

## COMPLIANCE

with key indicators of  
the National Bank's and banks' activity in 2008

BYR bn

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Indicators	Actual as at		Forecast as at 01.01.2009*
	01.01. 2008	01.01. 2009	
1. Official exchange rate, Belarusian rubles per US dollar growth, %	2,150 -0.5	2,200 -2.3	2,100–2,200 (+2.5)–(-2.5)
2. Refinance rate, %	10	12**	7–9
3. International reserve assets of the Republic of Belarus on the national definition, USD m growth	4,993 3,306	3,662.2 -1,330	3,580–5,500
4. Ruble monetary base growth growth, %	6,876 2,110 44.3	7,266 390 5.7	29–33
5. Banks' regulatory capital growth growth, %	6,527 1,377 27	11,314 4,787 73.3	17–21
6. Banks' claims to the economy growth growth, %	30,501 9,644 46.2	47,109 16,608 54.5	36–41
7. Investment credits' granting, BYR trn	4.8***	7.3***	5.2–5.7
8. Share of banks' problem assets in the assets subject to credit risk, %	1.92	1.68	not exceeding 4
9. Problem debt share in the clients' and banks' debt on credit operations, %	0.65	0.59	not exceeding 2
10. Return on capital for the year, %	10.7	9.6	no less than 8
11. Annual average parameter of customers' access to ASIS, % of its daily production time	99.83	99.95	not lower than 99.5

\* Monetary Policy Guidelines for 2008.

\*\* By agreement with the Head of the State.

\*\*\* According to the National Statistical Committee of the Republic of Belarus, excluding the credits of foreign banks.

2008

## INSTRUMENTS of monetary policy

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The National Bank changed the refinance rate from 10% per annum as at the beginning of 2008 to:

- 10.25% per annum since July 1, 2008 (Resolution of the Board of the National Bank of the Republic of Belarus No. 77 “On the Refinance Rate of the National Bank of the Republic of Belarus” dated June 23, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 157, 8/19008);

- 10.5% per annum since August 13, 2008 (Resolution of the Board of the National Bank of the Republic of Belarus No. 105 “On the Refinance Rate of the National Bank of the Republic of Belarus” dated August 1, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 188, 8/19265);

- 10.75% per annum since October 15, 2008 (Resolution of the Board of the National Bank of the Republic of Belarus No. 143 “On the Refinance Rate of the National Bank of the Republic of Belarus” dated October 7, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 248, 8/19577);

- 11% per annum since November 12, 2008 (Resolution of the Board of the National Bank of the Republic of Belarus No. 163 “On the Refinance Rate of the National Bank of the Republic of Belarus” dated November 6, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 266, 8/19800); and

- 12% per annum since December 17, 2008 (Resolution of the Board of the National Bank of the Republic of Belarus No. 190 “On the Refinance Rate of the National Bank of the Republic of Belarus” dated December 10, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 302, 8/20050).

In compliance with Resolution of the Board of the National Bank of the Republic of Belarus No. 177 “On Setting and Applying Ratios of Required Reserves Deposited with the National Bank of the Republic of Belarus” dated November 17, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 287, 8/19915) on December 1, 2008 the following ratios were lowered:

- ratio of required reserves for banks and non-bank financial institutions to funds attracted from natural persons in Belarusian rubles from 4.5% to 1.5% and from legal persons from 8% to 7%; to funds attracted in foreign exchange from 8% to 7%; and

- ratio of the fixed portion of reserve requirements from 70% to 60%.

With a view to improving monetary instruments and enhancing the role of interest rate policy in the monetary regulation system Resolution of the Board of Directors of the National Bank of the Republic of Belarus No. 64 dated March 5, 2008 approved the Regulations on Principles of Regulating Banks' Current Liquidity by the National Bank of the Republic of Belarus.

The aforementioned Regulations systematize the National Bank's approaches to conducting operations aimed at regulating banks' current liquidity, and determine the operational objective of the National Bank—to ensure, with the help of current liquidity

regulation instruments, the dynamics of the average rate on overnight interbank credits in Belarusian rubles at the level close to the refinance rate of the National Bank. The amended Regulations singled out bilateral operations, which used to be part of open market operations, as an independent instrument. Open market operations are divided into main and fine-tuning ones. The former are conducted on the open market pursuant to the basic operations schedule every Wednesday for seven days and every month on the last business day of the averaging period for one day. The latter are resorted to in case of need for the purpose of smoothing out unpredictable current liquidity fluctuations. There exists a possibility of conducting supplementary operations on the open market in the form of additional placement of the National Bank's short-term obligations. At the same time open market operations do not comprise structural operations (outright purchase/sale), which formerly constituted a part thereof. The amended Regulations provide for standing facilities in the form of swap transactions and exclude from bilateral transactions mutual placement of FX deposits.

Due to the coming into force of the aforesaid Regulations, some regulatory legal acts of the National Bank were modified and amended as follows:

- Resolution of the Board of Directors of the National Bank No. 95 "On Modifying and Amending the Instructions on Procedures for Attracting Monetary Funds of the Banks and Non-bank Financial Institutions into Deposits by the National Bank of the Republic of Belarus" dated April 2, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 97, 8/18627) fixed the period of one business day for standing facilities, including fixed-rate deposits and bilateral operations (fixed-rate deposits used to be accepted for 1-5 days and bilateral operations used to be conducted within 1-14 days). The Resolution cancels early repayment of fixed-rate deposits placed with the National Bank;

- Resolution of the Board of Directors of the National Bank No. 183 "On Modifying and Amending the Instructions on Procedures for Granting Credits Against Securities by the National Bank of the Republic of Belarus" dated June 17, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 160, 8/19024) introduced additional control of banks' applications for credits against securities. This control is aimed at verifying whether a bank at the time of obtaining credit against securities from the National Bank has outstanding liabilities thereto for previous swap transactions; and

- pursuant to Resolution of the Board of Directors of the National Bank No. 192 "On Modifying and Amending the Instructions on Procedures for Conducting Swap Transactions with Banks of the Republic of Belarus by the National Bank of the Republic of Belarus" dated June 24, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 161, 8/19049), banks are entitled to engage in standing swap facilities without the National Bank prescribing individual liabilities limits thereto. In compliance with the Resolution, the procedure for monitoring banks' performance of obligations under swap transactions in foreign exchange was streamlined to prevent banks from obtaining credits against securities and entering into swap transactions if they default on foreign exchange transfers under swap transactions.

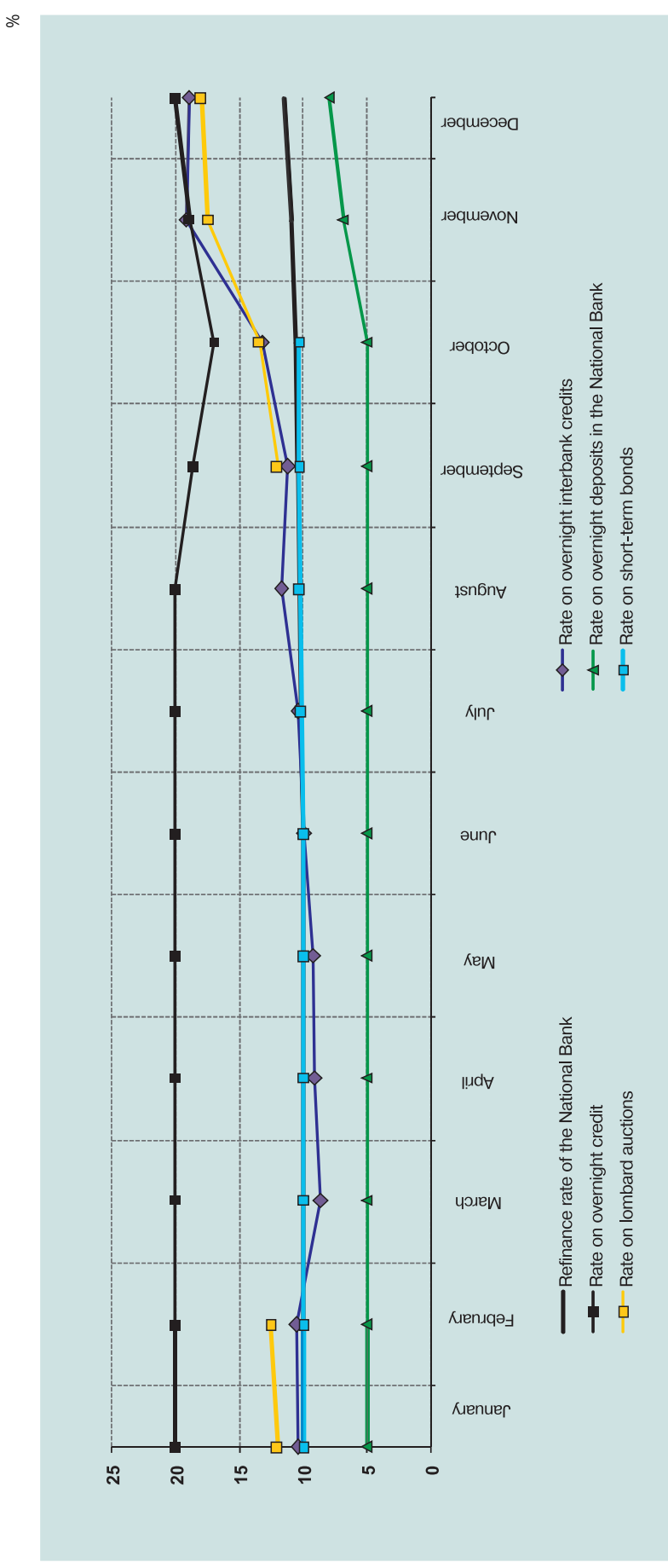
## DYNAMICS

of weighted average actual interest rates' level under  
auction liquidity regulation operations  
and intraday rate in the interbank market in 2008

%

	January	February	March	April	May	June	July	August	September	October	November	December
Lombard credit	12.04	12.55							12.00	13.41	17.43	18.00
Direct repo transactions												18.00
Deposit auctions	9.50	9.50	9.65	9.70	9.70	9.70	9.95	10.06	10.19			
Issue of the National Bank's short-term bonds	9.96	9.91	9.95	9.96	9.96	9.96	10.15	10.31	10.37	10.40		
Reverse repo transactions		9.86	9.84	9.87	9.86	9.87	9.97	10.01	10.02	10.02	10.02	
Weighted average interest rate in the overnight interbank ruble market	10.40	10.50	8.60	9.10	9.20	9.90	10.40	11.70	11.20	13.20	19.20	19.00

**DYNAMICS**  
of interest rates on liquidity regulation instruments and rates on overnight interbank credits in 2008



## DYNAMICS

of broad money in 2008

BYR bn

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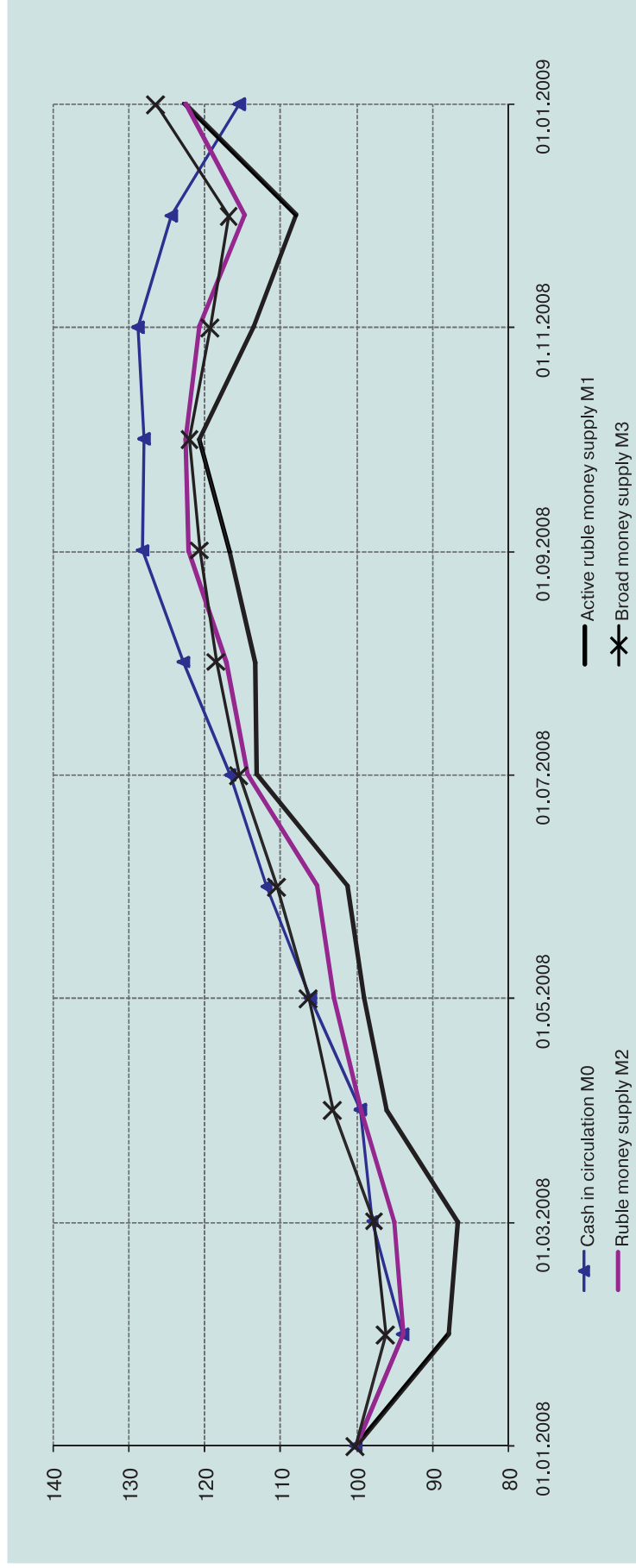
Indicators	As at		Growth	
	01.01.2008	01.01.2009	BYR bn	%
1. Cash in circulation – M0	3,323.21	3,836.24	513.03	15.4
2. Transferable deposits	5,416.73	6,882.23	1,465.49	27.1
natural persons	1,703.32	1,952.00	248.69	14.6
legal persons*	3,713.42	4,930.22	1,216.81	32.8
<b>Monetary aggregate – M1</b>	8,739.94	10,718.47	1,978.53	22.6
3. Time deposits and deposits in escrow	6,992.54	9,117.86	2,125.32	30.4
natural persons	5,082.43	5,779.34	696.92	13.7
legal persons*	1,910.12	3,338.52	1,428.40	74.8
Securities issued by banks (outside bank circulation) in national currency	1,032.10	705.38	-326.72	-31.7
<b>Ruble money supply – M2* **</b>	16,764.58	20,541.71	3,777.13	22.5
5. Deposits in foreign exchange	7,670.33	10,204.36	2,534.04	33.0
transferable deposits	2,874.12	3,402.09	527.97	18.4
natural persons	141.44	130.55	-10.88	-7.7
legal persons*	2,732.68	3,271.54	538.86	19.7
Time deposits	4,796.21	6,802.27	2,006.06	41.8
natural persons	3,642.19	5,400.25	1,758.06	48.3
legal persons*	1,154.02	1,402.02	248.01	21.5
6. Securities issued by banks (outside bank circulation) in foreign exchange	65.60	211.62	146.01	222.6
7. Deposits in precious metals	5.51	3.41	-2.10	-38.1
<b>Broad money – M3</b>	24,506.02	30,961.10	6,455.08	26.3
For information:				
Deposits in foreign exchange, USD bn	3.57	4.64	1.07	30.0
natural persons	1.76	2.51	0.76	42.9
legal persons*	1.81	2.12	0.32	17.6
Securities issued by banks (outside bank circulation) in foreign exchange, USD bn	0.03	0.10	0.07	215.4

\* Legal persons - commercial institutions (including non-bank financial institutions), non-commercial institutions, and independent entrepreneurs.

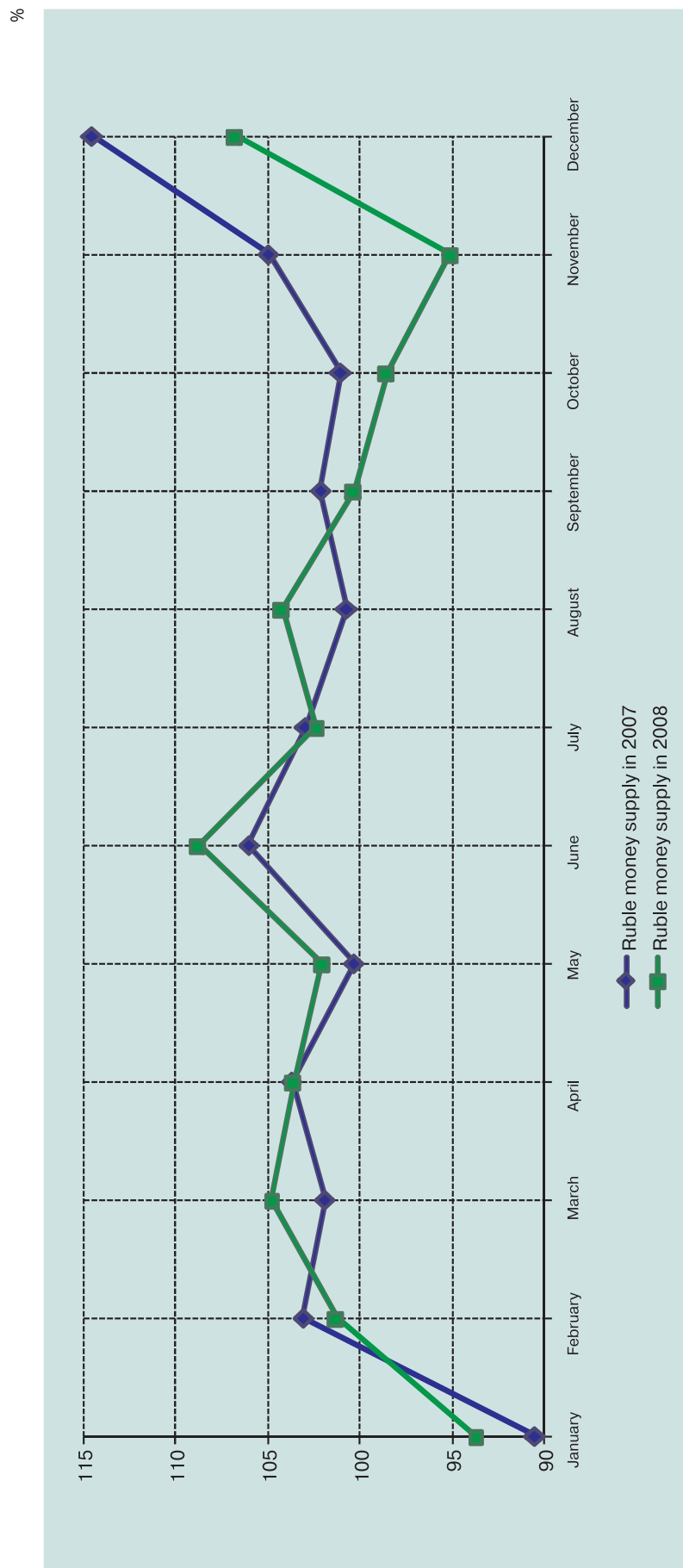
\*\*Aggregate M2\* – aggregate M2 plus funds in securities of legal entities and natural persons (except shares) in Belarusian rubles issued by the National Bank and banks.

**DYNAMICS**  
of the aggregate money supply growth in 2008 (progressive total)

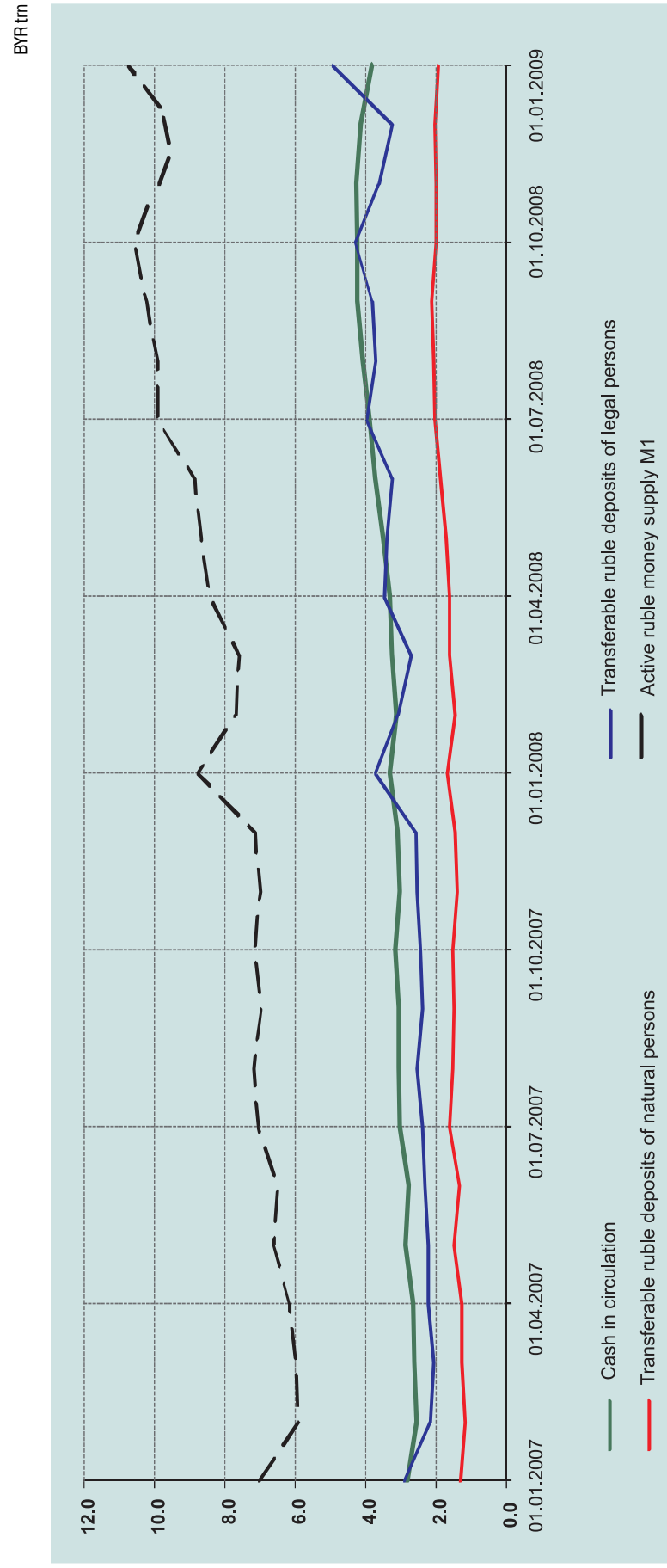
%



**DYNAMICS**  
of ruble money supply in 2007-2008 (to the previous month)



**DYNAMICS**  
of the components of the active ruble money supply in 2007-2008



## STRUCTURE

of ruble money supply in 2007 – 2008

%

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Indicators	As at		Deviation, percentage points
	01.01. 2008	01.01. 2009	
1. Cash in circulation – M0	19.8	18.7	-1.1
2. Transferable deposits	32.3	33.5	1.2
natural persons	10.2	9.5	-0.7
legal persons*	22.2	24.0	1.8
<b>Monetary aggregate – M1</b>	52.1	52.2	0.1
3. Time deposits and deposits in escrow	41.7	44.4	2.7
natural persons	30.3	28.1	-2.2
legal persons*	11.4	16.3	4.9
<b>Monetary supply according to the national   definition – M2</b>	93.8	96.6	2.8
4. Securities issued by banks (outside bank circulation) in national currency	6.2	3.4	-2.8
<b>Ruble money supply – M2* **</b>	100.0	100.0	

\* Legal persons – commercial institutions (including non-bank financial), non-commercial institutions, and independent entrepreneurs.

\*\* Aggregate M2\* – aggregate M2 plus funds in securities (excluding shares) of legal and natural persons in Belarusian rubles issued by the National Bank and banks.

## STRUCTURE

of broad money supply in 2007 – 2008

%

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Indicators	As at		Deviation, percentage points
	01.01. 2008	01.01. 2009	
1. Cash in circulation – M0	13.6	12.4	-1.2
2. Transferable deposits	22.1	22.2	0.1
natural persons	7.0	6.3	-0.7
legal persons*	15.2	15.9	0.7
<b>Monetary aggregate – M1</b>	35.7	34.6	-1.1
3. Time deposits and deposits in escrow	28.5	29.4	0.9
natural persons	20.7	18.7	-2.0
legal persons*	7.8	10.8	3.0
4. Securities issued by banks (outside bank circulation) in national currency	4.2	2.3	-1.9
<b>Ruble money supply – M2* **</b>	68.4	66.3	-2.1
5. Deposits in foreign exchange	31.3	33.0	1.7
6. Securities issued by banks (outside bank circulation) in foreign exchange	0.3	0.7	0.4
<b>Broad money supply– M3</b>	100.0	100.0	

\* Legal persons – commercial institutions (including non-bank financial), non-commercial institutions, and independent entrepreneurs.

\*\* Aggregate M2\* – aggregate M2 plus funds in securities (excluding shares) of legal and natural persons in Belarusian rubles issued by the National Bank and banks.

2008

## MEASURES

aimed at enhancing banking system sustainability and  
improving banking supervision

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With a view to improving the procedures for auditing banks in the Republic of Belarus, the Board of the National Bank adopted the following resolutions:

- Resolution No. 1 “On Approving the Instructions on Regulation of Auditing Banks, Non-bank Financial Institutions, Banking Groups and Banking Holding Companies” dated January 4, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 57, 8/18140). Pursuant to the Instructions, banks’ annual financial statements compiled in conformity with the IFRS are subject to compulsory annual audit, based on which an audit opinion is prepared in compliance with the international audit standards; and

- Resolution No. 172 “On Modifying and Amending Certain Resolutions of the Board of the National Bank of the Republic of Belarus on Banking Supervision and Auditing Procedures in the Banking System” dated November 13, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 301, 8/20031). This Resolution specifies the requirements to the auditors’ report: along with annual report authenticity confirmation it must comprise information about the bank’s compliance with the National Bank’s secure functioning requirements and the state of the internal control system.

With a view to improving prudential requirements and supervision procedures as well as developing banking supervision, the Board of the National Bank of the Republic of Belarus adopted Resolution No. 29 “On Modifying and Amending the Instructions on State Registration of Banks and Non-bank Financial Institutions and on Bank Licensing” dated February 21, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 107, 8/18708). This Resolution is aimed at eliminating red tape in carrying out some administrative procedures by the National Bank in relation to banks’ state registration and state registration of modifications and/or amendments made in banks’ constituent documents as well as when providing consent or permission, including non-residents, to acquire shares in banks’ authorized capital.

For the purpose of enhancing banks’ transparency, the Board of the National Bank adopted the following resolutions:

- Resolution No. 32 “On Amending Resolution of the Board of the National Bank of the Republic of Belarus No. 6 dated January 19, 2006” of February 28, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 79, 8/18420). This Resolution requires banks to publish annual financial statements, compiled in compliance with legislation, and auditors’ opinion in the print media. Banks are also required to publish the latter on the National Bank’s official Internet site; and

- Resolution No. 171 “On Modifying and Amending Resolution of the Board of the National Bank of the Republic of Belarus No. 6 dated January 19, 2006” of November 13, 2008 (National Register of Legal Acts of the Republic of Belarus, 2009, No. 14, 8/20012). Pursuant to the Resolution, banks are obliged to open official Internet pages and post the following information thereon: general information about the bank; the bank’s structure by

region; membership of the Board of Directors (the Supervisory Board), and of the bank's executive body as well as the bank's property structure; interpretation of indicators related to the bank's compliance with the National Bank's four secure functioning requirements; the amount of the existing and required reserves for covering possible losses on assets and operations not disclosed on balance sheet; and the state of the internal control and risk management.

Resolution No. 74 "On Modifying and Amending the Instructions on Internal Control Organization at Banks and Non-bank Financial Institutions" dated June 18, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 174, 8/19131) was intended to enhance the efficiency of banks' internal control over banking risk management and improve internal audit organization. This Resolution requires banks to set up an organizational unit or designate an official(s) responsible for risk management and introduces requirements aimed at enhancing the role and status of the internal audit function as well as improving the quality of its performance.

In order to bring the requirements of provisioning for assets and contingent liabilities exposed to credit risk into line with international standards as well as taking into account the World Bank and IMF experts' recommendations, the Board of the National Bank adopted the following resolutions:

- Resolution No. 108 "On Modifying and Amending the Instructions on Creating and Using by Banks and Non-bank Financial Institutions of Special Reserves for Covering Potential Losses on Assets and Operations not Disclosed on Balance Sheet " dated August 6, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 201, 8/19322). Pursuant to the Resolution, banks are entitled to make provisions for covering potential losses on natural persons' credits using the portfolio approach along with the existing individual approach to reserves classification. The homogeneous credits portfolio may comprise credits, the total amount of which for all contracts in the aggregate per debtor does not exceed 40 million Belarusian rubles as at the risk assessment date; and

- Resolution No. 203 "On Amending the Instructions on Creating and Using by Banks and Non-bank Financial Institutions of Special Reserves for Covering Potential Losses on Assets and Operations not Disclosed on Balance Sheet" dated December 29, 2008 (National Register of Legal Acts of the Republic of Belarus, 2009, No. 4, 8/20164). This Resolution requires banks to create special reserves for covering potential losses on assets (except funds on other banks' correspondent accounts and funds involved in settling operations with banks) and operations not disclosed on balance sheet that are classified under Risk Group I at least once a month and not later than on the last business day of the month under review.

Due to changes in creating special reserves for covering potential losses on assets and operations not disclosed on balance sheet, the Board of the National Bank of the Republic of Belarus adopted Resolution No. 204 "On Amending Resolution of the Board of the National Bank of the Republic of Belarus No. 172 dated October 31, 2006" of December 29, 2008 (National Register of Legal Acts of the Republic of Belarus, 2009, No. 27, 8/20286) and Resolution No. 141 "On Modifying and Amending Resolution of the Board of the National Bank of the Republic of Belarus No. 172 dated October 31, 2006" of September 26, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 250, 8/19624) which amended Form No. 2807 "Report on the Amount of Special Reserves for Covering Potential Losses on Assets and Operations not Disclosed on Balance Sheet", and Form No. 2815 "Report on the Movement of Special Reserve for Covering Potential Losses on Assets Exposed to Credit Risk".

For the purpose of enhancing banks' risk management efficiency, the Board of the National Bank adopted Resolution No. 122 "On Approving the Instructions on Procedures for Assessing Compliance of Candidates for the Positions of the Head and Chief Accountant of a Bank or Non-bank Financial Organization, its Branch and Deputies thereof with the

Qualification and Business Reputation Requirements” dated August 28, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 236, 8/19533). These Instructions are designed to improve the qualification and business reputation requirements imposed on candidates for relevant bank positions as well as the procedure for verifying compliance therewith.

Pursuant to Resolution No. 123 “On Creating Credit Histories and Providing Information Contained therein” dated August 28, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 236, 8/19504) adopted by the Board of the National Bank, banks are required, beginning in January 2009, to file with the National Bank’s Credit Bureau System information about the execution of all credit agreements, including those which comprise overdraft lending terms regardless of the credit amount.

In order to improve the procedure for compiling and filing consolidated statements on the activities of a banking group and/or banking holding companies as well as to develop the provisions of the amended Banking Code, the Board of the National Bank adopted Resolution No. 142 “On Modifying and Amending Resolution of the Board of the National Bank of the Republic of Belarus No. 15 dated January 24, 2007” of September 29, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 274, 8/19715). This Resolution provides for certain innovations, the most essential being the establishment of secure functioning requirements for banking groups and/or banking holding companies with a bank as the head organization; the application of the sectoral method of calculating regulatory capital adequacy of a banking group or banking holding company; changes in approaches to identifying insiders in banking holding companies; and the extension of the requirements to information provided by banks within the framework of consolidated banking supervision.

For the purpose of creating a more favorable environment for attracting foreign investments into the banking sector of the Republic of Belarus, the Board of the National Bank adopted Resolution No. 129 “On the Amount (Quota) of Foreign Capital in the Banking System of the Republic of Belarus” dated September 1, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 222, 8/19437). Under this Resolution, the amount (quota) of foreign capital in the banking system of the Republic of Belarus was increased from 25% to 50%. This measure is intended to enhance the sustainability and efficiency of banking system functioning, create a favorable environment for attracting new technologies to the banking sector, increasing its financial potential, ensuring competitiveness and intensifying internal competition, increasing investment attractiveness, streamlining the quantity and improving the quality of banking transactions and services.

Resolution No. 159 “On Modifying Resolution of the Board of the National Bank of the Republic of Belarus No. 175 dated June 28, 2001 and No. 137 dated September 28, 2006” of October 31, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 302, 8/19875) adopted by the Board of the National Bank, was conducive to enhancing the sustainability of banks attracting funds from natural persons and to increasing their potential for providing credit support to the economy. Pursuant to the Resolution, on January 1, 2009, the minimum amount of regulatory capital for operating banks entitled to accept deposits from natural persons as well as banks claiming such a right was increased from EUR10 million up to the amount equivalent to EUR25 million.

## MEASURES

aimed at regulating banking operations

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Resolution of the Board of the National Bank of the Republic of Belarus No. 173 “On Approving the Instructions on Procedures for Providing Information about Lending Terms and Comprehensive Interest Rate on Credit” (National Register of Legal Acts of the Republic of Belarus, 2008, No. 301, 8/20032) was adopted with a view to creating equal conditions for competing in the banking services market, providing borrowers with complete information about the interest rate, including all commissions, on credit, and employing a uniform methodology for calculating this rate.

For the purpose of streamlining the regulation of non-cash settlements and bringing them into line with international practice, the following resolutions of the Board of the National Bank of the Republic of Belarus were adopted:

- Resolution No. 31 “On Modifying and Amending the Instructions on the Organization of Payments from Current (Settlement) Accounts in Belarusian Rubles in the Order of Priority Specified by Legislation” dated February 27, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 71, 8/18404). Pursuant to the Resolution, banks are entitled to make payments, as a matter of priority, from the payer’s account based on court judgments in cases where the subject of the action brought to court is wage arrears of 1.5 times the subsistence budget as well as to pay back bank credit extended with a view to repaying wage arrears of 1.5 times the subsistence budget;

- Resolution No. 101 “On Modifying and Amending the Instructions on the Organization of Payments from Current (Settlement) Accounts in Belarusian Rubles in the Order of Priority Specified by Legislation” dated July 28, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 201, 8/19302). Amendments made pursuant to this Resolution provide that sums of bank credits are excluded from the calculation of sums of monetary funds intended for payments towards immediate needs; purpose-oriented credit funds transferred to the current (settlement) account of the borrower are reserved by the bank and used by the borrower; and payment priority does not apply to the payments made from current (settlement) accounts of entrepreneurial entities at the cost of bank credit funds obtained for the purposes under the credit agreement;

- Resolution No. 113 “On Modifying and Amending the Instructions on Bank Transfer” dated August 13, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 214, 8/19371). This Resolution regulates the repayment of monetary funds credited to the current (settlement) account of the beneficiary due to the bank’s technical error, provided that the bank is in receipt of decisions taken by tax (customs) authorities about the suspension of account transactions and judgments made by courts (other authorized bodies) about the attachment of monetary funds in the account; establishes procedures for the issue by the bank of documents confirming that monetary funds are credited to the beneficiary’s current (settlement) account with the ASIS; and cancels procedures for carrying out non-cash settlements by payment requests with subsequent acceptance;

2008

- Resolution No. 155 “On Modifying Resolution of the of Board of the National Bank of the Republic of Belarus No. 9 dated January 25, 2001” of October 29, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 277, 8/19791). This Resolution brings Rules on Conducting Operations Involving Sub-accounts Opened for the Purpose of Implementing Housing Program approved by Resolution of the Board of the National Bank No. 9 dated January 25, 2001 (National Register of Legal Acts of the Republic of Belarus, 2001, No. 22, 8/4963) into line with legislation; and

- Resolution No. 156 “On Modifying and Amending the Instructions on Procedures for Conducting Operations Involving Checkbooks’ Checks and Checks in Settlement” dated October 29, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 302, 8/19886). Pursuant to the Resolution, legal entities are entitled to report the loss of the checkbook (separate checks) in the electronic format; the names of documents identifying natural persons are specified; and the period of the use of obsolete checkbooks and checks in settlement is extended until they are used up.

The National Bank took part in drafting Edicts of the President of the Republic of Belarus No. 267 “On Some Issues of Conducting Debiting Operations and Modifying and Amending Edict of the President of the Republic of Belarus No. 359 dated June 29, 2000” of May 15, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 120, 1/9698) and No. 359 “On Some Issues of Granting Guarantees of the Government of the Republic of Belarus on Credits Extended by Banks of the Republic of Belarus” dated June 30, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 160, 1/9845). In compliance with the above Edicts the existing priority of payments from legal persons’ current (settlement) accounts in Belarusian rubles does not apply to banks’ purpose-oriented loans credited to the borrower’s current (settlement) account. Banks are given an opportunity to repay arrears of the credits extended under Government guarantees, as well as the guarantees of the regional executive committees, Minsk City Executive Committee, district and municipal (towns of regional subordination) executive committees, and accruals thereon in the first instance.

## MEASURES

aimed at enhancing foreign exchange regulation and  
foreign exchange control

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In 2008, the Board of the National Bank of the Republic of Belarus adopted the following resolutions with a view to streamlining the procedures for the conduct of currency operations and foreign exchange transactions, the mandatory sale of foreign exchange, as well as foreign exchange control:

- Resolution No. 30 "On Modifying and Amending the Instructions on Procedures for the Mandatory Sale of Foreign Exchange in the Domestic Foreign Exchange Market" dated February 22, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 54, 8/18269). The Instructions have been brought into line with Edict of the President of the Republic of Belarus No. 602 "On Modifying and Amending Some Edicts of the President of the Republic of Belarus on the Property Impounded, Seized, or Confiscated by the State" dated November 26, 2007 (National Register of Legal Acts of the Republic of Belarus, 2007, No. 289, 1/9155) whereby legal persons and independent entrepreneurs selling property confiscated by the state as well as property against which recourse is taken in consideration of outstanding tax liability and unpaid fines in the amount subject the transfer to the budget are exempted from the mandatory sale of foreign exchange;

- Resolution No. 34 "On Approving the Instructions on Implementing by Banks and Non-bank Financial Institutions Measures Aimed at Preventing and Identifying Financial Operations Associated with Money Laundering and Terrorism Financing" dated February 28, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 68, 8/18377). The Instructions impose requirements on banks and non-bank financial institutions to exercise internal control with a view to preventing money laundering and terrorism financing;

- Resolution No. 69 "On Modifying Currency Operations Rules" dated June 4, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 174, 8/19109). In compliance with this Resolution the registration procedure for currency operations involving capital movement whereby a resident may grant a non-resident a deferment exceeding 180 days to meet obligations under foreign trade agreements was changed to the notification procedure;

- Resolution No. 78 "On Modifying and Amending the Instructions on Procedures for the Mandatory Sale of Foreign Exchange in the Domestic Foreign Exchange Market" dated June 24, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 174, 8/19130). The requirements set forth in the Instructions are brought into line with Edict of the President of the Republic of Belarus No. 42 "On Modifying and Amending Some Edicts of the President of the Republic of Belarus on Free Economic Zones Functioning" dated January 28, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 29, 1/9393) whereby residents of free economic zones of the Republic of Belarus are exempted from the mandatory sale of foreign exchange and procedures for the mandatory sale of foreign exchange are defined more precisely;

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- Resolution No. 86 “On Modifying and Amending the Instructions on Procedures for the Conduct of Currency Operations Involving Cash Foreign Exchange and Belarusian Rubles” dated June 30, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 173, 8/19110). This Resolution significantly reduced the flow of documents between banks and their clients when the latter pay in cash foreign exchange at the bank’s cash desk;

- Resolution No. 100 “On Approving the Instructions on Procedures for Granting Authorizations to Extend the Period of Time Required for the Completion of Foreign Trade Obligations” dated July 28, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 209, 8/19326). This Resolution sets uniform procedures for granting authorizations by the National Bank to extend the period of time required for the completion of foreign trade obligations;

- Resolution No. 130 “On Approving the Instructions on Procedures for the Registration of the Transaction Passport and Banks’ Control over Foreign Trade Operations Conducted by Residents” dated September 2, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 236, 8/19515). The Resolution requires banks to control and residents to register foreign trade operations and prescribes procedures for issuing and registering the transaction passport;

- Resolution No. 137 “On Modifying and Amending Resolution of the Board of the National Bank of the Republic of Belarus No. 89 dated June 27, 2006” dated September 15, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 237, 8/19534). The following modifications and amendments were made by this Resolution to the Instructions on the performance by banks and non-bank financial institutions of the functions of foreign exchange control agents: banks are no longer required to control the opening of accounts by natural persons abroad; procedures for banks’ control over clients’ currency operations are changed; and the list of instances when a bank has no obligation to request documents required to perform the functions of foreign exchange control agent is extended;

- Resolution No. 162 “On the Organization of Work of the Banking System in the Sphere of Preventing Money Laundering and Terrorism Financing” dated November 5, 2008. Banks are offered to consider the issue of creating special financial monitoring units in order to perform coordination and organization functions in the sphere of preventing money laundering and terrorism financing; and

- Resolution No. 165 “On the Procedures for the Settlements under Foreign Trade Agreements Providing for Imports” dated November 11, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 279, 8/19845). The Resolution prohibits resident subjects of currency operations from making advance payments for imports without the National Bank’s authorization.

In 2008, the Board of Directors of the National Bank of the Republic of Belarus approved the following resolutions:

- Resolution No. 42 “On the Level of Interest Rates on Currency Operations Conducted by Resident Subjects of Currency Operations (Excluding Banks), Involving Capital Movement, Which Requires, if Exceeded, the National Bank’s Authorization” dated February 14, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 54, 8/18270). This Resolution prescribes the level of interest rates on credits (loans) attracted by residents from non-residents for a term of more than 180 days which requires, if exceeded, resident subjects of currency operations to obtain the National Bank’s authorization: in US dollars and euros–12% per annum; in other foreign currencies and Belarusian rubles–current refinance rate of the relevant central (national) bank as at the date of settlement made by the resident subject of currency operations under such currency operation plus three percentage points;

- Resolution No. 313 “On Approving the National Bank’s Internal Control Rules on Preventing Money Laundering and Terrorism Financing” dated September 25, 2008. The Rules establish procedures for identifying the National Bank’s clients as well as revealing and documenting financial operations subject to special control, and passing relevant information to the financial monitoring authority; and

- Resolution No. 341 “On Modifying Resolution of the Board of Directors of the National Bank of the Republic of Belarus No. 42 dated February 14, 2008“ dated October 21, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 279, 8/19783). With a view to stimulating the inflow of capital in an environment of rising costs of resources attracted by resident subjects of currency operations in the external markets, the National Bank increased, pursuant to the Resolution, the maximum interest rate on credits (loans) attracted by residents from non-residents for a term exceeding 180 days without the National Bank’s authorization: in US dollars and euros–14% per annum; in other foreign currencies and Belarusian rubles–current refinance rate of the relevant central (national) bank as at the date of settlement made by resident subject of currency operations under such currency operation plus five percentage points.

## MEASURES

designed to regulate accounting procedures

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In 2008, the Board of Directors of the National Bank of the Republic of Belarus approved the following resolutions for the purpose of ensuring unified methodological approaches to accounting and compiling financial statements in the banking system:

- Resolution No. 61 "On Modifying and Amending Resolution of the Board of Directors of the National Bank of the Republic of Belarus No. 283 dated September 19, 2005" of March 4, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 71, 8/18412). This Resolution modifies and amends Resolution of the Board of Directors of the National Bank of the Republic of Belarus No. 283 "On Accounting at Banks in the Republic of Belarus" dated September 19, 2005 (National Register of Legal Acts of the Republic of Belarus, 2005, No. 172, 8/13232) whereby the Chart of Accounts at Belarusian banks is approved. New balance sheet accounts are added to the said Chart of Accounts for the purpose of accounting clients' and banks' funds (accumulated in compliance with temporary account agreement) individually;

- Resolution No. 76 "On Approving National Accounting Standard 3-F "Business Combinations" (NAS 3-F)" dated March 21, 2008;

- Resolution No. 77 "On Approving National Accounting Standard 5-F "Disposal of Non-Current Assets Held for Sale, and Discontinued Operations " (NAS 5-F)" dated March 21, 2008;

- Resolution No. 78 "On Modifying and Amending Resolution of the Board of Directors of the National Bank of the Republic of Belarus No. 209 dated June 30, 2004 " of March 21, 2008. National Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" (NAS 37) was modified and amended in compliance with the Resolution.

- Resolution No. 79 "On Modifying and Amending Some Resolutions of the Board of Directors of the National Bank of the Republic of Belarus on the National Accounting Standards" dated March 21, 2008. The Resolution modifies and amends seven NASs which regulate procedures for accounting operations conducted by banks, compiling banks' financial statements, and disclosing information therein;

- Resolution No. 80 "On Approving the Instructions on Compiling Consolidated Financial Statements by the National Bank of the Republic of Belarus and Banks of the Republic of Belarus" dated March 21, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 95, 8/18543). These Instructions have been drafted having regard to the modifications and amendments to the NASs and regulate the compilation of consolidated financial statements by the National Bank and banks including their subsidiary legal persons, dependent legal persons, and jointly controlled legal persons;

- Resolution No. 205 "On Approving the Instructions on Accounting Operations Designed to Establish and Build up Authorized Capital of Banks of the Republic of Belarus" dated June 30, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 185, 8/19158). These Instructions prescribe procedures for accounting operations designed to establish and build up authorized capital of banks at the expense of promoters'

monetary funds making use of temporary accounts. The Instructions are brought into line with legislative requirements as regards the reflection of the exchange rate differences in income (expenditure) accounts which arise when foreign exchange is contributed to the authorized capital of banks;

- Resolution No. 312 “On Approving the Instructions on Accounting the Establishment and the Use of Provisions for Potential Losses at Banks of the Republic of Belarus” dated September 23, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 237, 8/19541). The Resolution regulates the accounting of the establishment and the use of provisions for potential losses on off-balance operations and on devaluation of other securities;

- Resolution No. 326 “On Approving the Instructions on Accounting Bank Documentary Operations” dated October 13, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 274, 8/19746). These Instructions have been drafted with a view to assisting banks in accounting, on a uniform methodological basis, documentary operations involving settlements in the form of the documentary letter of credit and collection, as well as operations involving bank guarantees;

- Resolution No. 366 “On Modifying and Amending the Instructions on Accounting Transactions in Derivatives at Banks of the Republic of Belarus” dated November 6, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 291, 8/19876). The Resolution identifies new approaches to the accountancy of claims on derivatives in off-balance accounts and liabilities thereto which offered banks more opportunities to choose methods for assessing fair value of derivatives and therefore made it possible to assess, more reliably, their fair value to be included in the balance sheet;

- Resolution No. 412 “On Approving the Instructions on Accounting Transactions in Commemorative Coins and Presentation Cases Thereto at Banks of the Republic of Belarus” dated December 5, 2008 (National Register of Legal Acts of the Republic of Belarus, 2009, No. 6, 8/20140). The accounting procedures are amended by provisions for accounting operations involving the sale of commemorative coins and presentation cases thereto through mobile exchange offices and other separate premises outside the bank (off-site sale) as well as by book entries of operations involving the sale of commemorative coins by banks to other banks;

- Resolution No. 420 “On Modifying and Amending Resolution of the Board of Directors of the National Bank of the Republic of Belarus No. 323 dated November 27, 2006” of December 10, 2008 (National Register of Legal Acts of the Republic of Belarus, 2009, No. 3, 8/20124). Modifications and amendments made by this Resolution to the Instructions on compiling annual report by banks of the Republic of Belarus are associated with the introduction of new balance sheet accounts into the Chart of Accounts at banks of the Republic of Belarus as well as refining the algorithm for compiling accountant balance sheet;

- Resolution No. 425 “On Modifying the Instructions on Procedures for Numbering Analytical Bookkeeping Accounts” dated December 15, 2008 (National Register of Legal Acts of the Republic of Belarus, 2009, No. 27, 8/20208). Changes are made to the approaches to the identification of common parameters for analytical bookkeeping personal accounts which are a must for ensuring the collection and storage of information required for users;

- Resolution No. 443 “On Modifying and Amending the Instructions on Accounting at the National Bank of the Republic of Belarus” dated December 19, 2008. For the purpose of accounting the National Bank’s transactions with State Institution “Agency for Guaranteeing Repayment of Bank Deposits of Natural Persons”, new balance sheet accounts designed to account Agency’s deposits and interest paid thereon, including accrued interest, were added to the Instructions; and

- Resolution No. 456 "On Approving the Form of Consolidated Cash Flow Statement and the Instructions on Compiling Consolidated Cash Flow Statement by the National Bank of the Republic of Belarus" dated December 30, 2008.

The following resolutions of the Board of Directors of the National Bank of the Republic of Belarus were drafted and approved with a view to bringing regulatory legal acts of the National Bank into line with modifications made to the Civil Code of the Republic of Belarus by the Law of the Republic of Belarus "On Modifying and Amending the Civil Code of the Republic of Belarus" dated June 20, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 157, 2/1444):

- Resolution No. 337 "On Modifying the Instructions on Accounting Fixed Assets at Banks of the Republic of Belarus" dated October 17, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 276, 8/19765); and

- Resolution No. 368 "On Modifying and Amending the Instructions on Accounting Foreign Exchange Operations at Banks of the Republic of Belarus" dated November 10, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 288, 8/19930).

The National Bank prepared the following letters and sent them to banks of the Republic of Belarus with a view to providing banks with methodological assistance in transforming their financial statements compiled in compliance with the NASs into financial statements compiled in compliance with the IASs:

- Letter No. 20-12/46 " On Recommendations for Compiling Financial Statements in Compliance with the International Accounting Standards" dated June 28, 2008; and

- Letter No. 20-12/32 "On Sending Correspondence Table" dated April 25, 2008 in which banks are offered the table of correspondence between the Model Chart of Accounts for organizations and the Chart of Accounts for banks.

## MEASURES

designed to normalize cash circulation and  
to streamline issue and cash operations

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Pursuant to Resolution of the Board of the National Bank of the Republic of Belarus No. 145 “On Modifying the Instructions on Procedures for Cash Operations in Cash Foreign Currency in the Republic of Belarus” dated October 8, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 253, 8/19676) the norm enabling an employee to repay the legal person monetary funds received on account not only from the natural person’s account but also by a bank transfer to the account of the legal person and/or independent entrepreneur is expanded and categories of independent entrepreneurs who do not keep cashbook are specified. Along with these norms, Resolution of the Board of the National Bank of the Republic of Belarus No. 150 “On Modifying and Amending Resolution of the Board of the National Bank of the Republic of Belarus No. 4 dated January 17, 2008” of October 13, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 262, 8/19738) gives more details about the types of payments included in the actual amount of cash settlements as well as procedures for the use of private monetary funds of natural persons in the interests of legal persons and independent entrepreneurs with whom they have industrial relations.

Resolution of the Board of the National Bank of the Republic of Belarus No. 146 “On Modifying and Amending the Instructions on Cash Settlements Carried out by Legal Persons, their Separate Units, and Independent Entrepreneurs by Virtue of Direct Payment of Cash Monetary Funds at the Cash Offices of Banks of the Republic of Belarus and their Subsequent Crediting to the Current (Settlement) Accounts of Beneficiaries” dated October 8, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 265, 8/19716) defines procedures for charging banks’ commissions to legal persons and independent entrepreneurs in cash.

Resolution of the Board of the National Bank of the Republic of Belarus No. 151/43 “On Modifying and Amending the Rules on Cash Transactions and Organization of Work Involving Cash of Organizations of the Ministry for Communications and Information Technology of the Republic of Belarus” dated October 21, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 288, 8/19810) brings procedures for cash operations conducted by organizations of the Ministry for Communications and Information Technology of the Republic of Belarus into line with legislation regulating the rules on the organization of cash circulation and procedures for cash transactions and settlements in Belarusian rubles in the Republic of Belarus.

Resolution of the Council of Ministers of the Republic of Belarus and the National Bank No. 1485/16 “On Modifying Resolution of the Council of Ministers of the Republic of Belarus and the National Bank No. 1346/46 dated August 28, 2000” of October 8, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 248, 5/28501) allows legal persons, their separate units, and independent entrepreneurs the possibility of making

2008

purchases in cash, worth not more than 150 base units, during the course of one day from one or several warehouse stores.

With a view to making banks' accountancy of non-cash transfers less labor-intensive, Resolution of the Board of Directors of the National Bank of the Republic of Belarus No. 351 "On Modifying and Amending Resolution of the Board of Directors of the National Bank of the Republic of Belarus No. 192 dated June 26, 2007" of October 29, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 291, 8/19833) excludes individual codes (reflecting non-cash transfers) from the statement on the cash flow of banks and the National Bank (Form No. 0520).

## STRUCTURE

of denominations of the National Bank banknotes  
in circulation (M0) in 2008

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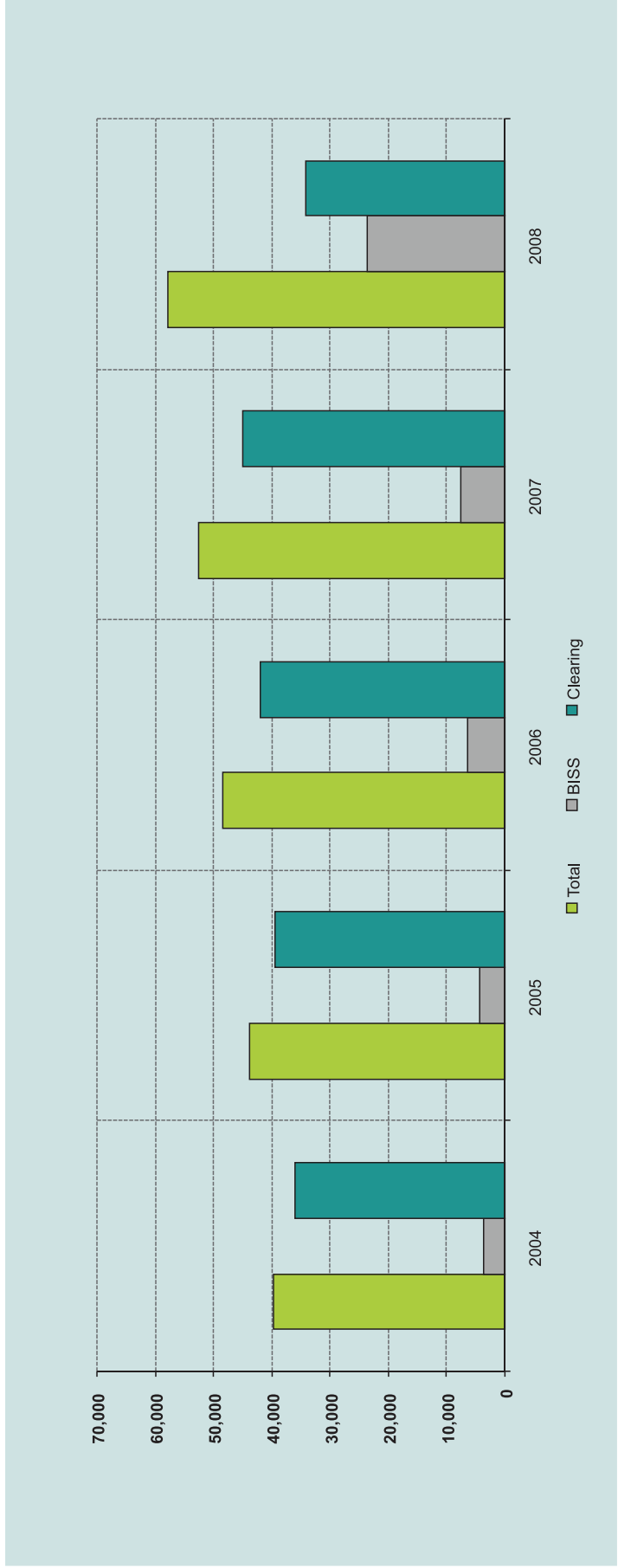
212

Denominations of banknotes, rubles	As at		2008 to 2007 %	Share, %	
	01.01.2008	01.01.2009		01.01.2008	01.01.2009
10	1,329.3	1,534.5	115.4	0.04	0.04
20	1,661.6	1,918.1	115.4	0.05	0.05
50	2,658.6	3,069.0	115.4	0.1	0.1
100	4,984.8	6,521.6	130.8	0.1	0.2
500	10,966.6	12,659.6	115.4	0.3	0.3
1,000	25,588.7	34,909.8	136.4	0.8	0.9
5,000	83,744.8	73,272.2	87.5	2.5	1.9
10,000	229,966.0	205,238.8	89.2	6.9	5.4
20,000	510,776.0	466,870.3	91.4	15.4	12.2
50,000	1,467,530.0	1,463,908.7	99.8	44.2	38.2
100,000	984,000.0	1,566,336.3	159.2	29.6	40.8
Total	3,323,206.4	3,836,238.9	115.4	100.0	100.0

2008

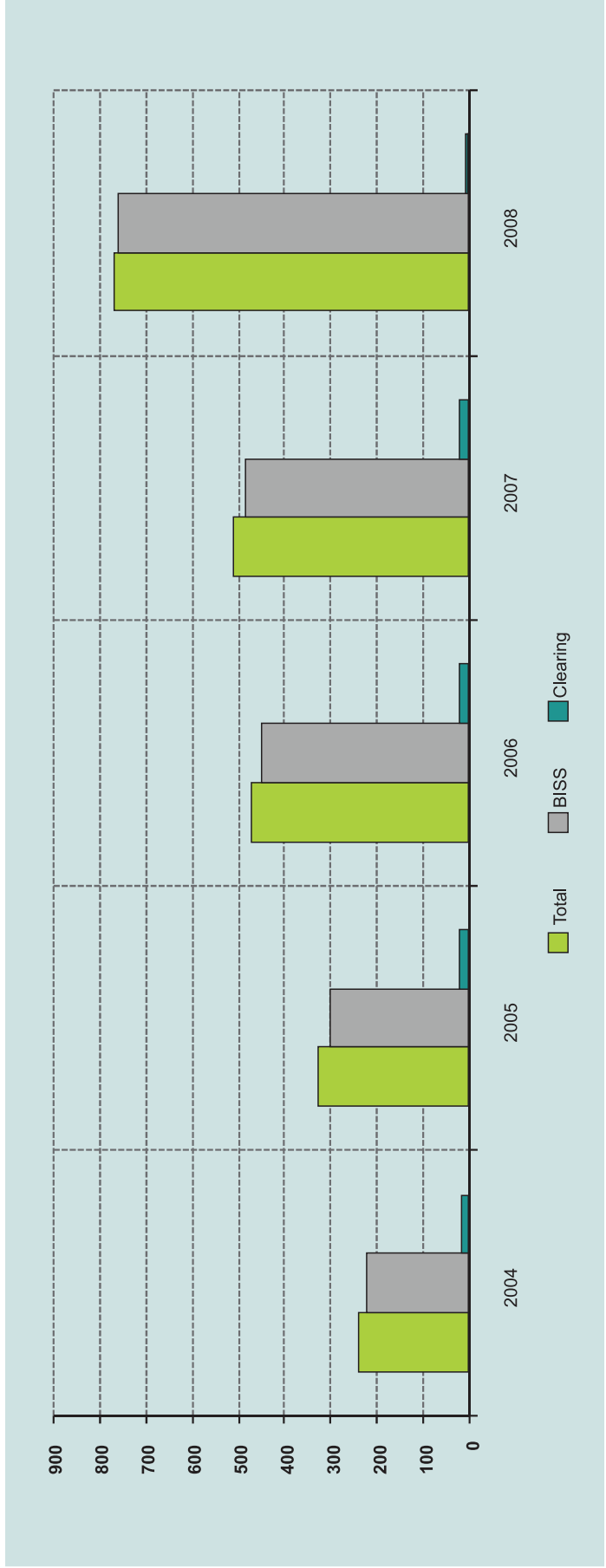
**DYNAMICS**  
of number of payments settled via ASIS in 2004-2008

thou



**DYNAMICS**  
of amounts of payments settled via ASIS in 2004-2008

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## ACTIVITIES

aimed at improving the payment system

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With a view to improving the regulatory framework of the payment system as well as specifying individual norms of ASIS functioning, the Board of the National Bank adopted the following resolutions:

- Resolution No. 43 “On Modifying and Amending the Instructions on Interbank Settlements in the ASIS of the National Bank of the Republic of Belarus” dated March 24, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 96, 8/18617); and

- Resolution No. 157 “On Modifying and Amending the Instructions on Interbank Settlements in the ASIS of the National Bank of the Republic of Belarus” dated October 29, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 288, 8/19811).

For the purpose of switching to processing all interbank settlements in the BISS, the Board of the National Bank adopted Resolution No. 199 “On Expanding the Scope of Electronic Document Management in the ASIS of the National Bank of the Republic of Belarus” dated December 19, 2008 (National Register of Legal Acts of the Republic of Belarus, 2008, No. 6, 8/20142). Pursuant to the Resolution, since January 5, 2009 all interbank settlements for time-critical, non-urgent and other money transfers in the ASIS of the National Bank have been effected on the basis of electronic payment documents, sent by banks to the BISS, without having to forward paper payment documents.

The implementation of the Resolution will make it possible to reduce paper documents turnover and ease the access to payment services for end users. Expansion of the scope of electronic payment documents management will be conducive to increasing money funds circulation in the payment system due to automated processing of payment instructions at all stages of a payment transaction, which, in the end, will result in a decline in the expenses related to processing paper payment documents incurred by banks and clients thereof.

In order to develop the payment system, the work was underway to improve the computer-based infrastructure of the ASIS and bring it into line with the world tendencies towards the use of modern information technologies.

In 2008, the modernization of the ASIS central processing complex and real-time gross settlement systems was completed. This helped transfer the processing of all interbank settlements into the BISS, introduce a new format of electronic payment documents (MT 102), increase the processing capacity of the computer-based complexes and enhance their reliability. Banks worked out and implemented measures aimed at creating and sending full-size electronic payment documents for processing to the BISS and ensured better reliability of own automated banking systems.

The central archive of interbank settlements was modernized for the purpose of ensuring safe and secure storage of electronic payment documents related to interbank settlements during the next 10 years and the functional capacity of the archive was

expanded, including services provided to banks. Once completed, this project made it possible to substantially expedite data processing at the time of data preparation and issue.

The second stage of the control system for the ASIS software and hardware complex was put into operation, making it possible to assure an in-depth analysis and monitoring of the ASIS state on the basis of modern technology that combines international standards ensuring smooth functioning of systemically important systems.

In the year under review, the project of modernizing the distributed ASIS software and hardware complex was developed and its implementation was started, providing for the elimination of single failures and the renovation of outdated equipment, which ensures storage, transmission and replication of data between two processing centers during interbank settlements.

The work was underway to establish the second stage of the telecommunication network of the distributed ASIS software and hardware complex on the basis of effective and modern solutions that ensure a high degree of safety, operational soundness, and effectiveness of network operation.

For the purpose of further development of the systems for technical rate setting and standardization in the field of banking services and technologies, the National Bank devised and approved five technical codes of established practice regulating the procedure for compliance confirmation and support of the software used in the sphere of banking services and technologies and which comprise the requirements to the procedure for creating electronic payment documents in the ASIS. The National Bank started to draft technical codes of established practice that lay down requirements to the procedures for (processes of) producing, processing, and archiving electronic payment documents of the bank as well as to the structure of confirming and controlling messages of the BISS, as well as to the procedures for (processes of) archiving the bank's electronic payment documents.

As part of the organization and coordination of procedures for compliance confirmation of software and hardware in the sphere of banking services and technologies, a certification procedure as well as programs and methods of certificate tests were developed. Five software tools were certified (and issued with certificates) which implement the process of forming the common part of electronic payment documents used in the ASIS.

In order to exercise supervision over the payment system, the Board of Directors of the National Bank adopted Resolution No. 163 "On Approving the Instructions on Organizing and Exercising Oversight of the Payment System of the Republic of Belarus by the National Bank of the Republic of Belarus" dated May 28, 2008. The Instructions define the methodological framework for oversight of the payment system components. During 2008, the BISS and the clearing system of other payments were monitored, including operational capability of the hardware and software complexes, and information for analyzing the non-cash settlement system for retail payments was gathered. Intra-bank systems' interaction with the ASIS was monitored by way of participation in comprehensive inspection of banks. A project of a model plan ensuring smooth running and recovery of operational capacity as well as recommendations for drawing up this plan were worked out for ASIS participants.