

LAW OF THE REPUBLIC OF BELARUS  
of 8 July 2008 № 369-3

**On Guaranteed Repayment of Natural Persons' Bank Deposits**

*Adopted by the House of Representatives on 10 June 2008*

*Approved by the Council of the Republic on 20 June 2008*

Amendments and supplements:

Law of the Republic of Belarus of 14 July 2009 № 41-3 (National Register of legal acts of the Republic of Belarus, 2009, № 171, 2/1593);

Law of the Republic of Belarus of 12 July 2013 № 56-3 (National Register of legal acts of the Republic of Belarus 23.07.2013, 2/2054, 23.07.2013, 2/2054);

Law of the Republic of Belarus of 10 January № 240-3 (National Register of legal acts of the Republic of Belarus 15.01.2015, 2/2238);

**CHAPTER 1**  
**GENERAL PROVISIONS**

**Article 1. Relations governed by this Law**

The Law governs the relations on guaranteed repayment of bank deposits of natural persons (hereinafter referred to as “repayment of bank deposits”) with a view to protect rights and legitimate interests of natural persons, promote raising savings of people and to strengthen confidence in the banking system of the Republic of Belarus.

**Article 2. Subjects of relations on repayment of bank deposits**

The Parties of relations on repayment of bank deposits are:

The Agency on guaranteed repayment of bank deposits of natural persons (hereinafter referred to as “the Agency”, unless this Law defines otherwise);

Banks and non-bank credit and financial institutions (hereinafter referred to as “the banks”), registered in the established order in the territory of the Republic of Belarus, possessing a special permit (a license) for effecting banking operations, issued by the National Bank of the Republic of Belarus (hereinafter referred to as “the National Bank”, entitling to effect banking operations on opening and maintaining bank natural persons' accounts and (or) raising natural persons' monetary funds in bank deposits (hereinafter referred to as “a banking operation on raising natural persons' monetary funds in bank deposits”, unless this Law defines otherwise);

The Agent bank means a bank, defined by the National Bank, accepting applications on repayment of bank deposits and paying up such repayment on behalf and for account of the Agency under a relevant agency contract;

Natural persons for the purposes of this Law mean citizens of the Republic of Belarus, foreign citizens and stateless persons who have signed with a bank one or

several bank account agreements and (or) deposit agreements (hereinafter referred to as “deposit agreement” except as otherwise expressly provided herein) or such agreements have been signed in the name thereof, as well as their inheritors .

### **Article 3. Facilities for repayment of bank deposits**

Monetary funds in Belarusian roubles and in foreign currencies placed by natural persons in accounts and/or deposits with banks (hereinafter referred to as “the bank deposit” are the object of repayment of bank deposits except as otherwise expressly provided herein), recorded by the Agency.

The bank deposits of natural persons acting as natural person entrepreneurs are not the object of repayment of bank deposits.

## **CHAPTER 2**

### **PROCEDURE, TERMS AND SIZE OF BANK DEPOSIT REPAYMENT**

#### **Article 4. Creation of the Agency’s liability on repayment of bank deposits**

The Agency’s liability on repayment of bank deposits shall arise as of a day when a bank receives a notification of the National Bank on making decision concerning revocation of a special permit (license) for carrying out banking activities, granting a right to effect a banking operation on raising natural persons’ monetary funds in bank deposits generally or regarding carrying out the banking operation.

When such liability of the Agency on repayment of bank deposits arises natural persons shall be entitled to be receive a bank deposit repayment in the procedure, under the terms and conditions and in the size set forth herein.

The discharge by Agency of the liability on repayment of bank deposits to a natural person shall not eliminate the right of such natural person to apply to a bank for meeting the claim on repayment of a bank deposit and interest thereon (hereinafter referred to as “the claim”) in a size of a difference between a total sum of the claim and a repayment sum received.

Where a natural person failed to exercise his/her right to apply to an agent bank or to the Agency for meeting the claim on repayment of a bank deposit and his/her claim has been met by the bank independently the Agency’s liability to such natural person shall be terminated as of a day when the bank repays indebtedness thereto.

#### **Article 5. Procedure of applying by natural persons for repayment of bank deposits**

The Agency within seven business days following the occurrence of the liability on repayment of bank deposits shall be obliged to publish in the official mass media, intended for publishing normative legal acts of the National Bank, and place in the Agency’s official website on the Internet the data on a venue, time and procedure on repayment of bank deposits.

Any natural person shall be entitled to apply for repayment of a bank deposit not earlier than fourteen days and not later than two years following a date when the Agency's liability to repay a bank deposit arises.

Where the right to reimburse a bank deposit is confirmed by a bank deposit agreement, an application for repayment of a bank deposit in the form established by the Agency shall be filed by a natural person to the agent. At that such natural person shall submit only a document of identification.

Where the right to reimburse a bank deposit is confirmed by a certificate of inheritance, a court ruling stating an inheritor's possessory right to a bank deposit, a bearer saving certificate or by other documents, as well as in the case set forth in part five of Article 8 below, an application for repayment of a bank deposit in the form established by the Agency shall be filed by a natural person to the Agency. At that such natural person shall submit the identification document, as well as the documents certifying the right to repayment of the bank deposit. In the event that the Agency confirms validity of the right to repayment of a bank deposit it shall advise a relevant natural person of it and the agent bank shall repay such bank deposit within the period of time set forth by part one of Article 6 below. In the event that the Agency fails to confirm validity of a natural person's right to be repaid a bank deposit the Agency shall within at least one month following an application advise in writing such natural person—applicant of its refusal to repay the bank deposit with specification of reasons of such refusal.

In the event of disagreement with a size of bank deposit repayment to be paid (paid) by the agent bank, or where the agent bank is unaware of the Agency's liability of a natural person to reimburse a bank deposit such natural person shall be entitled within at least two years following arising such liability of the Agency to apply to the Agency with a relevant application in the form established by the Agency on repayment of a bank deposit to by producing an original copy of a bank deposit agreement or other documents certifying the right to repay such bank deposit.

The application specified in part five herein not requiring any supplementary data from a bank shall be considered by the Agency within at least fifteen business days following its receipt, and that requiring such supplemental data – within at least one month.

In the cases when a natural person applies to the agent bank or the Agency for repayment of a bank deposit, as well as in the case when a natural person applies the Agency with the application specified in part five herein, on expiry of two years following arising of the Agency's liability to reimburse a bank deposit such period upon allocation of the natural person may be restored at the decision of the Agency's Supervisory Board on guaranteed repayment of bank deposits of natural persons (hereinafter referred to as "the Supervisory Board"), contingent upon availability of one of the following events:

timely filing by a natural person of an application for repayment of a bank deposit or the application specified in part five herein has been impeded by an emergency event unforeseen under such circumstances (a force majeure event);

the natural person was outside the territory of the Republic of Belarus;

there existed other events acknowledged by the Supervisory Board to be impeding the natural person's application for repayment of a bank deposit as specified in part five herein.

The decision of the Supervisory Board on refusing to resume a period for filing an application for repayment of a bank deposit or the application specified in part five herein may be challenged in a judicial procedure within three months following its making.

#### **Article 6. Repayment of bank deposits to natural persons**

A bank deposit shall be repaid to a natural person within one month following filing an application to the agent bank or the Agency for repayment thereof. In the event that budget borrowings are raised in the established order with a view to cover the Agency's insufficient funds for repayment of bank deposits of natural persons a payment period fixed for repayment of bank deposits of natural persons may be extended by a decision of the Supervisory Board up to three months.

As of a date of arising the Agency's liability on repayment of bank deposits with a view to repay thereof the Agency shall maintain a register of claims of natural persons to each bank. A procedure of maintaining such register of claims of natural persons shall be established by the Agency.

The bank deposits shall be repaid at the agent bank on presentation by a natural person a relevant document of identification.

#### **Article 7. Transfer of right of claim of natural persons to the Agency upon repayment of bank deposits**

Upon discharging by the Agency its liabilities on repayment of bank deposits the Agency shall be transferred the right of claim, possessed by natural persons whose bank deposits have been repaid, to a bank in a size of the repaid amount.

The Agency shall weekly advise the bank in writing (a liquidation committee (an administrator) of a size of the right of claim transferred thereto which was earlier possessed by natural persons.

The Agency shall take actions set forth by law on recovering debts from a bank and expenses arisen in connection with discharging by the Agency the liability on repayment of bank deposits.

Where the bank upon arising the Agency's liability on repayment of bank deposits discharges its liability to a natural person on repayment of bank deposits in full scope the bank within three days following a discharge date shall advise the Agency of it with a view to enter the data in the Register of claims of natural persons to the bank.

#### **Article 8. Terms and size of repayment of bank deposits**

Where the Agency's liability on repayment of bank deposits arises the agent bank shall pay to a natural person, while complying with the terms and conditions set out herein, a reimbursement in a size equal to 100 per cent of a bank deposit

amount irrespective of a number of bank deposits possessed by one natural person with a definite bank.

Where a bank deposit is placed in BYR when reimbursing thereof a BYR sum shall be paid, if it is placed in a foreign currency then a sum in such currency shall be paid. At that at will of a natural person a bank deposit may be reimbursed in BYR.

When calculating an equivalent size of a bank deposit and a reimbursement sum there shall be applied the official exchange rate of the National Bank, a cross rate computed on the basis of the official BYR exchange rates relative to relevant foreign currencies effective of day when the Agency's liability to a natural person on repayment of a bank deposit arises.

In the case where a bank is a lender in respect to a natural person who has placed his/her bank deposit therewith and such bank deposit is an object of repayment a size of the bank deposit repayment shall be computed proceeding from a difference between a sum of the bank's liability to such natural person and a sum of the bank's cross claims to such natural person which are due and payable as of a date when the Agency's liability on repayment of bank deposits arises.

Where the bank upon arising of the Agency's liability on repayment of bank deposits has partially discharged its liability on repayment of a bank deposit to a natural person the Agency shall discharge the liability to such natural person on repayment of a remaining part of such bank deposit.

### **Article 9. Rights of natural persons**

Any natural person shall be entitled to:

receive from the bank with which he/she has signed a bank deposit agreement, the data on registering the bank with the Agency;

file an application to the Agency containing the data on the bank's refusal to discharge the liability to reimburse a bank account on a date set out in a relevant bank deposit agreement;

receive from the Agency the data on a venue and time fixed for accepting natural persons with a view to accept their applications for repayment of bank deposits when the Agency's liability to reimburse thereof arises);

accept in the name and for account of the Agency a bank deposit reimbursement in the procedure, under the terms and conditions and in the size set forth herein when the Agency's liability to reimburse thereof arises;

file a court preference on meeting his/her requirements under the liabilities proceeding from a relevant bank deposit agreement;

exercise other rights set forth herein.

### **Article 10. Settlement of disputes related to repayment of bank deposits**

Any disputes related to repayment of bank deposits shall be settled in a judicial procedure while complying with the procedure of applying by natural persons for repayment of bank deposits set forth in Article 5 above.

## **CHAPTER 3 REGISTRATION OF BANKS WITH THE AGENCY**

### **Article 11. Registering banks with the Agency**

The bank on a day of submitting relevant documents to the National Bank for receiving a special permit (a license) for effecting banking operations on raising funds of natural persons to be placed in bank deposits, or for adding new banking operation on raising funds of natural persons to be placed in bank deposits in the list of banking operations specified in such special permit (license) issued to the bank, shall file an application to the Agency for registering thereof.

The National Bank on a day of issue to the bank of a special permit (a license) for effecting banking operations entitling it to effect banking operations on raising funds of natural persons to be placed in bank deposits shall be obliged to furnish the Agency with a written notification stating a decision made with specification of bank's corporate name, place of business, official registration date, a number a special permit (a license), as well as a size of the bank's basic capital for further computation of a size of its book contribution.

The bank, save the banks specified in part four of Article 35 below, shall be obliged to pay to the Agency a book contribution within three business days following the issue of a special permit (a license) for effecting banking operations entitling it to effect banking operations on raising funds of natural persons to be placed in bank deposits.

The Agency on a day of receipt of such book contribution shall register the bank by way of entering thereof in the register of recorded banks.

Should a bank fail to pay to the Agency a book contribution (or effect incomplete payment) within the term fixed in part three herein the Agency shall be obliged within at least one moth following lapse of the term to solicit the National Bank for suspending a special permit (a license) for effecting banking operations in so far as it relates to entitling it to effect banking operations on raising funds of natural persons to be placed in bank deposits for a term until such book contribution is paid up in full scope.

The Agency shall be obliged within three business days following entry of a bank in the register of recorded banks to issue to such bank a registration certificate and within five business days following such certificate publish the data on entering in the register of recorded banks in official mass media intended for publishing normative legal acts of the National Bank and place thereof in the official website of the Agency on the Internet.

### **Article 12. De-registration of banks**

A bank shall be de-registered by the Agency in the event that the National Bank makes on of the following decisions:

on revoking a special permit (a license) for effecting banking operations entitling it to effect banking operations on raising funds of natural persons to be

placed in bank deposits, either in totality or in so far as it relates to such banking operations;

on introducing amendments in the list of banking operations specified in such special permit ( license) for effecting banking operations in so far as they relate to deletion from the list of a banking operation on raising funds of natural persons to be placed in bank deposits.

The National Bank on a day of making the decision set forth in part one herein shall be obliged to communicate to the Agency a written notification stating making such decision.

The Agency on a day of receipt of the notification of the National Bank specified in part two herein shall ed-register the bank by way of making a relevant entry in the register of recorded banks. A date when the National Bank makes the decision set forth in part one herein shall be deemed a de-registration date.

Where a bank is de-registered its registration certificate shall be cancelled.

The bank within five business days following a notification of the National Bank stating making the decision set forth in part one herein shall be obliged to return to the Agency the registration certificate issued thereto.

The Agency within five business days following de-registration of the bank shall be obliged to publish in the official mass media, intended for publishing normative legal acts of the National Bank, and place in the Agency's official website on the Internet the data on deletion the bank from the register of recorded banks.

### **Article 13. Mandatory contributions of banks**

All banks shall be obliged to pay on a non-repayable basis mandatory contributions (book and scheduled ones) to the Agency's reserve.

A book contribution is equal to 0,5 per cent of a size of a bank's basic capital as of the first day of a month in which a bank was issued a special permit (a license) for effecting banking operations entitling it to effect banking operations on raising funds of natural persons to be placed in bank deposits.

The scheduled contributions, save the cases set forth by the President of the Republic of Belarus, as well as the case specified in part five herein, are equal to 0,3 per cent of a balance in bank deposits of natural persons as of the first day of a month following the one under review.

The suspension by the National Bank of a special permit (a license) for effecting banking operations entitling it to effect banking operations on raising funds of natural persons to be placed in bank deposits of natural persons in so far as it relates to such banking operation shall not release the bank from the liability to pay scheduled contributions.

For restoring the Agency's reserve, as well as for discharging by the Agency its liabilities under outstanding borrowings and loans granted to the Agency in accordance with the provisions of part six of Article 21 below with a view to cover the Agency's reserve funds to reimburse bank deposits to natural persons there may be fixed a higher rate for scheduled contributions in a size and for a term

determined by the Council of Ministers of the Republic of Belarus, however, not exceeding 0,6 per cent of a balance in bank deposits of natural persons as of as of the first day of a month following the quarter under review.

The Agency shall be obliged to quarterly advise banks in writing of a ratio of the Agency's reserve size to a total sum in bank deposits of natural persons as of as of the first day of a month following the quarter under review.

Should the Agency's reserve size exceed 5 per cent of a total sum of bank deposits of natural persons raised by banks a size of further scheduled contributions shall be reduced by half.

In the event that upon reducing a size of scheduled contributions as per part seven herein a size of the Agency's reserve is equal to less than 5 per cent of a total sum of bank deposits of natural persons, a size of scheduled contributions shall be fixed on the level set out in part three herein.

#### **Article 14. Procedure of computing and paying scheduled contributions to the Agency's reserve**

Scheduled contributions shall be computed by banks independently.

Scheduled contributions shall be paid by a bank to the Agency quarterly before the 10<sup>th</sup> day of a month following the one under review.

Scheduled contributions shall on BYR bank deposits of natural persons shall be paid by a bank in Belarusian roubles, and on those in foreign currencies – in one of the freely convertible currencies proceeding from a cross rate computed on the basis of BYR official rates relative to relevant foreign currencies effective as of a payment date.

The overpaid scheduled contributions shall be refunded in the procedure set out by the National Bank.

#### **Article 15. Responsibility for a failure to pay (incomplete payment) scheduled contributions to Agency's reserve**

For a failure to pay (incomplete payment ) scheduled contributions to the Agency's reserve a bank shall pay to the Agency a penalty fee in a size equal to 0,1 per cent of an unpaid sum per each day of a delay in payment.

#### **Article 16. Bank's obligations**

A bank registered by the Agency shall be obliged to:

advise relevant natural persons of its registration with the Agency with specification of a registration certificate number and a date of its issue and of de-registration by means of placing relevant data on the Agency's official website on the Internet and in the places accessible for familiarization at the bank, its separate and/or structural divisions effecting banking operations on raising funds of natural persons to be placed in bank deposits;

timely and in full scope pay scheduled contributions to the Agency's reserve;

quarterly advise the Agency of a total sum of raised bank deposits of natural persons as of the first day of a month following the quarter under review;

furnish the Agency within three business days following its written request with the data on discharging the liability on repayment of a bank deposit within a term set out in a relevant bank deposit agreement;

keep records of its liabilities to natural persons making it possible for a bank to generate a register of the bank's liabilities to natural persons in the form set out by the National Bank at the suggestion of the Agency;

discharge other duties set forth by this Law and by other legal acts.

A bank de-registered at the Agency shall be obliged to:

submit to the Agency the bank's liabilities to natural persons generated as on a date when the National Bank made a decision on revoking of a special permit (a license) for effecting banking operations entitling it to effect banking operations on raising funds of natural persons to be placed in bank deposits within at least three business days following the National Bank's notification stating making such decision;

Furnish the Agency within three business days following a date of complete or partial discharging the bank's liabilities to a natural person on repayment of a bank deposit with the data each natural person the bank's liabilities to whom have been either terminated or discharged partially;

discharge other duties set forth by this Law and by other legal acts.

## **CHAPTER 4 THE AGENCY**

### **Article 17. General data on the Agency's activities**

The Agency is a non-profit organization and is incorporated in the form of a state-run institution on behalf of the Republic of Belarus by the Council of Ministers of the Republic of Belarus and the National Bank.

The nature of the Agency's business is accumulation of mandatory contributions of banks for generating its reserve, administration of the Agency's reserve and procuring payment to natural persons bank deposit reimbursements.

The Agency shall carry out its activity on repayment of bank deposits based on the Agency's Articles of Association governing guaranteed reimbursement bank deposits of natural persons approve by the Council of Ministers of the Republic of Belarus and the National Bank (hereinafter referred to as "the Articles of Association").

In its activity the Agency shall be governed by the provisions of this Law, by other legal act and the Articles of Association).

The Agency shall maintain current (settlement) bank accounts in Belarusian roubles and in foreign currencies, other accounts with the National Bank; it shall have its own stamp, seal and letterforms bearing the inscription The Agency on Guaranteed Repayment of Natural Persons' Bank Deposits of Natural Persons State Institution

The operations on the cash management services rendered to the Agency by the National Bank shall be effected without collecting any fees.

### **Article 18. Agency's functions**

The Agency shall perform the following functions:

registers the banks possessing a special permit (a license) for effecting banking operations, issued by the National Bank, entitling it to effect banking operations on raising funds of natural persons to be placed in bank deposits;

keeps a register of recorded banks;

verifies timeliness and completeness of paying contributions by banks;

keeps a register of claims of natural persons where a liability on repayment of bank deposits arises;

procures repayment of bank deposits to natural persons in the procedure, under the terms and in the size set forth herein;

at the decision of the National Bank performs the functions of temporary administration of bank management;

at the decision of the economic court of a region (of the city of Minsk) performs the functions of a crisis manager when effecting the bank bankruptcy procedure in accordance with the legislation;

perform other functions allotted thereto by this Law, by other legal acts and by the Articles of Association.

### **Article 19. Relations between the Agency and the government**

The Agency shall carry out its activity independently in accordance with this Law, with other legal acts and with the Articles of Association.

The Agency shall be liable for its obligations with the monetary funds possessed thereby. Where they are insufficient the Republic of Belarus shall bear subsidiary liability for the Agency's obligations.

### **Article 20. Agency's authorities with respect to banks**

The Agency shall be entitled to request from the National Bank all accounting (financial) statements, audit reports on such accounting (financial) statements, other statements of banks, as well as other data on the activity of the registered banks, claim and obtain from them explanations thereon required for performing its functions.

The Agency shall be entitled to lodge petition to a regional court (the court of the city of Minsk) stating a bank bankruptcy on its liabilities to natural persons arising from bank deposit agreements, in the procedure set forth by relevant legal acts on economic insolvency (bankruptcy).

Where a natural person files an application to Agency containing the data on refusal by a registered bank to discharge the liability on repayment of a bank deposit when due as set out in a relevant bank deposit agreement the Agency shall be obliged to claim and obtain from such bank the data on the reasons of such

refusal to such natural person in discharging such liability and to solicit the National Bank for arranging audit of the bank, for giving order to rectify the detected violations and (or) for applying retaliation thereto set forth by the legislation. The National Bank shall be obliged within fourteen days following the Agency's petition make a relevant decision and advise the Agency thereof.

The Agency's employees shall be entitled to participate in audits conducted by the National Bank with respect to a registered bank's activity in order to establish a volume and content of the bank's liabilities with respect to natural persons, as well as in the inspections to verify correctness of its calculation of scheduled contributions to be paid to the Agency's reserve.

The Agency shall exercise other authorities in respect to registered banks within the limits set forth by this Law and by other relevant legal acts.

### **Article 21. Agency's property**

The Agency's property shall be generated at the cost of:

initial cash contributions of the Council of Ministers of the Republic of Belarus and the National Bank in the size determined by relevant legal acts;

bank's mandatory contributions;

monetary funds paid by banks to the guarantee fund for the protection of natural persons' bank deposits established under the National Bank, and paid to the Agency's reserve in accordance with the provisions of part three of Article 35 below;

the facilities to which funds of the Agency's reserve are paid and (or) in respect to which the Agency makes investments, and proceeds gained from investing such funds;

penalty fees paid for a default in paying by banks of scheduled contributions (paying thereof partially);

other sources not prohibited by the legislation.

The Agency's reserve is a part of its property intended for repayment of bank deposits to natural persons. It is composed of:

banks' mandatory contributions;

monetary funds paid by banks to the guarantee fund for the protection of natural persons' bank deposits established under the National Bank, and paid to the Agency's reserve in accordance with the provisions of part three of Article 35 below;

the facilities to which funds of the Agency's reserve are paid and (or) in respect to which the Agency makes investments, and proceeds gained from investing such funds;

penalty fees paid for a default in paying by banks of scheduled contributions (paying thereof partially);

other sources provided for by legal acts.

The Agency's property is owned by the Government of the Republic of Belarus and is allotted to the Agency on the basis of operational management.

The Agency shall exercise its authority in respect to the possession, use and disposal of its property allotted thereto in the procedure set forth by the legislation.

The Agency's operating and capital expenditure shall be incurred at the cost of its property (save bank's mandatory contributions and monetary funds transferred by banks to the guarantee fund for the protection of natural persons' bank deposits established under the National Bank, and paid to the Agency's reserve in accordance with the provisions of part three of Article 35 below). The Agency maintenance expenditure shall be incurred within the expenditure estimates approved by the Supervisory Board.

The Agency's reserve funds' insufficiency for repayment of bank deposits to natural persons may be covered by at the cost of borrowings (loans), including those granted on the security of the National Bank, as well as at the cost of budget borrowings accommodated from the republican budget in the procedure set forth by relevant normative legal acts of the President of the Republic of Belarus and Agency's other property.

The monetary funds obtained by the Agency from banks by way of recovering debts and expenditures arisen due to repayment of bank deposits to natural persons shall be directed to repayment of the obtained borrowings (loans) set out in part six herein, as well as to replenishing the Agency's reserve.

**Article 22. Placing and (or) investing the Agency's reserve's temporarily surplus monetary funds and other temporarily surplus monetary funds comprising the Agency's property**

Placing and (or) investing Agency's reserve's temporarily surplus funds and other temporarily surplus funds comprising the Agency's property shall be effected based on the principles of recoverability, profitability and liquidity of the facilities where such funds are placed and (or) in respect to which the Agency makes its investments.

The definite facilities, to which Agency's reserve's temporarily surplus funds may be placed and (or) invested, as well as a minimum/maximum amount shall be annually approved by the Supervisory Board.

Such Agency's reserve's temporarily surplus funds and other temporarily surplus funds comprising the Agency's property may be placed and (or) invested in the following facilities:

- the National Bank's deposits;
- government securities of the Republic of Belarus;
- the National Bank's securities.

The placement and(or) investment of the Agency's reserve's temporarily surplus funds and other temporarily surplus funds comprising the Agency's property, in other facilities not provided for herein shall not be allowed.

The facilities, to which Agency's reserve's temporarily surplus funds are placed and (or) invested shall be an integral part of its property and shall be recorded in the balance sheet where such reserve is accounted.

The Agency's reserve's monetary funds and other monetary funds comprising the Agency's property placed in deposits of the National Bank shall bear the following interest:

- in BYR – not lower than a refinance rate fixed by the National Bank;
- in foreign currencies – at the rate fixed under a relevant agreement signed between the National Bank and the Agency.

### **Article 23. Agency's employees**

The Agency's employees are the persons employed by the Agency under labour agreements (contracts).

Members of the Supervisory Board are not employees of the Agency.

### **Article 24. Agency's management bodies**

The Supervisory Board shall be the Agency's supreme management body.

The Agency's executive body shall be its Director General in charge of guaranteed repayment of natural persons' bank deposits (hereinafter referred to as "the Director General").

### **Article 25. Supervisory Board**

The Supervisory Board shall be founded with a view to supervise the Agency's activity and draw up recommendations on repayment of bank deposits.

The Supervisory Board shall be composed of three representatives of the Council of Ministers of the Republic of Belarus and three representatives of the National Bank.

A term of office of members of the Supervisory Board shall be five years. One and the same person may not be a member of the Supervisory Board for a period of time exceeding two terms.

The Supervisory Board's Chairman shall be elected from the members of the Supervisory Board by open ballot.

The structure of the Supervisory Board shall be approved by the Council of Ministers of the Republic of Belarus and the National Bank.

In the event that a person who is a member of the Supervisory Board is dismissed (relieved of his/her duties) his/her authority shall be deemed suspended as of a date of his/her dismissal (relief from duty), and upon introducing amendments in the structure of the Supervisory Board it shall be terminated.

### **Article 26. Supervisory Board's scope of functions**

The Supervisory Board shall:

- annually approve definite facilities in which there may be placed and (or) invested the Agency's reserve's temporarily surplus funds, a procedure and terms and conditions of their placing and (or) investing, as well as a maximum/minimum amount of such funds;

approve the organizational structure of the Agency, its annual report and budget of expenditure for the Agency maintenance;

make decisions on the sources and amount of coverage of insufficient funds in the Agency's reserve required for repayment of bank deposits;

make decisions on extending a term fixed for repayment of bank deposits in the case provided for in part one of Article 6 above;

make decisions on restoring or refusing in restoring a term fixed for filing by natural persons the applications related to repayment of bank deposits;

make decisions on acknowledging the circumstance to be impeding filing by natural persons the applications related to repayment of bank deposits;

make decisions on auditing the Agency's accounting (financial) statements;

approve auditors acting as natural person entrepreneurs and selected on the basis of competitive bidding for auditing the Agency's accounting (financial) statements;

hear the Director General's reports on the Agency's activity, as well as auditors' reports on auditing the Agency's accounting (financial) statements;

exercise other authorities set forth by this Law, by other legal acts and the Articles of Association.

### **Article 27. Director General**

The Director General shall be nominated at the decision of the Council of Ministers of the Republic of Belarus and the National Bank as advised by the Chairman of the Board of the National Bank.

The Agency' shall sign a contract with the Director General for a term not exceeding five years to be signed by the Chairman of the Supervisory Board.

The Director General shall carry out current management of the Agency's activity and shall be accountable to the Supervisory Board.

The Director General's candidacy shall be proposed by the Chairman of the Board of the National Bank within at least one month prior to expiry of the contract signed with the Director General.

The Director General shall be released from office at the decision of the Council of Ministers of the Republic of Belarus and the National Bank in the cases provided for by relevant legal acts.

### **Article 28. Director General's scope of functions**

The Director General shall:

issue orders and directions on the issues of the Agency's activity, sign a certificate of registering a bank with the Agency;

solicit on behalf of the Agency the National Bank for arranging an audit of activity of a bank registered with the Agency, for giving order to rectify the detected violations and (or) for applying retaliation thereto set forth by the legislation, in the case set forth in part three of Article 20 above;

procure adherence to the decisions made by the Supervisory Board;

nominate and release from office the Agency's employees;

determine in the procedure set forth by the legislation official duties, forms and a wage system for the Agency's employees;

offer proposals to the Supervisory Board on developing the system of repayment of bank deposits, on the Agency's organizational structure and the Agency maintenance expenditures;

act on behalf of the Agency with no power of attorney;

make decisions on the issues qualified to be the competency of the Agency, save those qualified to be the competency of the Supervisory Board.

The Director General shall participate in the meetings of the Supervisory Board in a consultative capacity.

**Article 29. Procedure of arranging activity of the Supervisory Board and the Director General. Duties and responsibility of members of the Supervisory Board and the Director General.**

A procedure of arranging the activity of the Supervisory Board and the Director General shall be established by the Articles of Association.

Members of the Supervisory Board and the Director General shall be obliged to:

carry out their activities in the interests of natural persons who have signed a bank deposit agreement with the Agency;

fulfill other duties set forth by this Law, by other legal acts and the Articles of Association.

The Supervisory Board shall be authorized to make decisions provided its sessions are participated by at least a half of its members. The decisions of the Supervisory Board shall be made by a majority of vote of a number of members attended therein. At equality of votes the one of the Chairman of the Supervisory Board shall be casting.

Members of the Supervisory Board and the Director General shall bear responsibility in accordance with relevant legal acts for a failure to fulfill or improper fulfillment of their duties,.

**Article 30. Agency's reporting**

The Director General shall annually at least on the 15<sup>th</sup> day of a months following that under review submit to the Supervisory Board the Agency's annual report. The Agency's annual report shall be approved by the Supervisory Board before 15 March of a year following a period under review.

The Agency's period under review shall be fixed from 1 January to 31 December inclusive.

The Agency's annual report shall include:

a statement of its activity on repayment of bank deposits;

an annual accounting balance-sheet;

a statement of using the Agency's reserve funds, the funds placed and (or) invested by the Agency, and proceeds gained from placing and (or) investing such funds;

a statement of a budget of expenditure for maintaining the Agency.

The Agency's annual report shall be attached an audit report drawn up proceeding from the results of auditing its accounting (financial) statements.

The Agency's annual report upon its approval by the Supervisory Board shall be communicated to the Council of Ministers of the Republic of Belarus and to the National Bank.

The Agency's annual report in the part of the data on its activity on repayment of bank deposits shall be published in official mass media, intended for publishing normative legal acts of the National Bank, and placed in the Agency's official website on the Internet.

### **Article 31. Supervision over the Agency's activities**

The supervision over the Agency's activities and expenditure of the republican budget funds shall be exercised in the procedure set forth by relevant legal acts.

### **Article 32. Audit of the Agency's accounting (financial) statements**

The Agency's annual accounting (financial) statements shall be subject to mandatory audit by auditors operating in the capacity of an individual entrepreneur annually selected on the basis of competitive bidding. The Agency's annual accounting (financial) statements may be also audited at the request of an ordinary majority of members of the Supervisory Board.

### **Article 33. Nondisclosure of bank secrets and other data on the Agency's and registered banks' activities**

The Agency guarantees nondisclosure of bank secrets and other data on the registered banks' activities and operations.

Members of the Supervisory Board, the Director General and other employees of the Agency shall not be entitled to disclose the data on its activity, bank secrets, other data on the activity and operations of registered banks accessible for them while executing official duties, save the data the submission of which is provided for herein.

For disclosing the data specified in part two herein members of the Supervisory Board, the Director General and other employees of the Agency shall bear responsibility in accordance with relevant legal acts.

### **Article 34. Restructuring and dissolution of the Agency**

The Agency may be restructured or dissolved at the decision of the President of the Republic of Belarus determining a procedure of restructuring or dissolving the Agency and using its property.

## **CHAPTER 5 FINAL PROVISIONS**

### **Article 35. Special aspects of registering banks with the Agency effecting bank operations on raising natural persons' funds in bank deposits prior to entry of this Law into legal force**

The National Bank within one month following entry hereof into legal force shall furnish the Agency with a list of banks possessing a special permit (a license) for effecting banking operations entitling it to effect banking operations on raising natural persons' funds to be placed in bank deposits, for their registration by the Agency.

The Agency within three days following the receipt of such list specified in part one herein shall register such banks and publish the list in the official republican mass media determined by the President of the Republic of Belarus intended for publishing normative legal acts of the National bank.

The monthly contributions paid by banks to the guarantee fund for the protection of natural persons' bank deposits established under the National Bank within one month following entry hereof into legal force shall be credited to the agency's accounts to be credited to its reserve.

The banks which paid monthly contributions to the guarantee fund for the protection of natural persons' bank deposits established under the National Bank, as well as those which were cleared from paying monthly contributions to the fund prior to their registration with the Agency shall be released from paying a scheduled contribution to the Agency's reserve.

### **Article 36. Repayment of bank deposits with banks which were effecting banking operations on raising natural persons' funds to be placed in bank deposits prior to entry hereof into legal force**

The bank deposits with banks which were effecting banking operations on raising natural persons' funds to be placed in bank deposits prior to entry hereof into legal force, under bank deposit agreements signed prior to registering a bank with the Agency, shall be repaid in the procedure, under the terms and conditions and in the amount set forth herein.

### **Article 37. Introduction of amendments and supplements in/to some laws of the Republic of Belarus**

1. The following provisions are null and void:
2. Paragraph ten of part one of Article 52 of the Banking Code of the Republic of Belarus of 25 October 2000 in the wording of the Law of the Republic of Belarus of 17 July 2006 (National Register of legal acts of the Republic of Belarus, 2000, № 106, 2/219; 2006, № 113, 2/1243) should have the following wording:

«raising of monetary funds of banks and non-bank credit and financial institutions, as well as those effecting guaranteed repayment of natural persons' bank deposits, in deposits;».

### **Article 38. Actions on implementation of provisions contained herein**

The Council of Ministers of the Republic of Belarus and the National Bank should:

within two months following official publishing of this Law approve the Articles of Association and structure of the Supervisory Board, make a decision on nominating the Director General;

within six months following official publishing of this Law procure bringing relevant normative legal acts into line with this Law and take other actions on implementing the provisions contained herein.

### **Article 39. Entry into legal force**

This Law shall be effective as of 1 January 2009, save this Article and Article 38, which shall be effective as of a day of its official publication.

Before bringing the legislation of the Republic of Belarus into line with this Law relative normative legal acts shall be applicable to the extent that does not contradict with this Law, except as otherwise expressly provided in the Constitution of the Republic of Belarus..

**President of the Republic of Belarus**

**A.Lukashenko**