

APPROVED

by Edict #320
of June 13, 2001
of the President of the Republic of Belarus

Revised and amended

by Edict #601
of November 4, 2008
of the President of the Republic of Belarus

STATUTE

OF THE NATIONAL BANK OF THE REPUBLIC OF BELARUS

CHAPTER 1

GENERAL PROVISIONS

1. The National Bank of the Republic of Belarus (hereinafter referred to as the "National Bank") is the central bank and a government agency of the Republic of Belarus operating exclusively in the interests of the Republic of Belarus.
2. In performing its activities, the National Bank shall be guided by the Constitution of the Republic of Belarus, the Banking Code of the Republic of Belarus, laws of the Republic of Belarus, regulatory legal acts of the President of the Republic of Belarus, and this Statute and shall be independent in its activities.
3. The National Bank shall be accountable to the President of the Republic of Belarus, the accountability meaning, *inter alia*, that:
 - The President of the Republic of Belarus approves the Statute of the National Bank and modifications and/or amendments thereto;
 - The President of the Republic of Belarus appoints, with the consent of the Council of the Republic of the National Assembly of the Republic of Belarus, the Chairman and Members of the Board of the National Bank, and removes them from their positions notifying the Council of the Republic of the National Assembly of the Republic of Belarus accordingly;

- The President of the Republic of Belarus designates an auditor to examine the activity of the National Bank; and
 - The President of the Republic of Belarus approves the annual report of the National Bank with due account for the opinion of the auditor and the distribution of the National Bank's profit.
4. The main objectives of the National Bank shall be as follows:
- protecting the Belarusian ruble and ensuring its stability, including its purchasing power and the rate of exchange relative to foreign currencies;
 - developing and strengthening the banking system of the Republic of Belarus; and
 - ensuring efficient, reliable, and secure functioning of the payment system.
5. Gaining profit shall not be the main objective of the National Bank.

CHAPTER 2

STATUS OF THE NATIONAL BANK

6. The National Bank is a legal person having its seal with the State Emblem of the Republic of Belarus and an inscription "Национальный банк Республики Беларусь" (National Bank of the Republic of Belarus). Its full name is:

- in Russian - "Национальный банк Республики Беларусь";
- in Belarusian - "Нацыянальны банк Рэспублікі Беларусь";
- in English - "National Bank of the Republic of Belarus".

7. The National Bank comprises the main office, organizational units, and organizations located in the Republic of Belarus and abroad.

8. Organizational units of the National Bank include Regional Main Departments and their city branches, Specialized Department, Training Center, Central Vault, Settlement Center, and Rujansky Sanatorium for Children.

Organizational units of the National Bank shall abide by the regulations approved by the Board of Directors of the National Bank.

9. The National Bank shall, in consultation with the President of the Republic of Belarus, be entitled to establish organizations required to support its activities.

Organizations of the National Bank comprise Educational Institution Polessky State University and Republican Unitary Enterprise Banking Technologies Center.

Organizations of the National Bank shall operate under statutes approved by the Board of Directors of the National Bank.

10. The National Bank is headquartered at:
20, Nezavisimosti Prospekt, 220008, Minsk, Republic of Belarus

CHAPTER 3

FUNCTIONS OF THE NATIONAL BANK

11. The National Bank shall operate within the scope of authority granted thereto by the Constitution of the Republic of Belarus, the Banking Code of the Republic of Belarus, other legislative acts of the Republic of Belarus, and this Statute.

12. The National Bank shall perform the following functions:

- develop the Republic of Belarus Monetary Policy Guidelines and pursue, in concert with the Government of the Republic of Belarus, common monetary policy of the Republic of Belarus in the manner prescribed by legislative acts of the Republic of Belarus;
- issue money;
- regulate money circulation;
- regulate credit relations;
- arrange for the functioning of the payments system of the Republic of Belarus;
- act as the lender of last resort with respect to banks and provide refinancing thereof;
- carry out foreign exchange regulation;
- establish and exercise foreign exchange control either directly or through the authorized banks and non-bank financial institutions pursuant to legislation;
- act as a central depository of Government and National Bank securities, unless otherwise decreed by the President of the Republic of Belarus;
- issue National Bank securities;
- act as a financial agent for the Government of the Republic of Belarus and local executive and administrative bodies in matters relating to the execution of the republican and local budgets and advise them on matters related thereto;
- give consent for the banks and non-bank financial institutions to engage in securities transactions in cases prescribed by law;
- carry out state registration of banks and non-bank financial institutions;
- license banking activities;
- govern activity of banks and non-bank financial institutions regarding its secure and liquid performance and exercise supervision over such activity;
- establish banking operations rules and procedures;

- set internal control requirements to be complied with by banks and non-bank financial institutions, bank groups and bank holding companies*;

* For purposes of this Edict, terms “bank group” and “bank holding company” shall have the meaning defined in Article 35 of the Banking Code of the Republic of Belarus

- authorize banks and non-bank financial institutions to issue securities in cases prescribed by law;
- set requirements for banks and non-bank financial institutions regarding transactions involving forward and futures contracts, options and other financial instruments of the derivatives market;
- provide methodological support in the maintenance of accounting records and financial statements in the banking sector, develop and approve accounting and financial reporting methodology for the National Bank, banks and non-bank financial institutions;
- prescribe for banks and non-bank financial institutions statistical reporting procedures in format and within the time frame prescribed by law;
- develop national financial reporting standards for the National Bank, banks and non-bank financial institutions in line with the international financial reporting standards, and provide them with methodological support in the maintenance of accounting records and financial statements;
- prescribe procedures for cash and non-cash settlements in the Republic of Belarus;
- perform transactions required to attain the main objectives of the National Bank;
- arrange for settlement and/or cash services to the Government of the Republic of Belarus and organizations referred to in paragraph 16 hereof, and other organizations in cases prescribed by legislative acts, as well as to the receivers in bank insolvency proceedings;
- arrange for the compilation of the Republic of Belarus balance of payments, including international investment position of the Republic of Belarus, and participate in the production of the balance of payments;
- in consultation with the President of the Republic of Belarus, establish gold and foreign exchange reserves and manage them within the scope of its authority;
- create the gold reserve stock of the National Precious Metals and Precious Stones Foundation of the Republic of Belarus and manage it on a day-to-day basis within the scope of its authority;
- set prices for purchasing/selling precious metals and precious stones in carrying out banking operations;
- prescribe procedures for opening and maintaining precious metals accounts by banks and non-bank financial institutions in the Republic of Belarus, as well as

the terms and conditions of opening such accounts by residents* with banks and other credit institutions outside the Republic of Belarus;

* For purposes of this Edict, term “resident” shall have the meaning defined in paragraph 7 of Article 1 of the Law of the Republic of Belarus “On Foreign Exchange Regulation and Foreign Exchange Control” dated July 22, 2003 (National Register of Legal Acts of the Republic of Belarus, 2003, No.85, 2/978)

- establish, jointly with the State Customs Committee and in consultation with the Ministry of Finance, procedures for imports and exports of precious metals and precious stones in carrying out banking operations;
- arrange for collection and transportation of cash, payment instructions, precious metals, precious stones, and other valuables;
- exercise control over data security and protection of information resources in banks and non-bank financial institutions;
- review and forecast developments in monetary relations, relations in the field of foreign exchange regulation and foreign exchange control, as well as the Republic of Belarus balance of payments and the banking sector in interrelation with the social and economic development of the Republic of Belarus, and publish relevant statistics and analytical and forecast materials in the National Bank’s periodical;
- enter into agreements with central (national) banks and credit institutions of foreign countries;
- exercise methodological regulation of application of information technologies in banking activities;
- develop standards and arrange for certification of software and hardware utilized in the field of banking services and technologies;
- engage in depositary activities in the manner prescribed by law;
- arrange for collection from banks and non-bank financial institutions of the Republic of Belarus information regarding performance of loan contracts, as well as its compilation, processing, and storage; and
- perform other functions prescribed by the Banking Code of the Republic of Belarus and other legislative acts.

13. In order to perform its functions, the National Bank may establish representative offices in foreign countries.

CHAPTER 4

OPERATIONS OF THE NATIONAL BANK

14. Operations performed by the National Bank include:

- lending to banks by way of refinancing;
- settlement and/or cash services to the Government of the Republic of Belarus and organizations referred to paragraph 16 hereof, and other organizations in cases provided for in legislative acts, as well as to the receivers in bank insolvency proceedings;
- bill rediscounting;
- securities market transactions;
- collection and transportation of cash, payment instructions, precious metals, precious stones, and other valuables;
- management of gold and foreign exchange reserves within the scope of its authority, as well as transactions involving foreign exchange, precious metals and/or stones in any form and condition, including purchase, sale, and swaps thereof within the Republic of Belarus and abroad;
- opening and maintaining precious metals accounts within the Republic of Belarus and abroad;
- transfers of precious metals in the form of ingots on a gratuity basis in cases prescribed by law;
- acceptance of deposits from banks, non-bank financial institutions, and the organization responsible for guaranteed repayment of household deposits;
- sale of commemorative and bullion (investment) coins in the Republic of Belarus and abroad at prices equal to or above their face value;
- issuance, with the authorization of the President of the Republic of Belarus, of bank guarantees and sureties for investment projects;
- inter-bank settlements, including settlements with non-bank financial institutions;
- safekeeping of valuables;
- remittance of money and other settlement transactions;
- purchase and sale of foreign exchange and payment instructions denominated in foreign exchange and other foreign exchange operations stipulated in law, including documentary operations and lending in foreign exchange;
- banking services to foreign governments, central (national) banks, and financial bodies of foreign countries as well as international organizations;
- intermediary services as a financial agent of the Government of the Republic of Belarus for placement of Government securities;
- servicing public debt of the Republic of Belarus;
- opening and maintaining card accounts for the National Bank employees; and
- lending to the National Bank employees.

The National Bank is not allowed to provide banking services to corporations which do not hold banking licenses and to households, except in cases stipulated in this paragraph.

15. Unless otherwise provided by legislative acts of the Republic of Belarus, the National Bank shall perform banking operations for a fee.

16. The National Bank shall arrange for the provision of settlement and/or cash services to the Ministry of Finance and its local units; the Ministry of Defense; the Ministry of Internal Affairs, its local units, and institutions under its jurisdiction; the Committee for State Security, its local units, and institutions under its jurisdiction; the State Control Committee and bodies thereof; the Department for Material Reserves under the Ministry of Emergency Management; the State Border Troops Committee, its local units and institutions under its jurisdiction; the Operational and Analytical Center under the President of the Republic of Belarus, and the Public Agency for Household Deposit Insurance.

CHAPTER 5

OPERATION OF THE NATIONAL BANK

17. The National Bank shall perform its activities on the basis of the Monetary Policy Guidelines approved by the President of the Republic of Belarus annually.

18. The National Bank, in concert with the Government of the Republic of Belarus, shall annually submit the country's Monetary Policy Guidelines for the subsequent year to the President of the Republic of Belarus by October 1 of the current year.

19. The National Bank shall, on a quarterly basis, inform:

- the President of the Republic of Belarus and the Government of the Republic of Belarus on the volume of currency issue and on implementation of the Republic of Belarus Monetary Policy Guidelines. The relevant information for the last quarter of the year shall be reported by as part of the annual report of the National Bank; and
- the President of the Republic of Belarus on the size of gold and foreign exchange reserves established in line with objectives and tasks stipulated in the Republic of Belarus Monetary Policy Guidelines.

20. The National Bank shall not be liable for the obligations of the Government of the Republic of Belarus. The Government of the Republic of Belarus shall not be liable for the obligations of the National Bank, except in cases provided for in legislative acts.

21. The National Bank and the Government of the Republic of Belarus shall inform each other of any anticipated actions of nationwide significance, coordinate their efforts, and hold regular consultations.

22. Government agencies shall have no right to interfere in the activities of the National Bank conducted within the scope of its authority, save agencies authorized by legislative acts.

23. The National Bank shall not be liable for the obligations of banks and non-bank financial institutions, unless the National Bank assumes such liability.

Banks and non-bank financial institutions shall not be liable for the obligations of the National Bank, unless they assume such liability.

24. With a view to improving monetary policy and developing the banking system of the Republic of Belarus, an Advisory Council shall be established under the National Bank which will be responsible for rendering expert, information, and advisory services to the National Bank.

The establishment and authority of the Advisory Council shall be set forth in the Regulations thereon approved by the Board of the National Bank.

The Advisory Council shall be headed by the Chairperson of the Board of the National Bank.

25. For the purposes of collecting and/or transporting currency, payment instructions, precious stones and precious metals, and other valuables, the National Bank shall be entitled to:

- acquire civilian and service weapons and ammunition thereto for use by its employees engaged in the collection and transportation of currency, payment instructions, precious stones and precious metals, and other valuables, in the manner prescribed by regulatory legal acts of the President the Republic of Belarus and other legislative acts; and
- obtain for temporary use certain types and models of combat weapons and ammunition thereto for official use by such employees, in the manner decreed by the President of the Republic of Belarus.

The use of combat weapons obtained by the National Bank for temporary use for purposes other than those stipulated in law shall be prohibited.

Weapons and ammunition shall be issued to the employees engaged in the collection and transportation of currency, payment instructions, precious stones and precious

metals, and other valuables by the decision of the Chairperson of the Board of the National Bank or persons who are authorized by the Chairperson of the Board of the National Bank and to whom said employees are subordinate, following adequate training and provided there are no grounds precluding authorization to acquire civilian weapons. Said employees shall be periodically tested in order to verify whether they are fit for performing their duties in an environment warranting the use of firearms and must be licensed by the bodies of internal affairs to carry and use service weapons.

Collection service employees and employees engaged in the collection and transportation of currency, payment instructions, precious stones and precious metals, and other valuables shall be provided with uniforms, footwear, weapons equipment, and individual protective equipment in the manner prescribed by law.

Said employees shall be authorized to use weapons in cases and in the manner prescribed by law.

26. The National Bank shall have the right to ensure protection of property of its organizational units, organizations, and regular staff in the manner prescribed by law.

27. The National Bank shall ensure, where appropriate, confirmation of banknotes and coins authenticity and fitness for use as currency as well as performance of analysis designed to confirm purity and assessment of precious metals and precious stones, as well as products and historical and cultural valuables made of them.

28. *Bankauski Vesnik*, information, analytical, scientific, and practical journal, is the official periodical of the National Bank.

The National Bank shall provide training, re-training, and skill enhancement for its employees.

CHAPTER 6

PROPERTY OF THE NATIONAL BANK

29. Property of the National Bank shall be owned by the Republic of Belarus and shall be assigned to the National Bank on a day-to-day management basis.

30. The National Bank shall be authorized to possess, use, and dispose of the property assigned thereto, including the gold and foreign exchange reserves, in accordance with its objectives and in the manner prescribed by law. Seizure and encumbrance of the National Bank's property shall be prohibited, except in cases stipulated in legislative acts.

CHAPTER 7

AUTHORIZED CAPITAL OF THE NATIONAL BANK

31. The authorized capital of the National Bank is designed to ensure the functioning and fulfillment of obligations of the National Bank.

32. The authorized capital of the National Bank shall be made up of its profits, targeted receipts, and funds from other sources which are not prohibited by legislation.

33. The size of the authorized capital of the National Bank shall be 250,000,000,000 (two hundred and fifty billion) Belarusian rubles.

CHAPTER 8

RESERVE FUND AND OTHER FUNDS OF THE NATIONAL BANK

34. The National Bank shall set up a reserve fund and other funds to support its activity, as well as provisions covering general bank risks.

35. The reserve fund shall be used to cover potential losses on the National Bank's operations in respect of which provisions covering general bank risks, including those relating to the issuance of guarantees, are not established.

Transfers to the National Bank's reserve fund shall be made out of its profits for the year under review retained after part of such profits in the amount prescribed by the Budget Law of the Republic of Belarus for the subsequent financial (fiscal) year has been transferred to the republican budget.

The size of the reserve fund shall be at least equal to the authorized capital of the National Bank.

CHAPTER 9

PROFITS OF THE NATIONAL BANK

36. The National Bank shall derive its profits from activities performed in accordance with the Banking Code of the Republic of Belarus and other legislative acts.

37. The National Bank shall transfer part of its profits in the amount prescribed by the Budget Law of the Republic of Belarus for the subsequent financial (fiscal) year to the

republican budget using the remainder for increasing (setting up) its authorized capital, reserve fund, and other funds.

38. The National Bank shall derive its income from operations specified in paragraph 14 hereof.

39. Expenses of the National Bank shall consist of expenditures relating to:

- the payment of interest on loans and deposits as well as on securities issued by the National Bank;
- the use of funds on the accounts of organizations referred to in paragraph 16 hereof, as well as accounts of receivers in bank insolvency proceedings;
- securities transactions;
- operations in the foreign exchange, precious metals and precious stones markets;
- staff costs; and
- other expenses relating to the operation of the National Bank.

40. The National Bank shall incur current expenses and capital investments within the budget of expenditures approved by the Board of the National Bank.

The National Bank shall incur maintenance expenses and capital investments in consultation with the President of the Republic of Belarus.

Long-term investments and capital investment costs shall be financed, in consultation with the President of the Republic of Belarus, from sources other than the National Bank's own capital.

Edict of the President of the Republic of Belarus No.285 of June 19, 2007 envisages that paragraph 41 of this Statute will be in effect until the Special Part of the Tax Code of the Republic of Belarus comes into force.

41. The National Bank and its organizational units shall be exempt from all taxes, fees, and duties.

42. Profits of the National Bank's organizations shall be subject to taxation in accordance with legislation.

CHAPTER 10

GOVERNING BODIES AND STAFF OF THE NATIONAL BANK

43. The Board of the National Bank and the Board of Directors of the National Bank shall be the governing bodies of the National Bank.

44. The supreme governing body of the National Bank shall be the Board of the National Bank, a collective body that establishes key areas of activity of the National Bank and administers and governs it.

The membership of the Board of the National Bank shall be decided by the President of the Republic of Belarus.

45. The members of the Board of the National Bank shall be appointed by the President of the Republic of Belarus with the consent of the Council of the Republic of the National Assembly of the Republic of Belarus for a term of five years, unless otherwise decreed by the President of the Republic of Belarus. The members of the Board of the National Bank shall enter into employment contracts in the manner and on conditions prescribed by law.

46. Unless otherwise provided by the Constitution and other legislative acts of the Republic of Belarus, the members of the Board of the National Bank may not hold other Government offices and may not be affiliated with a political party.

47. In addition to restrictions imposed by the civil service law, the members of the Board of the National Bank who are employees of the National Bank may not:

- possess and/or acquire in person or through agents shares (stakes) in banks and non-bank financial institutions; and
- hold second jobs in banks, non-bank financial institutions and other organizations.

48. The member(s) of the Board of the National Bank may be removed from office by the President of the Republic of Belarus with notification of the Council of the Republic of the National Assembly of the Republic of Belarus in case of:

- expiration of term of office;
- inability to perform, upon medical examination, official duties for health reasons;
- resignation;
- reaching the pensionable age (retirement of a member's own accord);
- non-observance, in performing official duties, of the Constitution of the Republic of Belarus, laws of the Republic of Belarus, decrees, edicts, and directives of the President of the Republic of Belarus and other legislative acts of the Republic of Belarus binding upon the National Bank;
- non-observance of restrictions referred to in paragraph 47 of this Statute;

- disclosure of state or professional secrets;
- finding guilty of a crime by court judgment;
- commission of wrongful acts that give rise to loss of confidence in a given person;
- dismissal from the principal official position; and
- in other cases specified by the President of the Republic of Belarus.

49. Deputies of the Chairperson of the Board of the National Bank shall be appointed by the Board of the National Bank from among the Board members upon recommendation of the Chairperson of the Board of the National Bank.

50. The Board of the National Bank shall:

50.1. annually, by October 1, review and submit, in concert with the Government of the Republic of Belarus, to the President of the Republic of Belarus the country's Monetary Policy Guidelines for the subsequent year;

50.2. approve the National Bank's annual report and submit it, no later than April 15 of the year following the year under review, to the President of the Republic of Belarus;

50.3. fix, in consultation with the President of the Republic of Belarus, the rate (quota) of foreign capital participation in the banking system of the Republic of Belarus;

50.4. take decisions on:

- regulation of credit relations and money circulation, establishment of settlement procedures and foreign exchange regulation;
- state registration, reorganization, and liquidation of banks and non-bank financial institutions;
- issuance of banking licenses;
- participation in international organizations;
- regulation of activity of banks and non-bank financial institutions with a view to its secure and liquid performance; and
- establishment, in consultation with the President of the Republic of Belarus, of organizations supporting National Bank activities and/or participation therein;

50.5. review and submit to the President of the Republic of Belarus proposals on amending this Statute, including changes in the size of the authorized capital of the National Bank;

50.6. review, by December 1 of the previous year, the National Bank's operating and capital investment budget for the subsequent year, submit it, within 10 days, to the President of the Republic of Belarus for confirmation, and approve it within three days after the confirmation of the Head of the State;

50.7. review and approve, in consultation with the President of the Republic of Belarus, amendments to the National Bank's operating and capital investment budget;

50.8. relieve Deputies of the Chairperson of the Board of the National Bank of their positions on recommendation of the Chairperson of the Board of the National Bank;

50.9 approve rules of procedure of the Board of the National Bank;

50.10. appoint members of the Board of Directors of the National Bank on recommendation of the Chairperson of the Board of the National Bank;

50.11. approve rules of procedure of the Board of Directors of the National Bank, hear reports of the members of the Board of Directors of the National Bank on matters that come within their competence;

50.12. approve, in a prescribed manner, the size of and procedures for setting up and using the reserve fund, other funds (save authorized capital), as well as provisions for covering general bank risks of the National Bank;

50.13. establish procedures for setting up reserves of banks and non-bank financial institutions;

50.14. establish procedures for application of sanctions against banks and non-bank financial institutions; and

50.15. consider and tackle other issues arising in connection with the National Bank's activities.

51. The Board of the National Bank shall hold its meetings on an as-required basis but at least once a month. Its meetings shall be deemed competent if attended by at least seventy per cent of the members, the attendance of the Chairman (or alternate thereof) of the Board of the National Bank being mandatory.

Decisions of the Board of the National Bank shall be taken by a simple majority and shall be formalized by resolutions of the Board of the National Bank.

52. The activities of the Board of the National Bank shall be governed by rules of procedure.

53. The Board of Directors of the National Bank shall be a collective executive body of the National Bank.

54. Membership of the Board of Directors of the National Bank shall be determined by the Board of the National Bank.

55. The Board of Directors of the National Bank shall be headed by the Chairperson of the Board of the National Bank.

56. The members of the Board of Directors of the National Bank shall be appointed for a five-year term by the Board of the National Bank from among the National Bank officials on recommendation of the Chairperson of the Board of the National Bank.

57. The members of the Board of Directors of the National Bank may be removed from office:

- upon expiration of their term of office - by the Chairperson of the Board of the National Bank; or
- before expiration of their term of office - by the Board on recommendation of the Chairperson of the Board of the National Bank.

58. The Board of Directors of the National Bank shall:

58.1. arrange for the implementation of the Republic of Belarus Monetary Policy Guidelines;

58.2. determine the structure of the main office and organizational units of the National Bank;

58.3. lay down the terms of recruitment, dismissal, remuneration, rights as well as the obligations of employees of the National Bank in accordance with legislation;

58.4. approve:

- procedures for conducting operations by the National Bank;
- national financial reporting standards for the National Bank, banks and non-bank financial institutions;
- accounting and financial reporting methodology for the National Bank, banks and non-bank financial institutions;

- a list of categories of the National Bank employees entitled to wear uniform, to carry and keep weapons in accordance with legislation;
- regulations on the organizational units of the National Bank, statutes of its organizations, as well as regulations on organizational units of the National Bank's main office; and
- regulations on the National Bank's collective bodies (committees) responsible for coordinating the activities of organizational units of the National Bank's main office pertaining to the implementation of the Republic of Belarus Monetary Policy Guidelines for the subsequent year and to the pressing issues of banking system development;

58.5. take decisions on:

- introduction of banknotes and coins which are legal tender in the Republic of Belarus;
- giving consent for issue of securities by banks and non-bank financial institutions in cases prescribed by law;
- giving consent for securities trading by banks and non-bank financial institutions in cases prescribed by law;
- setting the ratios of required reserves deposited with the National Bank;
- setting marginal interest rates on banks' operations involving monetary funds of natural and legal persons; and
- disposal of property with a view to supporting activities of the National Bank and its organizations, including purchasing/selling immovable property in the manner prescribed by law; and

58.6. perform other functions entrusted by the Board of the National Bank to the Board of Directors of the National Bank.

59. The Board of Directors of the National Bank shall hold its meetings on an as-required basis but at least once a month. Its meetings shall be deemed competent if attended by at least seventy per cent of the members of the Board of Directors of the National Bank.

Decisions of the Board of Directors of the National Bank shall be taken by a simple majority and shall be formalized by resolutions of the Board of Directors of the National Bank.

60. The Chairperson of the Board of the National Bank shall be appointed by the President of the Republic of Belarus for a term of five years with the consent of the Council of the Republic of the National Assembly of the Republic of Belarus, unless otherwise decreed by the President.

61. The Chairperson of the Board of the National Bank shall be a member of the Government of the Republic of Belarus.

62. The Chairperson of the Board of the National Bank shall direct day-to-day activities of the National Bank, represent it as a government agency and central bank of the Republic of Belarus, and bear personal responsibility for performing functions entrusted to the National Bank.

63. In the absence of the Chairperson of the Board of the National Bank, his/her functions shall be performed by one of the First Deputies, or, in their absence, by one of the regular Deputies, based on the order by the Chairperson of the Board of the National Bank.

64. The Chairperson of the Board of the National Bank shall:

64.1. act on behalf of the National Bank and represent its interests without any power of attorney in relations with government agencies, credit institutions, foreign states' organizations, as well as international and other organizations;

64.2. inform the President of the Republic of Belarus about the main areas of the activity of the National Bank and its key decisions;

64.3. preside at the meetings of the Board of the National Bank and the Board of Directors of the National Bank with the casting vote in case of a tie vote;

64.4. sign:

- regulatory legal acts adopted in concert with the Government of the Republic of Belarus, as well as jointly with republican organs of state administration;
- resolutions adopted by the Board of the National Bank and the Board of Directors of the National Bank;
- minutes of the Board of the National Bank and the Board of Directors of the National Bank meetings; and
- international treaties concluded by the National Bank;

64.5. suggest to the Board of the National Bank candidates from within the Board of the National Bank for the office of his/her Deputies and allocate responsibilities among approved Deputies;

64.6. suggest to the Board of the National Bank candidates to be appointed as members of the Board of Directors of the National Bank;

64.7. approve the staff list of the National Bank;

64.8. set salary rates for the National Bank's employees in accordance with legislation;

64.9. issue orders (directions) and give instructions binding upon all the National Bank's employees and organizations; and

64.10. ensure fulfillment by the National Bank of its functions in accordance with the Banking Code of the Republic of Belarus and this Statute.

65. The Chairperson of the Board of the National Bank may be removed from office by the President of the Republic of Belarus with notification of the Council of the Republic of the National Assembly of the Republic of Belarus in case of:

- expiration of term of office;
- inability to perform, upon medical examination, official duties for health reasons;
- resignation;
- reaching the pensionable age (retirement of his/her own accord);
- non-observance, in performing official duties, of the Constitution of the Republic of Belarus, laws of the Republic of Belarus, decrees, edicts, and directives of the President of the Republic of Belarus and other legislative acts of the Republic of Belarus binding upon the National Bank;
- non-observance of restrictions imposed by paragraph 47 of this Statute;
- disclosure of state or professional secrets;
- finding guilty of a crime by court judgment;
- commission of wrongful acts that give rise to loss of confidence in this person;
- dismissal from the principal official position; and
- in other cases decreed by the President of the Republic of Belarus.

66. The National Bank's staff shall include both civil servants and non-civil service employees performing maintenance and supporting the National Bank's operations.

67. The legal status of the National Bank's civil servants shall be provided for by civil service legislation of the Republic of Belarus.

68. In addition to restrictions imposed by civil service legislation, the National Bank's civil servants may not:

- hold and/or acquire in person or via an intermediary shares (stakes) in banks and non-bank financial institutions; and
- work on a part-time basis for banks and non-bank financial institutions.

The National Bank's civil servants may obtain credit from the National Bank only.

69. Matters pertaining to the social development of the National Bank, including improvements in the conditions of labor and medical services, shall be regulated by the collective bargaining agreement concluded in accordance with law.

CHAPTER 11

REGULATORY LEGAL ACTS OF THE NATIONAL BANK

70. The National Bank shall, within the scope of its competence, adopt (issue) regulatory legal acts (resolutions of the Board of the National Bank and the Board of Directors of the National Bank) binding upon the republican organs of state administration, local government and self-government, all banks and non-bank financial institutions, other legal persons operating in the Republic of Belarus as well as natural persons.

71. The National Bank shall be entitled to adopt (issue) regulatory legal acts jointly with the Government of the Republic of Belarus or with the republican organs of state administration.

72. Regulatory legal acts of the National Bank must be consistent with legislative acts of the Republic of Belarus. If a regulatory legal act of the National Bank contradicts any legislative act of the Republic of Belarus, the latter shall prevail.

73. Regulatory legal acts of the National Bank shall be subject to inclusion in the National Register of Legal Acts of the Republic of Belarus.

74. Regulatory legal acts of the National Bank shall be forwarded to the National Center of Legal Information of the Republic of Belarus for inclusion in the National Register of Legal Acts of the Republic of Belarus in the manner and within the time frame prescribed by legislation.

Regulatory legal acts adopted (issued) by the National Bank jointly with the Government of the Republic of Belarus or with the republican organs of state administration shall be forwarded to the above Center by the agency that is indicated as being the first to adopt (issue) the regulatory legal act, unless otherwise stipulated by legislation.

75. The regulatory legal acts of the National Bank referred to in paragraph 74 of this Statute shall be accompanied by the decision of the Ministry of Justice on inclusion thereof in the National Register of Legal Acts of the Republic of Belarus taken on the evidence of legal examination conducted in the manner prescribed by legislation.

76. Regulatory legal acts of the National Bank shall enter into force on the date of inclusion thereof in the National Register of Legal Acts of the Republic of Belarus, unless another date is set therein.

77. Once included in the National Register of Legal Acts of the Republic of Belarus and published in the official media, regulatory legal acts of the National Bank shall be published in the National Bank's periodical.

CHAPTER 12

PARTICIPATION OF THE NATIONAL BANK IN ACTIVITIES OF LEGAL PERSONS AND INTERNATIONAL ORGANIZATIONS

78. Unless otherwise decreed by the President, the National Bank may not participate in business companies and other legal persons, with the exception of individual banks, organizations responsible for repaying deposits of natural persons, organizations supporting National Bank activity, including those trading on the securities market, effecting inter-bank settlements, financing and/or devising and introducing banking technologies, as well as international organizations developing cooperation in the monetary, foreign exchange, and banking spheres.

79. Participation of the National Bank in organizations referred to in paragraph 78 of this Statute shall be decreed by the President of the Republic of Belarus.

80. The National Bank shall be entitled to establish, in the manner prescribed by legislation, mass media and act as an editorial board and distributor.

81. Subject to legislation, the National Bank may participate in activities of international banking foundations, unions, and associations.

82. The National Bank shall represent the Republic of Belarus in international organizations on the issues pertaining to monetary policy, foreign exchange regulation, and other matters within the scope of its competence.

83. Relations between the National Bank and credit institutions of foreign countries shall be established in compliance with international treaties of the Republic of Belarus, including inter-agency agreements, and other legislative acts.

CHAPTER 13

NATIONAL BANK'S FINANCIAL STATEMENTS

84. The annual reporting period for the National Bank shall be from January 1 through December 31.

86. Every year, before April 15, the National Bank shall submit to the President of the Republic of Belarus its annual report for the previous year approved by the Board of the National Bank to containing:

- report on the activity of the National Bank, including a list of measures taken to implement the Monetary Policy Guidelines and a review of implementation;
- review of monetary relations and relations in the field of foreign exchange regulation and foreign exchange control, balance of payments, and banking sector, having regard to the social and economic development of the Republic of Belarus; and
- annual financial statements.

The annual report of the National Bank shall be accompanied by an auditor's opinion verifying the veracity of accounting (financial) statements.

86. The annual financial statements of the National Bank shall include the following:

- annual accounting balance-sheet;
- profit and loss account, including statement of profit received and its distribution;
- statement of changes in capital;
- report on the creation and use of the National Bank's funds;
- report on the management of the National Bank's stakes (shares) held in the authorized capital of other organizations;
- maintenance expense report; and
- capital expenditure report.

87. Once approved by the President of the Republic of Belarus, the annual report of the National Bank shall be published in the official republican mass media.

CHAPTER 14

AUDITING NATIONAL BANK ACTIVITY

88. The activity of the National Bank shall be subject to annual examination by an auditor designated by the President of the Republic of Belarus.

89. The National Bank must, pursuant to a contract concluded with the auditor, provide all required reports and information.

90. The audit contract shall envisage the volume of information to be provided as well as the auditor's liability for disclosure of information to a third party.

91. Internal control over the National Bank's financial and economic operations shall be exercised by the internal audit function which examines the National Bank's organizational units and organizations at least once every two years.

92. The internal audit function of the National Bank shall annually inspect the safekeeping of cash and other valuables in the National Bank's vaults.