

**COUNCIL OF ADMINISTRATION  
OF THE NATIONAL BANK OF MOLDOVA**

**DECISION No 222  
of 21 November 2013**

**on the approval of the Regulation on operation of the  
interbank money market in national currency**

Pursuant to Article 5 paragraph (1) letter a) and d), Article 11 paragraph (1) and (2), and Article 26 letter c) of the Law No 548-XIII of 21 July 1995 on the National Bank of Moldova (Official Monitor of the Republic of Moldova, 1995, No 56-57, Article 624), with subsequent amendments and completions, the Council of Administration of the National Bank of Moldova

**DECIDED:**

To approve the Regulation on operation of the interbank money market in national currency, according to the Annex below.

**Chairman  
of the Council of Administration**

**Dorin DRĂGUȚANU**

## **REGULATION** **on operation of the interbank money market in national currency**

*Amended by:*

*Decision No 211 of 08.08.2019 of the Executive Board of the NBM, Official Monitor of the Republic of Moldova No 261-268 of 23.08.2019, Article 1449*

*Decision No 171 of 19.07.2018 of the Executive Board of the NBM, Official Monitor of the Republic of Moldova No 277-284 of 27.07.2018, Article 1172*

### **Chapter I** **General provisions**

**1.** This Regulation establishes the principles, rules and basic terms on the operation of the interbank money market in national currency, duties and responsibilities of the participants, peculiarities of relations between participants of transactions on that market and other necessary measures for regular and transparent functioning of the market.

**2.** In order to exercise its basic functions, the National Bank of Moldova:

- 1) regulates and monitors the interbank money market;
- 2) monitors the activity of banks on the interbank money market;
- 3) publishes daily the reference rates for operations of funds attraction (CHIBID) and funds placement (CHIBOR).

**3.** The provisions of this Regulation shall apply to participants in the interbank money market, as defined in this Regulation.

**4.** For the purposes of this Regulation the following definitions are used:

a) **quote** - the bid or ask displayed by a participant through the trading system, indicating the type of transaction that the participant intends to carry out, the amount of money and the rate offered;

b) **firm quote** - a quote that is mandatory for the participant that displays the quote when carrying out a transaction in case another participant has decided to carry out the transaction at such a quote;

c) **indicative quote** - a quote that represents the intention, but not the obligation, of a participant to carry out a transaction with another participant under negotiable conditions;

d) **transaction date** - the date when a transaction is carried out;

e) **value date** - the date when the operations related to the funds attraction/placement on the interbank market are settled. Value date can be only on weekdays;

f) **authorized person** - the person designated by the participant and registered in the trading system as a user with the right to display quotes and perform transactions on behalf of the bank;

g) **interbank money market** - the market which allows banks to borrow and lend money in the form of loans and/or deposits among market participants at the interest rates freely determined by them;

h) **unique trading platform** - the electronic platform provided by Bloomberg Finance LP that allows to carry out monetary transactions in the interbank market;

i) **trading system** - the electronic system of the unique trading platform that allows banks to borrow and lend money in the form of loans and/or deposits, and to store and transmit the information necessary to carry out the transactions;

j) **request for quote (RFQ)** - bidding solicitation submitted by a participant to another in which a firm quote is expressly requested to be displayed.

This Regulation uses other terms defined in:

1) Regulation on CHIBOR and CHIBID reference rates, approved by the Decision No 110 of 30 May 2013 of the Council of Administration of the National bank of Moldova (Official Monitor of the Republic of Moldova, 2013, No 122-124, Article 851);

2) Instruction on the elaboration and presentation of reports on interest rates applied by the banks from the Republic of Moldova, approved by Decision No 331/2016 of the Executive Board of the National Bank of Moldova.

*[Paragraph 4 amended by Decision No 211 of 08.08.2019 of the Executive Board of the NBM, in force as of 23.09.2019]*

**5.** Participants in the interbank money market of the Republic of Moldova are the licensed banks that participate in the automated interbank payment system and have access to the unique trading platform.

**6.** The operations related to the placement/attraction of loans/deposits on the interbank money market of the Republic of Moldova are carried out through the trading system of the unique trading platform.

**7.** In order to trade on the unique trading platform, participants of the interbank money market shall have adequate technical facilities (Bloomberg Professional Service, programs and computer equipment connected to it, specific communication equipment - telephone, facsimile, etc.).

**8.** Participants shall negotiate and conclude transactions on the interbank money market only through persons that are authorized and registered in the trading system.

**9.** The authorized persons of the participants may access the trading system only by entering a personal user code.

**10.** National Bank of Moldova shall monitor the participants' activity in order to analyze the evolution of interest rates on the interbank money market and shall use this information in exercising its duties.

## **Chapter II**

### **Principles of operation of the interbank money market**

**11.** All participating banks in the interbank money market shall permanently contribute to the enhancement of professional standard and reputation of interbank money market in the Republic of Moldova.

**12.** Participating banks in the interbank money market shall display on their special pages in the unique trading platform the indicative and/or firm quotes for other participating banks. The quotes of nominal interest rates shall be expressed as a percentage and displayed with two digits after the decimal point.

**13.** Authorized person of the participant shall display the quotes and shall carry out the transactions through the unique trading platform on behalf of the participant.

**14.** Participants shall assume all responsibility for the actions of the authorized persons that carry out transactions on the interbank money market.

**15.** Participants shall ensure that authorized persons will not disclose information related to the transactions concluded with other participants or those in progress and other confidential information, except cases provided by law.

**16.** Participants shall have their own rules on interbank transactions, which shall regulate the followings, but not limited to:

1) working procedures with other participants;

2) modalities and procedures for conducting and recording operations, respectively the confirmation procedures;

3) penalties agreed between the participants in case of failure to meet the terms of settlement of transactions;

4) financial instruments and other assets accepted as collateral for the transaction;

5) responsibilities of persons authorized to carry out operations on the interbank money market;

6) the procedure for setting limits for other participants.

**17.** Participants shall assign the powers and shall break out the activities on the money market by distinct compartments, according to the international practices (front office, back office).

**18.** Participants shall designate and ensure registration in the trading system of at least two persons authorized to carry out transactions on behalf of the bank and shall communicate to the other participants the list of such persons, and any changes thereof.

The list shall be sent via SWIFT within 5 business days from the date of entry into force of this Regulation. Any subsequent changes shall be notified within 2 business days of their occurrence.

**19.** Interbank money market participants are prohibited to directly or indirectly exert pressure on other participants in order to influence their behavior in the market, to enter into transactions that affect the cost of money, to disseminate false information in order to influence the market situation.

**20.** Participants shall ensure the use by authorized persons of phrases and concepts generally accepted in the international practice.

### **Chapter III** **Interbank money market operation**

#### *Section 1. Publication of quotes*

**21.** During the opening hours of the interbank money market, any participant who intends to place/attract funds may publish indicative and/or firm quotes.

The quotes can be displayed for the following maturities:

a) ON – 1 day;

b) T/N – 1 day with the settlement date on the business day following the transaction;

c) 1W – 1 week;

d) 2W – 2 weeks;

e) 3W – 3 weeks;

f) 1M – 1 month;

g) 3M – 3 months;

h) 6M – 6 months;

i) 9M – 9 months;

j) 12M – 12 months.

**22.** Participants are required each time, at the request of other participants, to display the firm quotes.

**23.** The display of firm quotes is an assumed obligation to conclude the transaction under the terms announced in case the quote is accepted.

**24.** The quotes shall include at least the following information:

1) type of operation;

2) amount of the loan/deposit;

3) nominal interest rate;

- 4) maturity of the loan/deposit;
- 5) value date of the loan/deposit;
- 6) currency of the loan/deposit.

**25.** Participants may change or cancel the quotes displayed at any time during the opening hours of the market.

**26.** A firm quote can not be changed or canceled if it was published following a request for quotes presented by another participant.

**27.** At the end of each trading day, the quotes still displayed in the system will be canceled automatically.

### *Section 2. Conclusion and confirmation of transactions*

**28.** Interbank transactions are usually carried out under agreements between participants.

**29.** Participants shall carry out transactions on interbank money market only in their own name and from their own account.

**30.** Participants shall agree on the amount of each transaction, within the limits set by themselves to other participants.

**31.** Participants shall observe the limits set for other participants when carrying out transactions on the interbank money market, otherwise, the participants will require the counterparties to guarantee their interbank loans/deposits.

**32.** The margin between the interest rate on funds-taking operations and funds-placing operations shall be determined freely on the market.

**33.** The minimum trading volume for which the firm quote is announced for funds attraction/placement is MDL 200,000.

**34.** Interest rate on interbank deposits/loans shall be calculated by simple percentage formula. The convention Actual/365 days (the number of calendar days in a month and 365 days in a year) shall be used in the calculation.

**35.** The opening hours of the interbank money market is between 9:00 a.m. - 5:00 p.m., Chisinau time, Monday to Friday inclusive, except non-working holidays. Transactions of attracting/placement of interbank deposits/loans may be concluded after 5:00 p.m. only with the consent of both parties and by observing to the provisions of paragraph 38.

When providing interbank loans secured by government securities and/or certificates of the National Bank of Moldova, the transactions shall be carried out within the opening hours of the Central Depository of Securities in accordance with its rules.

*(Paragraph 35 amended by Decision No 171 of 19.07.2018 of the Executive Board of the NBM, in force as of 31.07.2018)*

**36.** Each transaction of attracting/placing of interbank loans/deposits shall be confirmed in writing by both parties after the transaction is concluded. Confirmations shall include at least the followings:

- 1) name of the counterparty;
- 2) date of the transaction;
- 3) type of transaction;
- 4) amount of the interbank loan/deposit;
- 5) currency of the loan/deposit;
- 6) maturity of the loan/deposit;
- 7) nominal interest rate expressed in annual terms;
- 8) value date;
- 9) interest payment date;
- 10) terms of interest payment;
- 11) calculating convection;

12) bank details to make settlements.

**37.** The confirmations shall be issued and transmitted via SWIFT or, in case SWIFT is not operational, via other specialized technical/electronic means, provided their acceptance by the participants in the transaction. Back office subdivisions of the participants are responsible for the preparation, transmission, receipt and verification of the confirmations. Employees of the front office subdivisions shall not be involved in the confirmation process.

**38.** The confirmations shall be sent by each participant as soon as possible on the date of conclusion of the transaction.

**39.** Upon receipt, the confirmations shall be verified by the back office subdivisions of each participant and, in case of inadequacies, necessary measures shall be taken to rectify them. If the participant's confirmation is incorrect, the other participant shall be immediately informed. The participant whose confirmation was incorrect shall be required to submit a corrected confirmation.

**40.** Payment orders to settle transactions on the interbank money market shall be sent in due time as to ensure the settlements with the negotiated value date.

## **Chapter IV**

### **Other provisions**

**41.** In case of unique trading platform failure, the transactions on the interbank money market shall be carried out via other means (telephone or other specialized technical/electronic means), provided the acceptance thereof by the participants in the transaction.

In case of loans/deposits operations via other technical means, participants have the obligation to register these operations in the unique trading platform immediately after removing the deficiencies in the operation of the platform.

**42.** National Bank of Moldova has the right to access the information on transactions concluded on the interbank money market between banks via the unique trading platform.

**43.** Banks have the right to access the information on own and other banks transactions concluded on the interbank money market via the unique trading platform (excluding information on name of banks which transactions are reflected in the unique trading platform).

**44.** National Bank of Moldova shall publish weekly and monthly on its official website aggregate information on the transactions carried out on the interbank money market of the Republic of Moldova by its participants.