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## The banks' activity management framework will be improved

The Executive Board of the National Bank of Moldova approved the Regulation on banks' activity management framework.

The new provisions refer to the bank's corporate governance structure, internal control mechanism and risks management methods. Thus, the banks are obliged to carry out their activity effectively and transparently, to have a proper organisational structure and a regulatory framework complying with the bank's business model, in order to manage all risks resulting from its activity and maintain its financial stability, so as to protect the interests of the depositors, etc. Also, the banks shall report the cases of fraud, which might affect their safety, soundness and reputation.

At the same time, the banks will have to adapt the policy of appointing managers to their dimension and complexity and to carry out a remuneration policy that will not encourage excessive risk-taking.

The regulation was developed taking into account the specific features of the financial and banking market and the best international practices in the field, including the Basel Committee acts.

Prior to its approval, the draft was consulted with the public and the banking community. The new regulation represents a support and the first stage of transition to the new prudential requirements promoted by the central bank through the implementation of Basel III standards as from 1 January 2018.

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