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Information regarding NBM

The National Bank of Moldova is the central bank of the Republic of Moldova and exercises its attributions as a legal, public, autonomous person responsible to the Parliament. The fundamental objective of the National Bank is the maintenance and the ensuring of prices stability.

The National Bank cooperates with the Government with a view to achieving its objectives and, pursuant to the law, undertakes the necessary measures to implement such collaboration. The National Bank periodically informs the public on the macroeconomic analysis results, the financial market dynamics and statistical information, including on money supply, the balance of payments and the situation within the foreign exchange market.

The National Bank is not subject to registration in the State Register of enterprises, or in the State Register of organizations.

The National Bank is independent in exercising its attributions established by the Law on the National Bank of Moldova and neither requires, nor receives, according to the same law, instructions from public authorities or from any other authority.

In order to achieve its attributions, the National Bank has the right to issue decisions, regulations, instructions and orders. The normative acts of the National Bank, which are compulsory for financial institutions and other legal and physical persons are published in the Official Monitor of the Republic of Moldova and come into force either on the date of their publication, or on another date stipulated in the text of the respective normative act, provided that the public is informed accordingly.

Banking system

In 1991, in accordance with the legislation, a two-level banking system was formed. Within this system the National Bank of Moldova acts as central bank, but it is not involved in commercial banking. In June and July 1995 the Parliament adopted two Laws on the National Bank of Moldova and on Financial Institutions.

These laws provide stipulations meant to strengthen the NBM role in working out and implementing the monetary and foreign exchange policies and to ensure a stable and sustainable financial system.

The National Bank is responsible for the authorization, the supervision and the regulation of financial institutions' activity. These attributions are exercised taking into account the Core Principles of Basel Committee for an efficient banking supervision.

The licenses, including for transactions with significant interests held within the banks' capital, are issued only in case the National Bank is fully convinced that the authorized persons will display a stable financial situation and will activate in compliance with the legal prudential requirements, including the requirements related to the qualification, the experience and the reputation of their administrators and owners.

The prudential regulation determines the maximum indices and the positions to be observed by banks with reference to their assets, risk-weighted assets, off-balance articles and various capital and reserves categories. Banks are obliged to harmonize the terms and the interests on assets and liabilities, not to

surpass the unsecured positions in foreign currency, to maintain liquid resources within the required limits referred to the value of assets or of liabilities.

The internal control systems of the banks are targeted towards the protection of the interests of depositors, shareholders and customers by ensuring the observance of the enforced laws, the regulation of the conflicts of interest, the thorough use of incomes for profits increase, conducting authorized expenditures according to their destination, adequate protection of assets, correct entering of liabilities and mitigation of risks.

The observance by banks of prudential requirements and the evaluation of risks related to their activity is monitored both within on-site and off-site controls. The National Bank of Moldova is vested with substantial rights through the enforced legislation to intervene in the banks' activity for remedial purposes.

[Objectives relating to the development of the NBM banking supervisory function for 2015-2017](#) [1].

National Currency

The monetary unit of the Republic of Moldova is the Moldovan Leu, which is the only legal tender on the territory of the Republic of Moldova. The National Bank has the exclusive right to put into /withdraw from circulation bank notes and metal coins of Moldovan Lei.

Monetary policy

The National Bank of Moldova establishes and implements the monetary and foreign exchange policies.

Following the approval of Law no. 191-XVI of 30.06.2006 on the modification of Law no. 548-XIII of 21.07.1995 on the National Bank of Moldova, the fundamental objective is the maintenance and the ensuring of prices stability.

At the same time, without prejudice to its fundamental objective, the National Bank promotes and maintains a financial system based on market principles and supports the general economy policy of the Government.

In order to achieve its fundamental objective, the National Bank of Moldova uses a wide range of available indirect instruments of monetary and foreign exchange policy, including: SS selling-buying operations and reverse REPO agreements; Lombard facilities, required reserves; NBM base rates, issuance of the National Bank Certificates, deposits acceptance from banks and others.

Foreign exchange policy

The National Bank of Moldova maintains a floating exchange rate regime and sets out the official exchange rate of Moldovan leu as against US\$ based on exchange rates leading in the domestic foreign exchange market.

In this context, the National Bank of Moldova shall be entitled to conduct foreign exchange interventions with a view to repressing the excess fluctuations of the official exchange rate and to building up the international foreign exchange reserves. Direct interventions in the domestic foreign exchange market, including forward transactions, as well as swap reversible foreign exchange operations are used as foreign exchange policy instruments.

Within the framework of foreign exchange policy implementation the National Bank of Moldova endeavors to maintain the international reserves at an acceptable level for covering three months or so of imports and promotes a prudent foreign exchange policy, consistent with the fundamental objective of ensuring and maintaining the price stability along with the placement of the state's international reserves into investment instruments complying with the security and liquidity criteria.

Balance of payments

Starting with 1992 the Republic of Moldova has become a member of the International Monetary Fund (IMF), assuming the obligation to systematically submit to IMF the information on the national economy dynamics, among which external sector-related statistical documents.

Based on the Law on the National Bank of Moldova, the NBM Balance of Payments Division works out the

Balance of Payments, which is a macroeconomic account reflecting systematically the resident-nonresident transactions for a certain period of time. The statistical document International Investment Position – an instrument of financial assets and liabilities evaluation versus foreign partners at period-end is worked out in relation with the Balance of Payments. The Balance of Payments Division of the National Bank is also responsible for the working out of the external Debt statistics of the country.

The methodology of compiling the Balance of Payments of Moldova is based on methodological norms set out in the 5th edition of the IMF Manual and is under on-going development according to the economic dynamics. The main methodology principle – double-entry – ensures the registration of the information on international transactions on those two balance accounts, current account and capital and financial account, enabling the analysis of economic events through both the real and financial sectors statistics.

The Balance of Payments and the International Investment Position are statistical documents that reflect the evolution of the external sector of the national economy. They are worked out quarterly and yearly. The Balance of Payments is worked out as a general lay-out, by partner regions and countries (Ukraine, Romania, Russia, Germany, Belarus).

Annual budget of the NBM

In compliance with Art. 21 of Law on the National Bank of Moldova no. 548-XIII of 21 July 1995, all administrative expenditures and capital investments of the National Bank are provided in the expenditure estimate and, respectively, in the investment allocations, which are approved by the Supervisory Board in execution and are verified in accordance with the control and internal audit practices and procedures.

Public acquisitions

According to Art. 13 of Law no.96-XVI from April 13, 2007 on public acquisitions, the National Bank works out annually the plan of [public acquisitions](#) [2] (only in official language).

Communiqué on the use of the name of the National Bank of Moldova within fraudulent transactions

Following the recent inquiries concerning the use of the name of the National Bank of Moldova (NBM) in connection with the issuance of variously denominated financial instruments or offers of participation in certain financial schemes and “joint projects”, the National Bank of Moldova is warning that the NBM neither issues any obligations called “Bank Guarantees”, “Promissory Notes”, “Bills of Exchange” “Prime Bank Notes”, etc., nor negotiates the possibility of participating in the so-called “joint projects” with legal entities and/or individuals (except for those provided for according to the legislation). Moreover, the NBM does not guarantee any debentures or other financial instruments issued by any bank, financial institution, public or private entity or individual.

According to Article 71 (1) of the Law on the National Bank of Moldova no.548- XIII dated July 21, 1995, the granting of any financial assistance, whether in the form of a direct or indirect loan, or by purchasing a loan, a loan participation or utilization of any instrument of indebtedness, assumption of a debt or in any other form, including the above-mentioned obligations, represent prohibited activities.

The National Bank of Moldova would like to emphasize that any of the so-called “Bank Guarantees”, “Promissory Notes”, “Bills of Exchange” “Prime Bank Notes”, etc. and other documents, such as contracts, debentures or other financial instruments using the name of the National Bank of Moldova are fraudulent documents and are regarded as illegal financial activity.

See also

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- [2] <https://www.bnm.md/ro/content/planul-achizitiilor-publice-pentru-anul-2014-al-bancii-nationale>
- [3] [https://www.bnm.md/en/search?hashtags\[0\]=fundamental objective](https://www.bnm.md/en/search?hashtags[0]=fundamental+objective)
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