to periodically assess their exact size; these reserves are made up, cumulatively or selectively, of the following elements:

- a) gold holdings at the Treasury or in deposits abroad;
- b) foreign assets under the form of banknotes and coins or reserves in accounts opened with foreign banks and other foreign financial institutions which are denominated in such currencies and held in such countries as the National Bank of Romania may decide;
- c) any other internationally recognised reserve assets, including the right to buy from the International Monetary Fund within the reserve tranche, and special drawing rights holdings;
- d) bills of exchange, cheques, promissory notes and other securities, negotiable or not, issued or guaranteed by non-resident legal persons classified in the first categories by internationally recognized rating agencies, denominated and payable in foreign exchange at such places as are acceptable to the National Bank of Romania;
- e) treasury notes, bonds and other government securities issued or guaranteed by foreign governments or intergovernmental financial institutions, which are negotiable or not, and denominated and payable in foreign exchange at places acceptable to the National Bank of Romania.

(2) The National Bank of Romania together with the Ministry of Finance pursues to keep the stock of international reserves at a level assessed as appropriate for the foreign transactions of the State.

(3) Should the international reserves drop or their level decline to the point of endangering the international transactions of the State, the National Bank of Romania shall report to Government and Parliament on the state of international reserves and on the causes that led or may lead to such a decline. The Report will include the National Bank of Romania's recommendations and proposals for measures needed to prevent or to remedy the situation.

Article 32. International reserves management

The National Bank of Romania is authorised, on such terms as it establishes and may change periodically, to perform the following operations:

a) purchase, sell and otherwise trade in gold and other precious metals ingots and coins;

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

c) purchase, sell and otherwise trade in Treasury notes, bonds and other securities issued or guaranteed by foreign governments or intergovernmental financial organisations;

d) purchase, sell and otherwise trade in securities issued or guaranteed by central banks, international financial institutions, banking and non-banking companies;

e) open and keep accounts with central banks and monetary authorities, banking companies and international financial institutions;

f) open and keep accounts and make counterpart operations for international financial institutions, foreign central banks and monetary authorities, financial and banking companies, international financial organisations abroad and for foreign governments and their agencies.

Chapter VIII

MANAGEMENT AND ADMINISTRATION

Article 33. Management of the National Bank of Romania

(1) The National Bank of Romania is managed by a Board of Directors.

(2) The executive management of the National Bank of Romania is exercised by the governor, the prime-vicegovernor and two vicegovernors as provided by NBR by-laws approved by the Board of Directors.

(3) The Board of Directors activities is regulated by this law and the regulations of the National Bank of Romania.

Article 34. Board of Directors

(1) The Board of Directors of the National Bank of Romania decides, according to the law, on:

a) monetary, foreign-exchange, credit and payments policies and monitors their enforcement;

b) measures in the field of licensing and prudential supervision of the banks licensed by it;

c) the operational guidelines and responsibilities of the National Bank of Romania personnel;

d) internal organisation, staff salaries and benefits;

e) the temporary delegation of powers to the executive management whenever special circumstances may so require.

(2) The Board of Directors of the National Bank of Romania comprises of nine members, of which:

a) a president who is also the governor of the National Bank of Romania;

b) a vice president who is also the vicegovernor;

c) seven members, of which two are also vicegovernors and five are not employed by the National Bank of Romania.

(3) The members of the Board of Directors of the National Bank of Romania nominated by the executive directors are appointed by Parliament at the proposal of the permanent specialty commissions of the two Chambers of the Parliament.

(4) Appointments are for a six-year term which may be renewed.

(5) Should Board vacancies occur, those vacancies shall be filled for each specific office and only for the remaining term of office in compliance with the provisions of paragraph (3) above.

(6) A member of the Board may be recalled from office by Parliament upon the proposal of the permanent specialty commissions of the two Chambers of the Parliament for each separate case whenever:

a) one is no longer eligible under Article 35;

b) a criminal sentence was passed on a member and the sentence is final;

c) a member has been involved in obviously inappropriate activities while in office to significantly harm the interests of the National Bank of Romania.

(7) No director on the Board of the National Bank of Romania may be removed from office for reasons or in ways other than paragraph (6) above provides.

(8) Appointments to, and resignations or dismissals from the Board of Directors of the National Bank of Romania are published in the Official Gazette of Romania.

(9) The meetings of the Board of Directors of the National Bank of Romania may be attended by the minister of finance or the Treasury director, who have no voting rights.

Article 35. Incompatibility and conflict of interests

(1) No director of the Board of the National Bank of Romania may be a member of Parliament, or of a political party, or of the judiciary, or of the state administration.

(2) The directors of the Board and high-level employees of the National Bank of Romania are forbidden to represent, directly or indirectly, any financial, commercial or other kind of interest so that a conflict may develop between their own interests, and their duties and obligations to the National Bank of Romania.

(3) Unless they have the explicit approval of the Board of Directors of the National Bank of Romania:

a) the governor, the prime-vicegovernor and vicegovernors may not, during their term of office, devote their professional skills to interests other than those of the National Bank of Romania or hold any other position, paid or unpaid, with financial, banking or non-banking companies, with the exception of didactic activities;

b) no person who has an employment contract with the National Bank of Romania may simultaneously hold a position, paid or unpaid, with a company or other economic operator who, by its statutory activities, is profit-oriented.

Article 36. The competencies of the Governor of the National Bank of Romania

(1) The governor of the National Bank of Romania takes measures to implement the legal provisions, the decisions of the Board of Directors as well as those of other regulations concerning the National Bank of Romania and to give effect to the decisions of the Board of Directors. The governor may delegate to the prime-vicegovernor and to the vicegovernors some of his competencies under terms established by the Board of Directors.

(2) The governor appoints the high-level staff of the National Bank of Romania and the directors of its subsidiaries and branch offices.

(3) The governor represents the National Bank of Romania in its relations with third parties and signs, himself or through persons empowered by him, every treaty or convention concluded.

(4) On behalf of the Board of Directors, the governor submits to Parliament, until 30 June of the following year, the annual report of the National Bank of Romania, which includes:

a) the main economic, monetary, financial and foreign exchange developments;

b) past year's monetary policy and the orientations for the next year

c) banking prudential and supervision regulations;

d) the activities of the National Bank of Romania, the annual balance sheet and the profit and loss account.

(5) Should the governor be absent or incapacitated, the prime-vice governor shall take charge.

Article 37. Auditing commission

(1) The auditing commission comprising five auditors, of which one is the chairman, is appointed as provided for in Article 34, paragraphs (3) and (4).

(2) The auditors verify compliance with the lawful standards for evaluation of the National Bank of Romania assets, the elaboration of the balance sheet and of the profit and loss account, according to the books, the availability of cash and of the securities owned or received as collateral, security or custody, as well as the execution of the revenue and expenditure budget.

(3) Every year the auditors prepare a report on the balance sheet and profit and loss account as well as the execution of the revenues and expenditures budget.

Article 38. External audit

The accounts and records of the National Bank of Romania may be audited by internationally reputed firms to be chosen by the Board of Directors on the basis of tender.

Chapter IX

FINANCE

Article 39. Capital of the National Bank of Romania

(1) The National Bank of Romania's own capital is lei 100 billion and belongs totally to the State. The bank's own capital may be increased using part of the annual net profit up to the equivalent of five per cent of the aggregate monetary liabilities in the balance sheet as at the end of every fiscal year.

(2) The lei 100 billion own capital is made up of the lei 5 billion own capital as of December 31, 1996 plus lei 95 billion allocated from the reserve fund of the National Bank of Romania.

(3) The aggregate monetary liabilities of the National Bank of Romania are the cumulative value of the notes and coins in circulation plus the securities issued by the central bank, and of the credit balances of all accounts by holder existing in its books.

Article 40. Reserve fund

The reserve fund of the National Bank of Romania is built up within the limit of a 20 per cent share of gross profit until it equals the own capital, when the share drops to 10 percent until the reserve fund is twice the NBR's own capital at which point the share is set at 5 per cent.

Article 41. Chart of accounts

(1) The National Bank of Romania operations are registered into its own books according to its own chart of accounts, endorsed by the

Ministry of Finance, and accounted by fiscal year beginning January 1 and ending December 31.

(2) The National Bank of Romania will keep its accounting and records, and draw up annual reports that will show the financial operations and financial results, including the bad loan provisions, in conformity with the legislation in the field and the internationally accepted principles of accounting for central banks.

Article 42. Revenue and expenditure budget

The annual revenue and expenditure budget is approved by the Board of Directors of the National Bank of Romania and its execution is verified by the auditors commission.

Article 43. Profit and loss account

(1) For each fiscal year, the profit or loss of the National Bank of Romania is calculated, in accordance with the international accounting standards, as the difference between revenue and operating expenditure.

(2) Should the balance sheet of the National Bank of Romania show a drop in assets below the cumulated commitments, reserve fund and own capital, the Ministry of Finance shall transfer to the National Bank of Romania, on the latter's request, a stock of negotiable government securities at market price to cover the deficit. These government securities are to be redeemed within five years using the National Bank's net profit or renegotiated.

Article 44. Revaluation of assets and liabilities

The National Bank of Romania reevaluates annually its assets and liabilities in gold, silver, other precious metals or stones, special drawing rights, as a result of their changed value or exchange rate of the leu and the resulting differences are recorded in a special revaluation account.

Article 45. Net profit determination and use

(1) The gross profit of the National Bank of Romania is made up only of the net revenues obtained from its operations.

(2) Net favourable differences from re-evaluations, after deducting the net operational losses are allocated to the special re-evaluation account.

(3) The net profit of the National Bank of Romania is allocated and used in the following order:

a) to increase its own capital up to the equivalent of five percent of the aggregate monetary liabilities recorded in the balance sheet at the end of each fiscal year;

b) to redeem government bonds transferred to the National Bank of Romania by the Ministry of Finance according to Article 43 paragraph (2) ;

c) to build a development fund;

d) to build the employees' profit-sharing fund up to a 10 percent limit;

e) to serve any other purposes as the Board of Directors of the National Bank of Romania may decide;

f) the remaining profit is fully transferred to the government budget until June 1 of the next fiscal year.

Article 46. Distribution of net losses

Should the National Bank of Romania make a net loss in a financial year, the loss shall be distributed as follows:

a) if the net loss consists of net operating loss and net differences from re-evaluation downwards, the total net operating loss is borne by the reserve fund and own capital, in this order, and the total net difference from re-evaluations downwards is allocated to the special re-evaluation account;

b) if the net loss consists of net operating revenue and net differences from re-evaluations downwards, the net operating revenue is evidenced as gross profit and net differences from re-evaluations downwards are allocated to the special re-evaluation account;

c) if the net loss consists of a net operating loss and net differences from re-evaluations upwards, the net loss is borne by the reserve fund and own capital, in this order;

d) if the net loss cannot be covered by the reserve fund, own capital and the availabilities in the special re-evaluation account, the Ministry of Finance is to transfer government bonds as provided by Article 43 paragraph (2) to the National Bank of Romania to bridge the gap.

Article 47. Liability for records

For various payments errors or entries in holders' accounts, the National Bank of Romania is liable only for the amount of money mistakenly paid or entered into the account, including the penalties payable to the State budget which are borne by account holders in such cases as the law provides, if it is notified in writing until the established and notified to the account holders deadline expires.

Article 48. Balance sheet publication

The annual balance sheet and the profit and loss account of the National Bank of Romania audited by the auditors commission are

published in The Official Gazette after their adoption by the Board of Directors .

Chapter X

FINAL PROVISIONS

Article 49. Applicable legislation

(1) The National Bank of Romania's operations are subject to commercial laws unless the banking law and this law do not provide otherwise.

(2) Commercial operations of the National Bank of Romania as shown in the revenue and expenditure budget, the annual balance sheet and the profit and loss account are subject to subsequent inspection by Romania's Court of Accounts.

Article 50. Regulations of the National Bank of Romania

(1) The National Bank of Romania is empowered to issue such regulations as the application and enforcement of the legal provisions may require.

(2) The National Bank of Romania's regulations may assume the form of regulations, directives, norms and circular letters which are mandatory for public and private legal entities and for individuals.

Article 51. Statistical data

(1) The National Bank of Romania will contribute to harmonising statistical data collection, processing and distribution rules and practices in its field of competence.

(2) The National Bank of Romania collects primary statistical data required to discharge its functions as the law provides from public authorities, banks, financial institutions and other individuals and legal entities.

(3) All banks and other public or private legal entities which were licensed by the National Bank of Romania or have accounts with it shall provide NBR with any data or information it may require to fulfil its tasks under the law.

(4) The National Bank of Romania may publish such data and information, in whole or in part, but only in aggregate form.

Article 52. Preferred rights

(1) Conventions, contracts and any other credit arrangements concluded by the National Bank of Romania are executory deeds in

case of non-payment, for the entire balance of the overdue part of the loan, including interests and other related costs.

(2) Financial or judicial state bodies shall enforce the claim of the National Bank of Romania on the basis of a simple notice from the Bank.

(3) Should debtors default on their commitments, the National Bank of Romania has the right to recover its claims by executing the guarantees as follows:

a) total or partial sale, on the debtor's account, of the bills and securities given to Bank as security, within three days after simple summons presented through a extra-judiciary document;

b) receipts from sales are used to recover the claims, the payments in advance and any other expenses made by the National Bank of Romania, and the possible remaining surplus is to be transferred to the borrower.

Article 53. Operations for third parties

(1) The National Bank of Romania may undertake some operations for third parties only if it is provided with such documents as it may require. The National Bank of Romania may ask, whenever it deems necessary, that real property or personal property be provided as security.

(2) Except for cases explicitly stated by this law, no financial assistance will be provided by the National Bank of Romania as credit, commitment of resources, take-over of all or part of the obligations related to a loan or other lending instrument, assumption of a debt or a related liability or in any other form.

(3) Subject to the provisions of paragraph (2) above, the National Bank of Romania may:

a) invest its financial resources in securities that can readily be turned into cash issued by creditworthy debtors;

b) acquire, while executing its claims, any rights that may be used to advantage;

c) grant to its employees a dwelling credit and credits for durable goods with interest at the level of the average monthly rate used by commercial banks.

Article 54. Fiscal facilities

The National Bank of Romania's own capital, reserve fund and risk provisioning, gold, silver and other precious metal ingots, coins and other items, precious stones are exempt from charges and taxes.

Article 55. Banking professional secrecy

(1) The members of the Board of Directors and the employees of the National Bank of Romania shall observe the confidentiality of any not-for-publishing information they may have acquired in the exercise of their duties; they may not use such information for personal benefit, failing which they are punishable in conformity with the law.

(2) Banking professional secrecy disclosure may occur as part of legal proceeding only in such circumstances as the Board of Directors of the National Bank of Romania may approve.

Article 56. Fees

The members of the Board of Directors of the National Bank of Romania and auditors are paid fees.

Article 57. Shareholding

The National Bank of Romania may not have an interest, whether direct or indirect, in any commercial company or regie autonome other than its own banknote printing and coin minting enterprises and such companies as may help fulfil its functions.

Article 58. Real estate property

The National Bank of Romania may invest in real estate only for its operating requirements and for the needs of its employees, established by its Board of Directors.

Article 59. Public communication

(1) All National Bank of Romania regulations are published in the Official Gazette of Romania (Monitorul Oficial al Romaniei).

(2) The National Bank of Romania regulations published in the Official Gazette of Romania will be entered in a public register.

(3) The National Bank of Romania publishes its annual report reports on the balance of payments and international investment in the country, bulletins on the course of the currency and of credit, studies and other documents containing information for public use.

Article 60. Sanctions

(1) Non-compliance with the provisions of the law or of the regulations issued by the National Bank of Romania, which is not punishable by the banking law, the executive management of the National Bank of Romania may rule the following sanctions:

a) written warning;

b) fine from 1 to 10 million lei. Received fines are transferred to the State budget;

c) total or partial suspension, for a period of up to 90 days, of the license issued by the National Bank of Romania;

d) withdrawal of the license issued by the National Bank of Romania.

(2) Appeals may be formulated within 15 days from the date the sanction was communicated and are handled by the Board of Directors of the National Bank of Romania within maximum 30 days from receipt.

(3) Within 15 days from their being published, the decisions of the Board of Directors of the National Bank of Romania may be appealed to the Supreme Court of Justice.

Article 61. Entry into force

This law enters into force after thirty days of its publication in the Official Gazette of Romania.

Article 62. Abrogations

When this law takes effect, Law No. 34 /1991 on the Statute of the National Bank of Romania published in the Official Gazette of Romania No. 70 of 3 April 1991 and any other contrary provisions are abrogated.

This Law was adopted by the Chamber of Deputies and the Senate in the joint meeting of 5 May 1998, observing the provisions of Article 74, paragraph (2) and Article 76, paragraph (2) of the Constitution of Romania.

Bucharest, 26 May 1998
No. 101