

## **EXTRACT**

Approved  
by the Decision of the Executive Board  
of the National Bank of Moldova  
No 214 of 24 September 2020

### **REGULATION on the functioning of the Executive Board**

#### **GENERAL PROVISIONS**

1. The Regulation on the functioning of the Executive Board (hereinafter – *Regulation*) regulates the activity and the procedure for conducting meetings of the Executive Board of the National Bank of Moldova (hereinafter – *NBM*), the responsibilities of the parties involved in this process, the requirements for the preparation of draft decisions, minutes, and decisions of the Executive Board (hereinafter – *EB*), the procedure for submitting decisions for state registration, the monitoring of the execution of EB decisions, and the manner in which the EB implements the decisions of the Supervisory Board (hereinafter – *SB*).

2. The following terms are used in this Regulation:

**draft** – draft of a decision with or without normative character, submitted for examination to the Executive Board;

**decision** – an EB decision adopted in accordance with this Regulation.

#### **POWERS**

3. The EB exercises the executive management of the NBM and ensures the independent execution of its core functions, in the manner established by law. In this regard, the EB has the following powers:

1) adopts decisions pertaining to the execution of the EB's duties as prescribed by Law No 548/1995 on the National Bank of Moldova;

2) submits drafts for consideration to the SB in accordance with the duties prescribed to it by Law No 548/1995;

3) examines requests for information submitted to the EB by decision of the SB and determines the appropriate response.

4. The Chair of the EB, or in their absence, the Deputy Chair of the EB, shall have the following powers:

1) approves the agenda of the EB meeting;

2) sets the date and time of the EB meeting;

3) approves the invitation to the EB meeting of persons from outside the NBM proposed by the heads of the NBM subdivisions to attend the EB meeting in order to provide explanations on agenda items;

4) convenes the EB meetings;

5) confirms the quorum and opens the EB meeting;

6) presides over the discussions;

7) submits the agenda items for voting;

8) counts the votes during the meeting, announces the voting results and declares the approved draft decisions;

9) ensures compliance with the Regulation and maintains order during the EB meeting;

- 10) closes the meeting;
- 11) signs the decisions and minutes of the EB meeting.

**5.** The members of the EB have the following powers:

- 1) review drafts submitted for the EB meeting;
- 2) participate in the debates held during EB meetings;
- 3) cast their vote on the drafts under consideration;
- 4) endorse the minutes of the EB meeting.

**6.** The members of the EB have the following rights:

- 1) to propose amendments to the agenda;
- 2) to submit proposals for amendments and additions to drafts;
- 3) to submit, on their own initiative, drafts for consideration by the EB, exercising in this respect the responsibilities set out in point 11 subpoints 1)- 5);
- 4) to request additional explanations and information from the rapporteur or invited persons.

**7.** The member of the EB, as the member responsible for the activity of the subdivision that prepared the draft:

- 1) examines and, if supportive of the draft, authorizes the submission of the draft to the EB secretary for inclusion on the agenda of the EB meeting. If the EB member disagrees, in whole or in part, with the content of the draft or has objections, proposals on the draft, which have not been resolved in the opinion, they shall apply an endorsement with remarks or present their objections and proposals in a note (opinion) and authorize the submission of the draft to the EB secretary for inclusion on the agenda of the EB meeting. This note (opinion) is signed by the EB member and submitted to the EB secretary together with the draft authorized for inclusion on the agenda of the EB meeting. The application of an endorsement with remarks or the submission of the note (opinion) does not prevent the EB members from examining the draft;

- 2) ensures the submission of all documents and information necessary for the examination of the drafts;

- 3) organises control over the execution of decisions in accordance with the established deadlines;

- 4) approves the execution status of decisions in the Electronic Document Management System (hereinafter - *EDMS*);

- 5) takes the necessary measures in order to exclude the factors delaying the execution of the decision within the established time limit.

**8.** The secretary of the EB has the following responsibilities:

- 1) provides organisational support to the activities of the EB;
- 2) receives drafts submitted by EB members or NBM subdivisions, endorsed by the EB member responsible for the activity of the respective subdivision;

- 3) draws up the agenda for the EB meeting;

- 4) after approval of the agenda by the Chair of the EB, informs the EB members of the date, venue, and the agenda of the meeting;

- 5) distributes copies of the drafts included on the agenda to the EB members;

- 6) after approval of the agenda by the Chair of the EB, informs the heads of subdivisions and persons invited to the meeting of the date, time and venue of the meeting, as well as the titles of the drafts on the agenda for which their participation is requested;

- 7) records the proceedings of the EB meeting and the results of the voting on drafts in the minutes;

- 8) drafts the decisions in accordance with the proposals made and approved at the meeting by the EB members, and submits them to the Chair of the EB for signature;

9) draws up, signs, and distributes the minutes of the EB meeting for examination and approval by the EB members present at the meeting;

10) prepares and submits the minutes and decisions of the EB meeting to the Chair of the EB for review and signature;

11) registers the decisions of the meeting in the Register of decisions of the Executive Board, maintained in the EDMS, and uploads the decisions adopted at the meeting to the EDMS;

12) ensures access to/distribution of copies of the minutes and decisions to the EB members;

13) distributes copies of the decisions to the subdivisions responsible for their execution, indicating the deadlines for execution, where such deadlines are laid down in the decision;

14) prepares and submits to the Chair of the EB for signature the documents required for the state registration and publication of the decisions in the Official Gazette, in accordance with the legislation in force;

15) files draft decisions, agendas, minutes and decisions of the EB;

16) monitors the execution of decisions with a set deadline, as well as decisions for which no specific deadline for execution has been established but for which a concrete task for execution has been assigned through a decision or the minutes of the EB meeting. On a quarterly basis, by means of an information note generated in the EDMS, reports to the EB members on decisions which have not been executed within the established deadline and on the progress of executing decisions without a specific deadline but for which a specific task for execution has been assigned through a decision or the minutes of the EB meeting.

**9.** The Director of the Legal Department (hereafter - *DL*) attends EB meetings, provides legal advice and assistance during EB meetings.

**10.** The Governor's advisers shall attend and provide advice at EB meetings concerning drafts falling within their area of competence, upon the request of the Chair of the EB.

**11.** The heads of the subdivisions that have developed the draft have the following responsibilities:

1) ensure the preparation and presentation of the draft in accordance with the provisions of the Regulation;

2) ensure the presentation of documents related to the draft submitted for examination;

3) provide, at the request of EB members, additional information and documents related to the draft;

4) are responsible for the accuracy and truthfulness of the data in the draft and the information note;

5) present the report on the draft at EB meetings and respond to questions from EB members;

6) ensure that the provisions of the decision are carried out in accordance with the instructions of the EB and the EB member to whom they report;

7) inform the EB member to whom they report about the execution of the decision;

8) ensure that the persons concerned are notified of the decisions and copies thereof.

### **AGENDA OF THE MEETING**

**12.** The agenda of the EB meeting is drawn up by the secretary of the EB on the basis of the drafts submitted by EB members and the NBM subdivisions.

**13.** The agenda shall include:

1) the date, time, and venue of convening the meeting;

2) the item number and subjects proposed for consideration;

3) the full names of the rapporteurs;

4) the full names of the invitees to the meeting.

**14.** The agenda shall include, with priority item numbers, drafts on the state's monetary and foreign exchange policy and drafts related to the examination of the results of inspections conducted at banks.

**15.** The agenda is approved by the Chair of the EB, and together with the included drafts, is submitted to EB members at least 5 working days before the meeting.

**16.** In urgent cases, drafts may be submitted to the EB secretary within less than 5 working days before the meeting. These drafts shall be included in the agenda of the urgent meeting.

### **EXECUTIVE BOARD MEETINGS**

**17.** EB meetings are presided over by the Chair of the EB and, in their absence, by the Deputy Chair of the EB.

**18.** Meetings are convened by the Chair at least once a month.

**19.** Meetings may also be convened at the written request of 3 members of the EB submitted to the EB Chair. The request shall be annexed to the minutes of the meeting, with a reference to it included in the minutes.

**20.** The decision to convene an EB meeting shall be communicated to the EB members at least 5 working days in advance, except in urgent cases, when meetings may be convened urgently. The EB members shall also be informed of the date, venue, and agenda.

**21.** Two or more meetings may be convened per day, with minutes prepared for each meeting.

**22.** No EB member may be absent from a meeting except for justified reasons.

**23.** Representatives of legal entities licensed and supervised by the NBM, as well as other interested parties, may be invited to EB meetings.

**24.** The meeting is deliberative if more than half of the appointed members of the EB are present, including the Chair of the EB or the Deputy Chair of the EB. Each member of the EB shall have one vote and shall vote "For" if the draft is accepted or "Against" if the draft is rejected.

**25.** EB meetings are confidential. According to the EB decision, all or part of its decisions may be made public in compliance with the legislation applicable to restricted-access information.

**26.** At the opening of the meeting, the Chair confirms whether a quorum is present, announces the agenda, and, following its approval, initiates the debate on the drafts in the order specified on the agenda.

**27.** EB members may propose audio and/or video recording of the debates. The use of technical means to record the debates of the meeting shall be approved by unanimous vote of the EB members present, communicated to all participants in the meeting, and recorded in the minutes.

**28.** The debate on the draft during the meeting consists of:

- 1) the presentation of the draft by the rapporteur;
- 2) statements by EB members;
- 3) statements by persons invited to provide explanations on the drafts.

**29.** Following the debate on the draft, EB members may vote to approve or reject the draft, or propose amendments to it, or resume the debate at another EB meeting.

**30.** Decisions of the EB members on the drafts shall be approved by open vote and recorded in the minutes of the meeting.

**31.** Decisions of the EB are approved by a simple majority of the votes of EB members present at the meeting. The granting of credit or the use of other financial instruments in favour of a bank requires approval by a vote of at least two-thirds of the number of EB members present at the meeting. In the event of a tie, the Chair of the meeting has the casting vote.

### **MINUTES AND DECISIONS OF THE EXECUTIVE BOARD**

**32.** At each meeting of the EB, including urgent ones, minutes shall be prepared, which are reviewed by the EB members present and signed by the Chair and the secretary of the EB.

**33.** After being signed by the secretary of the EB, the minutes shall be approved by the EB members present at the meeting and signed by the Chair of the meeting.

**34.** No decision of the EB may be annulled on the grounds of vacancies in the composition of the EB.

**35.** Decisions remain valid regardless of any subsequent discovery of irregularities related to the appointment of an EB member to office, eligibility, or professional qualifications.

**36.** Within a maximum of 5 working days from the date of the EB meeting, the secretary of the EB shall present the minutes for signature to the EB members present at that meeting.

**37.** Within no more than one working day from the date the decision is signed, the secretary of the EB shall upload the copy and annexes of the decision into the EDMS and send them to the head of the subdivision that initiated the draft, as well as to the heads of the subdivisions mentioned in the decision.

**38.** The execution of the decision shall be carried out by the head of the subdivision that submitted the draft for review, unless otherwise stipulated in the decision, and the control of the execution of the decision shall be performed by the EB member responsible for the activity of the respective subdivision.

In cases where the execution of the decision involves multiple subdivisions, coordination of the execution shall be carried out by the head of the subdivision listed first in the decision, while the control of the execution shall be performed by the EB member responsible for the activity of the respective subdivision.

**39.** The head of the subdivision shall timely inform the EB member to whom they report, through the EDMS, regarding the dependencies/factors delaying the execution of decisions.

**40.** If the decision has a deadline for execution, the head of the subdivision responsible for its execution shall update the status of the decision in the EDMS, but no later than 10 working days after the expiry of the execution deadline indicated in the decision.

**41.** The secretary of the EB keeps track of decisions with execution deadlines and, on a quarterly basis, reports to the EB members through an informational note generated in the EDMS regarding decisions that weren't completed on time, based on the decision status updated in the EDMS according to point 40.

**42.** The decision may be issued in multiple copies, in accordance with the applicable legal framework and internal regulations, if it provides for remedial measures, supervision and/or sanctions, or is a permissive act referred to in Decision No 155/2019 of the Executive Board of the National Bank of Moldova on the procedure for issuing licenses, authorizations, permits, approvals, and other permissive acts of the National Bank of Moldova.

**43.** Decisions on interest rates on monetary policy instruments and other decisions that are not normative in nature, as well as internal decisions, shall enter into force on the date of their adoption, unless another date is specified therein.

**44.** The extract from the minutes and the extract from the decision shall be issued under the signature of the Governor. The copy of the minutes shall be certified by the Governor's signature. At the instruction of the Governor or another person authorized by them, the extract or copy of the minutes and decision may be issued under the signature of the secretary of the EB.

**45.** The numbers of the minutes and decisions shall be assigned starting with the number 1 in each calendar year.

#### **PERSONAL INTERESTS OF THE EXECUTIVE BOARD MEMBERS**

**46.** EB members, in their capacity as public officials, shall comply with the legislation on the declaration of personal interests and conflicts of interest in their activities.

**47.** EB members, upon appointment and annually thereafter, shall disclose to the Supervisory Board all direct or indirect financial interests of themselves and their family members.

**48.** If an issue related to the interests referred to in point 47 is being examined, the EB member shall disclose this to the EB at the beginning of the debate and shall not take part in the examination and voting on that issue. However, their presence shall be taken into account when determining the quorum.

#### **STATE SECRET**

**49.** The draft, minutes, and decision containing information that constitutes a state secret shall be prepared in accordance with the legislation governing state secrets.

#### **ARCHIVING OF THE EXECUTIVE BOARD'S DOCUMENTS**

**50.** Annually, by 31 March of the year following the financial year, the files of draft decisions, agendas, minutes, and decisions of the EB shall be archived, including through the digital archiving of scanned copies thereof, in accordance with the Nomenclature of Files of the National Bank of Moldova.

**51.** The procedure for compiling and storing files shall be established in accordance with the Regulations on the activities of the archives of the National Bank of Moldova.

#### **IMPLEMENTATION OF THE DECISIONS OF THE SUPERVISORY BOARD**

**52.** Upon receipt of the decision of the SB of the NBM via EDMS, the Chair of the EB shall designate through the EDMS the EB members responsible for its implementation. If several EB members are appointed to implement the decision, the Chair of the EB shall indicate the member primarily responsible for implementation.

**53.** After the EB members responsible for implementing SB decisions have been appointed, they in turn appoint the heads of subdivisions responsible for implementing SB decisions. If several heads of subdivisions are appointed as responsible for implementation, only one head of subdivision shall be designated as primarily responsible by the EB member in charge through the EDMS.

**54.** Upon implementation of the decision, the head of the subdivision primarily responsible for implementation shall report via EDMS to the EB member primarily responsible for implementation, who in turn shall inform the Chair of the EB. After the Chair of the EB approves in

the EDMS the information related to the implementation of the SB decision, it shall be forwarded for information to the SB members, EB members, and SB secretary.

**55.** If the decision of the SB concerns one or more requests for information addressed to the EB pursuant to Article 26 of Law No 548/1995 on the National Bank of Moldova, the EB shall issue a decision on the response to the requests for information submitted by the SB, in accordance with the provisions of this Regulation.