

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

**DECISION
on the Approval of the Regulation on Branches and Secondary Offices of Banks**

no. 147 of 17.05.2019
(in force from 24.06.2019)

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REGISTERED:
Ministry of Justice
of the Republic of Moldova
no.1451 of 18 May 2019

Pursuant to Article 5, paragraph (1), letter d), Article 11, paragraph (1), Article 27, paragraph (1), letter c) and Article 44, letter a) 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, Article 32 and 33 of the Law no.202/2017 on Banking Activity (Official Monitor of the Republic of Moldova, 2017, no.434-439, Article 727), the Executive Board of the National Bank of Moldova

DECIDES:

1. To approve the Regulation on branches and secondary offices of banks (shall be attached).
2. To repeal the Decision of the Executive Board of the National Bank of Moldova no.84/2011 on the approval of the Regulation on subsidiaries, representative offices and secondary offices of banks (Official Monitor of the Republic of Moldova, 2011, no.110-112, Article 874) registered with the Ministry of Justice of the Republic of Moldova on 27 June 2011, under no.832.

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

Octavian ARMAȘU

No. 147, Chisinau, 17 May 2019

Approved
by Decision of the Executive Board
of the National Bank of Moldova
No.147 of 17 May 2019

REGULATION
on branches and secondary offices of banks

Chapter I
GENERAL PROVISIONS

1. The Regulation on branches and secondary offices of banks (hereinafter – *Regulation*) shall establish the procedure of preliminary approval for opening branches and secondary offices of banks in the Republic of Moldova and the procedure of preliminary approval for opening branches on the territory of foreign states, the permitted activities assigned, as well as the procedure for closing the respective subdivisions.

2. For the purpose of this Regulation, the following terms shall be used:

1) **branch** – in the meaning of the Law no.202/2017 on Banking Activity;

2) **secondary office** – internal structural subdivision of the branch of the bank, as agency or foreign exchange bureau, located outside the headquarters of the branch of the bank, that does not have a separate balance and develops its activities as determined by the bank under the present Regulation and the law in force, without undertaking an obligation individually in the name of the bank or the branch.

3. The bank can open branches and secondary offices on the territory of the Republic of Moldova only with the preliminary approval of the National Bank of Moldova.

4. The bank can open branches on the territory of other states only with the preliminary approval of the National Bank of Moldova.

5. The organizational and operation procedure of the branch shall be established in the regulation of the branch, while for the secondary office – in the regulation of the branch for which a secondary office is opened or in the regulation of the respective secondary office, or in the standard regulation of the secondary office, which regulates the activity of all secondary offices of a branch or the secondary offices of all branches of the bank, approved by the governing body of the bank.

6. The name of the branch shall also include the name of the bank which opened the branch.

7. The name of the secondary office shall contain a reference regarding its type (agency, foreign exchange bureau) and affiliation to a specific branch where the secondary office has been opened.

8. The bank shall submit annually to the National Bank, on paper, at the latest on January 15 following the reporting year, the information on branches and secondary offices, according to the Annex to this Regulation.

9. The provisions of the present Regulation are not conflicting with the obligations of banks, provided in the Law no.62/2008 on foreign exchange regulation (republished in the Official Monitor of the Republic of Moldova, 2016, no.423-429, Article 859) and the Regulation on licensing, control and sanctioning of foreign exchange entities, approved by Decision of the Executive Board of the National Bank of Moldova no.304 of 10.11.2016 (Official Monitor of the Republic of Moldova, 2016, no. 416-422, Article 2072), regarding the notification of the National Bank of Moldova on the opening of foreign exchange bureaus of banks, installation of foreign exchange devices, submitting their working schedule, modifications of the respective data, as well as the notice on final suspension of

the activities of the foreign exchange bureaus and/or of the activity through the foreign exchange device(s), final closure of the activity of foreign exchange bureaus of the bank.

10. Decision on the opening of a branch and the secondary office shall be taken by the governing body of the bank. The branch opened in the Republic of Moldova shall start its activity after its state registration and receipt of the certified copy of the license by the bank. The certified copy of the license of the bank shall be issued by the National Bank of Moldova under the regulations on licensing of banks.

Chapter II

REQUIRED DOCUMENTS FOR THE NOTIFICATION ON THE OPENING OF A BRANCH AND SECONDARY OFFICE

11. The bank shall notify the National Bank of Moldova about the opening of a branch within 2 business days from the opening (date of activity), through a notification, by specifying the name, date of registration with the state registration authority, date of opening, the information regarding the headquarters of the branch (post address, phone numbers, fax, email) and name/surname of the head of branch.

12. The bank shall notify the National Bank of Moldova about any operated amendment in the regulation of the branch (or its new wording), including related to the opening of the secondary office, within 2 business days from the date of registration of amendments with the state registration authority, through a notification specifying the date of registration with the state registration authority.

13. The notification on the opening of the branch shall be drawn up in the Romanian language and signed by the head of the executive body.

14. The notification on the opening of the secondary office and/or on the amendment operated in the regulation of the branch shall be drawn up in the Romanian language and signed by the head of the executive body. The following documents drawn up in the Romanian language shall be enclosed to the notification:

1) excerpt of the minutes of the management body of the bank which adopted the decision on the opening of the secondary office and/or, if necessary, the copy confirmed by the bank of the decision of state registration authority on the registration of amendments in the regulation of the branch (or its new wording);

2) copy of amendments to the regulation of the branch, certified by the bank (approval of wording) registered with the state registration authority.

15. The secondary office of the bank shall start its activity after the registration with the state registration authority of the regulation of the branch or amendments to the regulation of the branch (or the new wording) related to the opening of the respective secondary office.

16. The bank shall publish the notifications mentioned in paragraphs 13 and 14, in electronic form, through the WEB portal of the Information System of the National Bank of Moldova on the licensing, authorization and notification, according to the Guidelines on the use of the WEB portal of the Information System of the NBM on licensing, authorization and notification, for the purpose of notification on the opening/closure of branches/secondary offices of banks.

Chapter III

ACTIVITIES DEVELOPED BY THE BRANCH AND THE SECONDARY OFFICE ON THE TERRITORY OF THE REPUBLIC OF MOLDOVA

17. The branch of a bank shall develop all or some activities provided by the license issued to the bank and act within the limits of powers assigned by the bank through the regulation of the branch.

18. The agency shall develop the following activities:

- 1) attracting deposits and other repayable funds, based on the concluded agreements and/or operated by the branch; receipt and processing of documents and other data related to the opening/modification/closure of deposit account;
- 2) providing receipts services on the basis of contracts concluded and/or managed by the bank;
- 3) foreign exchange operations in accordance with the provisions of the Law no.62-XVI on foreign exchange regulation;
- 4) travelers' check operations;
- 5) providing services of safe deposit boxes;
- 6) providing services related to credit transfer: receiving, processing payment documents, receiving funds in the event that the clients do not have bank accounts, and transferring all data for execution to the branch or headquarters of the bank;
- 7) management operations for direct debiting: receiving, processing payment documents and transferring all data for execution by the branch or headquarters of the bank on the basis of agreements concluded and/or managed by the branch;
- 8) servicing operations of card holders through POS terminals, set up at the headquarters of the agency: cash release, cash refilling of account, ensuring the possibility to perform payments via cards, receipt and processing of documents and data needed to open a card account, issue of card, etc.;
- 9) provision of services related to remittances, based on the concluded agreements and/or managed by the bank with remittance systems;
- 10) provision of consulting services set in the license issued to the bank;
- 11) operations of receiving, processing and issuing documents and information necessary for granting and supervising credits, taking actions for the reimbursement (recovery) of credits and other receivables of the bank, as well as for purposes of performing other operations with clients;
- 12) provision of bancassurance services under the agreements concluded and/or managed by the branch.

19. The list of specific activities permitted to the agency shall be set by the bank, within the limit of activities provided in the license issued by the bank, in the regulation of the branch where the agency was established, in the regulation of the respective agency or in the standard regulation of the secondary office (agency), which regulates the activity of all secondary offices, approved by the management body of the bank.

20. The foreign exchange bureau shall develop its activity under Law no.62/2008 on foreign exchange regulation.

CHAPTER IV CLOSURE OF BRANCH AND SECONDARY OFFICE ON THE TERRITORY OF THE REPUBLIC MOLDOVA

21. The closure of a branch and secondary office means the cessation of activities (operations) by the branch and the respective secondary office.

22. The branch and the secondary office of the bank shall be closed by decision of the management body of the bank that has this power, according to the bylaws of the bank.

23. In case of adopting a decision on the closure of a branch (secondary office), within 10 days, the bank (branch) is obliged to notify the clients served by the respective branch (respective secondary office) about the procedure of execution of obligations towards them and take measures regarding the execution of the respective obligations.

24. Following the process of branch closure, within 2 business days from removal from the State Registry, the bank shall notify the National Bank of Moldova. The following documents shall be attached by the bank to the notification:

- 1) excerpt of the minutes or the copy certified by the bank, of the decision of the management body of the bank, which shall include at least the following:

a) the decision on the closure of the branch;
b) the measures to be taken by the bank in order to close the branch, especially, the way of execution of obligations assumed by the branch, such as their payment, transfer to another branch, payment (taking over) by another bank;

2) information on the results of the process of execution of obligations undertaken through the respective branch. If the respective obligations have been paid (taken over) by another bank, a written confirmation of the payment (taking over) of obligations shall be submitted;

3) copy of the document which confirms the removal of the branch from the State Registry.

25. Within 2 business days after the process of closure of secondary office is finished, the bank shall notify the National Bank of Moldova about this fact, by attaching to the respective notification the excerpt of the minutes or the copy certified by the bank of the decision of the management body of the bank on the closure of the secondary office.

26. The bank shall make the notifications referred to in paragraphs 24 and 25 in electronic form, through the WEB portal of the Information System of the National Bank of Moldova on the licensing, authorization and notification, according to the Guidelines on the use of the WEB portal of the Information System of the National Bank of Moldova on the licensing, authorization and notification, for the purpose of notification on the opening/closure of branches/secondary offices of banks.

CHAPTER V

CONDITIONS AND DOCUMENTS NECESSARY TO OPEN BRANCHES ON THE TERRITORY OF ANOTHER STATE

27. For the bank to open branches on the territory of another state, the following conditions shall be met on the date of submission of application:

1) the bank has an adequate management and a corresponding financial situation for the activity proposed to be developed by the branch;

2) the existing legal framework in the host country and/or procedure of its application shall not prevent the exercise of supervisory functions by the National Bank of Moldova;

3) the bank registers a corresponding evolution of banking prudential indicators and is not in a position to fail to comply with the prudential requirements established by Law no.202/2017 on Banking Activity or by the regulations issued in this regard.

28. For receiving the preliminary approval on the opening of a branch on the territory of another state, the bank shall submit a request to the National Bank of Moldova, by indicating the country where the branch shall be opened, and if necessary, the endowment capital of the branch.

29. The application for receiving the preliminary approval for the opening of a branch on the territory of another state shall be drawn up in the Romanian language and signed by the head of the executive body of the bank. The following documents and information drawn up in the Romanian language, shall be attached to the application:

1) excerpt of the minutes of the governing body of the bank with the decision on the opening of a branch on the territory of another state;

2) information on planned activities to be carried out by the branch;

3) information on the headquarters of the branch on the territory of another state, as well as the post address, email, phone numbers and fax, if any;

4) name, surname of the person appointed as head of branch on the territory of another state;

5) economic arguments for the opening of a branch on the territory of another state, which shall contain but not limited to the following information and data: purpose and opportunity for opening the branch on the territory of the respective state; correlation of the expected indicators of the activity of the branch with the provisions of the business plan of the bank; planned activities and their volume, profitability;

6) presentation of the legal and institutional framework related to the banking system of the respective state, by including at least the information related to the competent authority which is in charge with the inclusion at least of information regarding the competent authority that is in charge with the supervision of the branch, prudential demands submitted to the bank by the regulation authority from the respective state, for granting the access on the supervised market, legislation in the field of prevention of money laundering and terrorism financing, including client identification standards and any other relevant information for its activity.

30. In case the bank opens a branch on the territory of the same state, the request for preliminary approval for the opening of a branch/branches shall be drawn up and examined under the terms and conditions stipulated in chapter V and VI of the present regulation.

31. Any further modification of the elements provided in the present chapter which have been considered in the approval for opening the branch shall be adopted with the preliminary approval of the National Bank of Moldova, under the terms and conditions of Chapter V and VI of the present regulation.

32. The branch on the territory of a foreign state shall develop all or some activities provided in the license issued to the bank, within the limits of powers assigned by the bank under the regulation of the branch, as well as within the limits of legal provisions from the respective state.

CHAPTER VI

DECISION ON THE ISSUE OF PRELIMINARY APPROVAL FOR THE OPENING OF A BRANCH ON THE TERRITORY OF A FOREIGN STATE AND NOTIFICATION ON ITS CLOSURE

33. Within 30 days from the date of receipt of full set of documents, under Chapter V of the present regulation, the National Bank of Moldova shall issue or refuse to issue the preliminary approval on the opening of the branch on the territory of a foreign state, by informing the bank about its decision.

34. If the documents and information provided under Chapter V are sufficient to make a decision on the request for preliminary approval for the opening of a branch on the territory of a foreign state, the National Bank of Moldova is entitled to demand the submission of additional documents and information. The bank is obliged to provide additional information and documents within the term indicated by the NBM.

35. The National Bank of Moldova may establish a longer term for the issue of decision referred to in paragraph 33, which shall not exceed 90 days, in the conditions of the Administrative Code, by informing the bank.

36. The National Bank of Moldova may refuse to issue the preliminary approval for the opening of branch on the territory of another state, by providing the grounds for refusal if:

1) following the assessment of all information held by the National Bank of Moldova, the terms and conditions stipulated in paragraph 27 are not met;

2) the documents and information provided in Chapter V and those requested additionally, and/or incomplete, contradictory, inaccurate and insufficient documents and information was provided.

37. The preliminary approval of the National Bank of Moldova for the opening of a branch on the territory of a foreign state is valid during 1 one year from the date of its issue. At the request of the bank, the National Bank of Moldova may prolong this term if necessary, with no more than 6 months. If the respective branch is not opened in the established term, the preliminary approval loses its validity.

38. The bank shall notify the National Bank of Moldova about the opening of the branch on the territory of a foreign state, within 2 business days from the date of starting the activity.

39. In case of closure of the branch on the territory of a foreign state, concomitantly with the request for receiving the preliminary approval of the National Bank of Moldova on the amendment of the bylaws of the bank, the bank shall notify the NBM about the closure of the branch on the territory of a foreign state. The bank shall attach to the notification the following documents and information:

1) excerpt of the minutes or the certified copy by the bank of the decision of the governing body of the bank on the closure of the branch on the territory of a foreign state;

2) information on the results of the process of execution of obligations undertaken by the respective branch.

40. The bank shall send the notifications provided in paragraph 38 and 39 in electronic form, through the WEB portal of the Information System of the NBM on the licensing, authorization and notification, according to the Guidelines on the use of the WEB portal of the Information System of the NBM on the licensing, authorization and notification, for the purpose of notification on the opening/closure of branches/secondary offices of banks.

41. Opening and closure of a branch on the territory of a foreign state by the banks from the Republic of Moldova, shall be carried out under the legislation of the respective state.

Annex
to the Regulation on branches and secondary offices of banks

**Information
on the branches and secondary offices of the bank**
(shall be presented on an yearly basis)

Bank _____
(name of bank)

Name of sub-division	Headquarters, phone, fax	Name, surname of the chair persons	Date of state registration*
branch			
a) agency		X	
b) foreign exchange bureau		X	

* for agencies and foreign exchange bureaus, the date of registration of amendments to the regulation of the branch (date of registration of regulations in the new wording) on the base of which they were opened, shall be provided.

Chairperson of the bank _____

Executor, phone number _____

Date “ ___ ” _____ 20__