

NATIONAL BANK OF MOLDOVA

DECISION

**on the Modification of the Regulation on Bank's Transactions with its Related Parties,
approved by Decision no. 240/2013 of Executive Board of the National Bank of Moldova**

no. 110 of 05.04.2019

(in force from 19.06.2019, except sub-para.12) and 19) - 19.07.2019)

Official Monitor of the Republic of Moldova no.139-147, Article 705 of 19.04.2019

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REGISTERED:
Ministry of Justice
of the Republic of Moldova
no.1438 of 10 April 2019

Pursuant to Article 27, paragraph (1), item c) of the Law no. 548/1995 on the National Bank of Moldova (republished in the Official Monitor of the Republic of Moldova, 2015, no. 297-300, Article 544), with further modifications, Article 38 and Article 80 of the Law no. 202/2017 on banks' activity (Official Monitor of the Republic of Moldova, 2017, no. 434-439, Article 727), with further modifications, the Executive Board of the National Bank of Moldova

DECIDED:

1. The Regulation on Banks' Transactions with its Related Parties approved by Decision no. 240/2013 of the Executive Board of the National Bank of Moldova (Official Monitor of the Republic of Moldova, 2014, no. 17-23, Article 97), with further modifications, registered with the Ministry of Justice of the Republic of Moldova on 15 January 2014 under no. 955, shall be amended as follows:

1) In the wording of the Regulation, the phrase "civil servants" shall be substituted with "employees" in the corresponding grammatical form;

2) In paragraph 1, the wording "and has the aim to protect the interests of the bank, its clients, prevention of conflicts of interest, limitation of concentration risks of bank exposure to related parties", shall be substituted with the wording "and minimum requirements on the internal regulations and management practices of risks resulted from the transactions with related parties.";

3) In paragraph 2:

a) sub-paragraph 1), the wording: "the parties related to other parties – the parties mentioned in the notion "related to other parties" of Article 3 of the Law no. 550-XIII of 21.07.1995 on financial institutions. In the meaning of item g) of this notion, persons "in other types of relations" shall refer at least to:" shall be substituted with the wording: "persons related to banks – persons described by the notion of "related to another parties" from Article 3 of the Law no. 202/2017 on banks' activity.

In the meaning of item a), the notion "related to another party" of the Law no. 202/2017 on banks' activity, persons holding key positions provided in paragraph 3, sub-paragraph 4), item a)-f) of the Regulation on the requirements for the members of the management body of the bank and the mixed financial holding company, the heads of the branch of a bank from another country, the persons holding key positions and for the liquidator of the bank undergoing liquidation, approved by Decision no. 292/2018 of the Executive Board of the National Bank of Moldova, shall be considered parties related to a bank.

In the meaning of item g), the notion "related to another party" of the Law no. 202/2017 on banks' activity, persons "in other types of relations" shall refer at least to the following persons:";

the wording "up to the IIIrd degree, the spouses of relatives and relatives-in-law" shall be substituted with the phrase "first and second degree, spouses of persons and aforementioned relatives-in-law";

the phrase “social and/or” shall be excluded;

b) sub-paragraph 2), first sentence shall have the following wording: “the terms “eligible capital”, “exposure” and “group of related clients” will have the meanings defined in the Regulation on Large Exposures, approved by Decision no.109 of 5 April 2019 of Executive Board of the National Bank of Moldova”;

c) sub-paragraph 3) shall have the following wording:

“3) in the meaning of the present Regulation, for determining the parties related to the bank, the definition “control” of Article 3 of the Law no. 202/2017 on the banks’ activity shall neither refer to control relations of the central administration nor to any persons who control or are under its control.”;

d) sub-paragraph 4) shall be completed with the wording “, except the transactions/operations related to the foreign exchange in cash, transfers through money remittance systems, supply of accounts, payment of interest/commissions/credit debts, transfers related to salary packages.”;

4) Points 4 and 5 shall be repealed;

5) In paragraph 5:

a) the first sentence shall be completed with the wording: “and cannot be performed in violation of the limits and provisions established in the in force regulatory documents”;

b) the second sentence shall be excluded;

c) the third sentence shall have the following wording: “In the meaning of the present Regulation, at least the conditions specified in Article 80, paragraph 8) of the Law no. 202/2017 on banks’ activity shall be considered as more advantageous than those provided for the persons who are not related to the bank.”;

6) Paragraph 6 shall have the following wording:

“6. The bank shall conduct transactions with related parties only after collecting sufficient information (documents) to prove the economic advantages of the respective transactions for the bank, as well as to assess their related risks. The banks shall not make transactions with persons whose affiliation or non-affiliation to the bank cannot be checked.”;

7) Paragraph 14 shall have the following wording:

“14. After the assessment of effects caused by a diminishing credit risk according to Chapters VI-IX of the Regulation on Large Exposures, the amount of exposure to a person related to the bank and/or a group of clients being in a relation with the person related to the bank shall not exceed 10% from the eligible capital of the bank.”;

8) Paragraph 15 shall have the following wording:

“15. The aggregate amount of banks’ exposures to related parties and/or groups of clients being in a relation with the parties related to the bank, after considering the effects caused by a diminishing credit risk according to the provisions of Chapters VI-IX of the Regulation on Large Exposures shall not exceed 20% of the eligible capital of the bank.”;

9) Paragraph 16¹ shall have the following wording:

“16¹. If the limits set out in paragraphs 14 and 15 are concomitantly violated and the National Bank of Moldova exercises its duties stipulated in Article 139, paragraph 3), item n) of the Law no. 202/2017 on banks’ activity, the maximum amount which exceeds the limits set in one of the respective paragraphs shall be deducted from the own funds.”;

10) Paragraph 14:

a) the first paragraph shall have the following wording:

“17. Any transaction with a party related to a bank, which amount exceeds the equivalent of MDL 1 million or its value cumulated with other transactions conducted with related parties or clients being in a relation with the party related to the bank exceeds the respective value, shall be approved before its conclusion/modification of contractual conditions, at least with the vote of the majority of bank’s Council members. In the cases where the equivalent of MDL 1 million is not exceeded, the transaction shall be approved by the Executive Board of the bank.

For the purpose of establishing whether the threshold provided in the present paragraph was exceeded or not, the values of transactions that lead to the formation of exposure to the bank shall be cumulated separately from the values of transactions which do not lead to the formation of exposures.

By way of derogation from the first item of this paragraph, the executive body shall approve the transactions with related parties, if the Council of the bank approved the terms and conditions (standard contracts) related to the respective products.”;

b) in the second item, the wording “in amount of up to MDL 1 million” shall be substituted with the wording “in an amount which does not exceed the equivalent of MDL 1 million”;

11) Paragraph 20 shall have the following wording:

“**20.** Banks shall have internal regulations approved by the executive body, regarding the fact of knowing the parties related to the bank, identification of transactions with parties related to the bank, including the exposures of the bank to the respective parties and the total amount of these exposures, as well as to monitor and report through an independent management process of exposures. In order to avoid the excessive risks of transactions with related parties, the Council of the bank shall re-examine at least once per year the transactions of the bank with its related parties at the moment of re-examination and undertake the necessary steps to diminish the respective risks.”;

12) Shall be completed with paragraph 20² in the following wording:

“**20².** In establishing the internal regulations mentioned in paragraph 20, the bank shall consider the provisions of Annex no. 2 of the present regulation, which provides the minimum requirements for the internal regulations and the practices for risk management of transactions with related parties.”;

13) Paragraph 22 shall have the following wording:

“**22.** In the process of supervision and based on the type of relations, transactions and other relations with the bank, the National Bank of Moldova may consider the parties related to the bank according to the definition stipulated in Article 3 of the Law no. 202/2017 on banks’ activity, provided that these persons meet one or more features described in Annex no.1 of the present regulation, based on the decision of the Executive Board.”;

14) Paragraph 23 shall have the following wording:

“**23.** The National Bank of Moldova shall notify the bank in writing about the decision issued under paragraph 22, during 3 working days from the date of issue of decision.”.

15) In paragraphs 25 and 26, the phrase “former date” in both cases shall be substituted with the words “following date”;

16) In paragraph 28, the term “Annex” shall be completed with “no.1”;

17) Paragraph 29 and 30 shall be completed with the following wording:

“**29.** The parties qualified as related by the National Bank of Moldova and included in the Register of related parties shall be qualified as related until the exhaustion of qualification features and/or reimbursement of loan. If the debts of the party qualified as related have been assessed as reductions/losses, and if a contractual relation still exists between the party and the bank, which entitles the bank to ask the satisfaction of its claim, this party shall be qualified as a party related to the bank until the execution of conditions of the present paragraph.

30. Parties who are qualified as related to the National Bank of Moldova will no longer be qualified in this way, if according to the decision of the Executive Board of the NBM, the party cannot be further qualified as related to the bank based on the remained features. The aforementioned decision shall be adopted within 30 days from the receipt of the written bank’s request. The request of the bank shall include the evidence which demonstrates the elimination of features and justification of impossibility to be qualified as related parties based on the remained features.”;

18) The Annex shall have the following wording:

“Annex no.1
to the Regulation
on Bank’s Transactions with its Related Parties

**Features used by the National Bank of Moldova
to identify the persons who have relations or conduct transactions
with the bank and/or related parties**

1. Types of relations

1) Exclusiveness:

transactions conducted by the debtor, including those regarding the bank exposure, which are not justified from economic point of view;

2) Economic dependency:

a) future cash flows that shall be registered by the person following the developed activity, are not proportionate with the necessary funds for payment, according to the contracting relations on debts related to loans received from the bank;

b) the person that does not run economic activity according to the funds received from the bank or does not register profit (including fictitious legal entities or those registered in offshore areas) and money received from the bank or from the affiliated persons of the bank is an important source of financing for the person;

c) the person acts mainly as a representative of the bank or of the parties related to the bank;

d) the person is affiliated to a group of inter-related debtors who are offered significant loans by the bank for their activity;

e) the person is affiliated to a group of inter-related clients, and the mortgage for loans is submitted by a party related to the bank;

3) Joint infrastructure:

a) the person is registered at the same address and/or has virtual addresses similar with those of the bank or of the persons related to the bank, except the cases when services, including the outsourced, are provided by a third company to a large number of clients;

b) the person uses joint structural elements, especially IT systems, with the bank or the persons related to the bank (including through outsourcing the activities);

c) the person employs the same person in the management as the bank or as the parties related to the bank or an employee of this person is a member of the management body of the bank and/or has a similar management position within the parties related to the bank, or vice versa;

d) the person empowers the bank or the parties related to the bank to legally represent it (except the cases when the provision of such services represents the type of activity carried out by the related parties) or the person is a specialized entity, which was established with the aim to exercise certain functions and is controlled by the bank or the parties related to the bank;

4) Insufficient transparency:

a) the available information on the ownership structure of the person does not allow the identification of share holders, who directly or indirectly hold the control over the share capital of the person and/or their beneficial owners;

b) the structure of the ownership of the person is unjustifiably complicated and complex, and does not allow the identification of the beneficial owners of the debtor;

c) the person shall not disclose information to the bank, regarding its relations with the bank and/or with the parties related to the bank, including information regarding the management of debt in the context of its assessment from credit risk perspective, structure of the person's ownership and its beneficial owner, even when this information is claimed by the National Bank of Moldova;

d) the person is not registered in the country where the basic activity is carried out, and there are no reasonable economic and financial grounds in this respect;

e) the person publicly declares about the existence of an affiliation relation with the bank or the parties related to the bank;

5) Other relations:

the person acts in concert manner with another person or more persons who are not shareholders with qualifying holdings in the bank, as provided by Article 3 of the Law no. 202/2017 on bank's activity.

2. Nature of transactions

1) The object of transaction and scope of using the funds:

a) the performed transaction and the use of funds does not reflect the types of activities carried out by the person, except the case of launching new types of activity;

b) the funds received from the bank are used for other purposes than those established in the loan agreement and/or the bank does not hold information on the use of funds related to the loan;

c) the funds are used by the parties related to the bank or in their interests, directly or indirectly (including for the payment of loans/credits to other financial institutions, procurement of assets and payment of services);

d) the bank shall provide funds to a person with the purpose to buy the property taken in possession/ownership from one or more related parties and/or from persons from the group of clients in relation with any of these persons;

e) the bank shall provide funds to the person with the purpose to buy the mortgaged/pledged property in order to guarantee the loans of one or more related parties and/or the persons from the group of clients in relation with any of these persons.

2) Documents:

a) no documents are available on the transaction regarding the issue of loan or the documents do not comply with the internal regulations of the bank (including the absence/insufficiency of documents);

b) the essence and content of the transaction's economic elements do not represent its legal form and/or the available documents do not represent the real features and economic essence of the transaction;

3) Transaction standards – in an ordinary way, transactions are not conducted by the bank in the following circumstances:

a) the internal regulations on lending do not provide for such transactions or the transactions are conducted with deviations from the internal regulations of the bank, without economic justification;

b) the transactions are conducted in violation of the internal regulations of the bank;

c) there is a significant discrepancy between the geographical location of the person and the essence/conditions of transaction;

d) the loan agreement of the person with the bank provides some special conditions, which allow the cancelation of some obligations to the bank or the transfer of the loan to a party related to the bank;

e) the debtor/counterparty shall enjoy the reimbursement terms which are not similar to the general reimbursement terms for other debtors/counterparties of the bank with similar features, without an economic justification resulting from the total commercial relations between the bank and debtor/counterparty;

f) the number of employees of the person does not comply with the type and volume of activity of the person and/or the purpose of transaction performed by the bank with the respective person;

g) the person did not receive the necessary documents/licenses/authorizations provided by the law for the development of activity for which the loan/credit was issued (for example, the authorization/permit for the execution of construction works was not obtained, etc.) and no credible justification for this delay exists;

4) Contractual clauses – the transactions have not been conducted according to the terms, in the case of another bank (regarding the best practices), including in the following cases:

a) the amount of the issued loan does not comply with the capacity of the debtor to generate a cash flow for the payment of the loan;

b) a significant disproportion exists between the terms, obligations and rights stipulated in the agreement;

c) some clauses of the agreement, including those regarding the reimbursement of the loan, are missing, incomplete or differ from the clauses of other agreements within the same bank (more advantageous terms), issued to similar debtors and there is no economic justification;

5) Degree of indebtedness – the amount contracted as loan was not issued by another bank (regarding the best practices), including the following cases:

a) the loan cannot be reimbursed within the terms and necessary form, considering the debtor's creditworthiness and sources of income;

b) the loan can not be reimbursed within the terms and necessary form, considering the incomes generated by the loan invested by the debtor;

c) the ranking index set by the bank, following the assessment of the loan (or the status of investment/transaction) is below its minimal acceptable level;

6) Instruments of internal control – the mechanisms of internal control are insufficient for performing the transactions compared to the mechanisms of control used in other situations and there is no economic justification for this fact, including:

a) the transaction was conducted based on a procedure different from the one used for similar counterparties, who benefit from the same product within the bank;

b) no positive note exists from the risk management function regarding the execution of transaction or the note is negative, or the recommendations of the respective function were not considered;

- c) the amount of the transaction exceeds the internal limit set by the bank for such category of counterparties, and there is no economic justification for the bank in such transactions;
- d) the assets/services sold/provided to the bank cannot be identified or no evidence exists regarding their existence at the moment of transaction;
- e) the bank did not initiate the procedure for the collection of expired payments or trade of mortgage for the issued credit/loan;
- 7) Interest rate, commission and prices:
 - a) the interest rate, operational commissions and incomes (expenditures) related to the transaction differ from the terms set in the internal regulations of the bank/contractual terms with other debtors/counterparties with similar features and/or no economic justification exists in this respect;
 - b) the sale price of assets and/or services provided by the bank differ substantially from the current market conditions and no economic justification exists in this respect;
 - c) the purchase price of assets and/or services provided by the bank differ substantially from the current market conditions and no economic justification exists in this respect;
- 8) Mortgage and guarantees:
 - a) the person has an agreement with the bank or the parties related to the bank, to mutually compensate the obligations of other clients with similar features and no economic justification exists in this respect;
 - b) the bank accepted a mortgage on behalf of the debtor/counterparty, which has an inferior quality than the mortgage accepted from other clients with similar features and no economic justification exists in this respect.”;
- 19) Shall be filled in with Annex no. 2, and the following wording:

“Annex no.2
to the Regulation
on Bank’s Transactions with its Related Parties

**Minimal requirements
on the internal regulations and risk management practices of transactions
with parties related to the bank**

1. Internal regulations regarding the transactions of the bank with other related parties

- 1) The policies of the bank shall be comprehensive and adapted to the nature, range and complexity of risks inherent to the business model and activities developed by the bank for the transactions of the bank with its related parties, and shall assure the following:
 - a) involvement of the bank in transactions, and safe and prudent relations with its related parties, within the limits and by observing the law in force, with the purpose to avoid the involvement of the bank in excessive risks, including risks that may cause the deterioration of the bank's reputation, and the assurance of public confidence;
 - b) the use of the highest ethical and transparency standards for the transactions with related parties, which will regulate the relations of the bank with these persons and emphasize the expectations on integrity and ethical values of the bank and the staff, as well as the requirements on the disclosure of current and potential conflicts of interest;
 - c) an efficient and solid structure of corporate governance with the identification of expectations from the management body, roles and liabilities of parties related to the bank;
 - d) the liability of the management body to assure that all transactions between the bank and its related parties are performed in the interest of the bank, and are monitored and controlled correspondingly;
 - e) the adoption by the management body of adequate procedures aimed to assure that any relation of the bank with its related parties is a prudent and sound financial and management relation, with corresponding documentation;
 - f) the liability of the council for the corresponding monitoring and management of current and potential conflicts of interest between the interests of the bank and its related parties.
- 2) In addition, the internal regulations regarding the parties related to the bank, also, include at least the following aspects:

- a) systems of disclosure and storage of information regarding the direct and indirect shareholders with qualifying holdings of the bank, including its beneficial owners, which will include the disclosure by them of related information through declarations on own responsibility under the penalty of law;
- b) procedures of assuring the execution of transactions with related parties in the interest of the bank;
- c) periodic review and identification of material interests of parties related to the bank;
- d) lending procedures for parties related to the bank and performance of other transaction with the aforementioned or that involves such parties;
- e) setting commissions and other payments received from parties related to the bank for the services provided by the bank, and vice versa;
- f) exchange of information regarding the parties related to the bank between the corresponding subdivisions of the bank, including the reporting process, to the management body with regard to the transactions of the bank with its related parties;
- g) interdiction of the use of information which represents bank secrecy by the insider with the aim to facilitate the execution of bank' transactions with its related parties;
- h) the circumstances and terms of use for the parties related to the bank's property;
- i) the restrictions regarding the provision by the bank to its related parties of presents and other benefits, except the circumstances expressly stipulated in the internal regulations on remuneration;
- j) the obligation of banks' employees to promptly inform the executive body and/or the council of the bank regarding any imprudent behavior of the employees and/or violation of internal regulations/applied practices that have been elaborated according to the present Annex;
- k) the application of certain indicators that shall identify the transactions of the bank with its related parties, which will increase the level of current and future risks of affecting the profits of the bank;
- l) the specification of consequences in case of violation of fiduciary obligations and the imprudent and/or unethical behavior, including non-observance of the internal regulations of the bank on transactions with the parties related to the bank;
- m) the responsibilities of the internal control functions of the bank regarding the relations of the bank with its related parties;
- n) the organization of information management systems which shall include the accumulated information regarding the identity of parties related to the bank, as well as the accumulation of financial reports (financial statements, including profit/income) of parties related to bank, who are debtors of the bank;

o) transparency and disclosure of banks' transactions with its related parties.

3) The secondary internal regulations of the bank set on the base of the primary internal regulations approved by the council shall assure at least the following elements:

- a) existence of a safe communication channel of information regarding the suspicion about violations made during the transactions of the bank with related parties;
- b) existence of communication channels for employees aimed to provide support/assistance in the process of transactions with persons related to the bank;
- c) performing adequate and effective assessments aimed to verify the identity of the party related to the bank and the submitted information;
- d) assignment of internal control functions, duties of finding if the transaction was conducted with the party related to the bank, according to the internal regulations of the bank;
- e) existence of a reporting process and prompt notification of the bank's Council about any transaction with the parties related to the bank, which increase the level of the current and future risk of affecting the profits of the bank, and/or do not comply with the internal regulations;
- f) existence of an audit program for the assessment of adequate operation of the internal regulations of the bank in the respective field.

2. Practices of risk management of the transactions of the bank with its related parties.

1) The bank shall assure sound risk management practices for the transactions conducted by the bank with its related parties for the identification, quantification, monitoring and control of risk for the parties related to the bank. The most common risks of transactions conducted with parties related to banks are the reputation risk, credit risk, liquidity and operational risk;

2) Relations and transactions with parties related to the bank shall become the object of some control mechanisms and extremely sound risk management processes. The manner in which the mechanisms of risk control and management in the bank are applied and extended, depends on the size, property and

organization structure, on the developed activities and complexity of parties related to the bank and its transactions;

3) The bank assures the notification of its related parties by publishing on its official website of the excerpt from the internal regulations regarding the parties related to the bank and its transactions and/or information which contains strategic provisions of the bank on risk management of transactions with parties related to the bank, as well as to inform the parties related to the bank about the provisions of internal regulations if transactions are concluded;

4) Development by the bank of some transactions with its related parties to perform banking functions, to supply products and services to clients or to meet in another way the strategic objectives, shall not diminish the responsibility of the management body of the bank in assuring that both relations and the supply of products and services are conducted in a safe and prudent manner which meet the interests of the bank;

5) The bank assures the implementation of a structure of corporate governance, which shall determine the existence of some efficient systems of policies and control regarding the parties related to the bank, which does not allow the members of the management body and the persons holding key positions to subordinate the interests of the bank to the interests of parties related to the bank;

6) The bank assures that the relations of the bank with its related parties, including those related to the businesses of the members of management board, are not developed in better conditions than the relations with persons non-related to the bank, do not compromise in any way the decision making process and do not harm the bank;

7) The bank assures the development of measures which are necessary and possible to prevent the abuse on behalf of the members of management body and other employees in relations with the parties related to the bank;

8) From the perspective of relations with the parties related to the bank, the management body shall assure:

a) setting some internal adequate regulations regarding the parties related to the bank;

b) setting and implementation of some solid and independent processes for monitoring and assurance of observance of internal regulations and regulatory framework for the parties related to the bank;

c) periodic training of its members and employees regarding the risks of parties related to the bank and disclosure of conflicts of interest;

d) implementation of efficient information systems which shall assure the transparent and comprehensive reporting of activities and exposures to the persons related to the bank;

e) elaboration of correct financial statements with the disclosure of relevant information regarding the transactions with related parties in the explanatory note of the respective financial statements;

9) For the observance/implementation of internal regulations, the following actions shall be undertaken:

a) setting the business strategy of the bank for conducting transactions with the parties related to the bank;

b) receiving periodic and updated information from shareholders with qualifying holding at the bank, from the members of the management body and from persons in key positions, regarding their related parties;

c) holding internal mechanisms for information disclosure by the shareholders with qualifying holding at the bank, by the members of the management body and the persons who hold key positions (declaration on own responsibility);

d) existence of a robust mechanism to determine whether the transactions with parties related to the bank are not performed in conditions less advantageous compared to the conditions for persons non-related to the bank;

e) existence of mechanisms for the prevention of fraudulent actions committed by the employees of the bank in conducting transactions with parties related to the bank, as well as abuse on behalf of the management body;

f) identification of material interests, which the party related to the bank has with the bank, with the business of a bank's debtor, loan claimant, another client of the bank or provider;

g) existence of an internal robust and transparent mechanism for providing its property to a party related to the bank (offices, storage rooms, vehicles, calculation devices and other tangible assets) for use;

h) existence at bank level of an efficient system of identification, codification (depersonalized data) and monitoring of transactions with parties related to the bank;

i) existence of an internal mechanism which allows the members of the management body to object the transaction with related parties, who apparently comply with the requirements of the law;

j) existence of provisions in contractual relations which specify the obligation of the counterparty to disclose the information that is necessary for the bank to determine if it is/is not a party related to the bank;

k) informing the shareholders with qualifying holdings at the bank, the members of the management body and the employees of the bank, regarding the risks of relations with parties related to the bank and the internal regulations that are applied in relations with parties related to the bank;

l) implementation of a solid system of risk management to monitor and report the activities and exposures to the parties related to the bank.”.

2. The present decision shall enter into force after the expiry of 2 months from the date of publishing in the Official Monitor of the Republic of Moldova, except the sub-paragraphs 12) and 19), from paragraph 1) of the present decision, which shall enter into force at the expiry of 3 months.

3. The failure of the bank to observe the maximum limits established by the Regulation on Bank’s Transactions with its Related Parties, approved by Decision no. 240/2013 of the Executive Board of the National Bank of Moldova, shall not be considered as violation during 12 months from the entry into force of the present decision, unless these violations are the result of application of modifications provided in paragraph 1 of this decision.

**PRESIDENT OF EXECUTIVE BOARD
OF THE NATIONAL BANK OF MOLDOVA**

Octavian ARMAȘU

No. 110, Chisinau, 5 April 2019