

# **Agreement**

on the organization and governing rules of the Group of Banking Supervisors from Central and Eastern European Countries

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### **Preamble**

The Group of Banking Supervisors from Central and Eastern European Countries (hereafter: BSCEE) was founded in Budapest, in 1991 by six separate banking supervisory units. Founders, sponsors and organizers of BSCEE were Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovak Republic and Russia.

The purpose of this agreement is to govern the relation and the cooperation - on the basis of the 5 years working experience - between the banking supervisory units of BSCEE.

With the acceptance of the guidelines on BSCEE, the member banking supervisory units - according to the recommendation of the Basle Committee - declare their intention for cooperation within the operational and functional framework referred to in this agreement.

BSCEE has to be an open organization, therefore further banking supervisory units from Central and Eastern European Countries can enter into the group anytime, by the acceptance of the present agreement. In joining BSCEE, the member countries can freely take part in other banking supervisory organizations and establish further bi- or multilateral agreements with each other or with third banking supervisory organizations.

BSCEE is presently operating as a non-registered organizational form, for an indefinite period of time. However, BSCEE would like to declare its intention to further its activity in an institutionalized associated form, whenever required by the members and the level of the cooperation.

For the purposes above, BSCEE hereby declares its organizational and governing rules.

## **1. Status**

1.1 This agreement shall regulate the organization and the governing rules of the Group of Banking Supervisors from Central and Eastern Europe. The short name of the group is BSCEE.

1.2 BSCEE shall operate as an open organization, its' member could be any banking supervisory units from the Central and Eastern European geographical area, which accepts the purposes and the governing rules of BSCEE. Acceptance of new membership must be approved by the Members' Conference.

1.3 Members of BSCEE can freely take part in other international or regional banking supervisory organizations and establish further bi- or multilateral agreements with each other or with third banking supervisory organizations.

1.4 The duration of BSCEE and its governing rules shall be indefinite. BSCEE is a non-registered cooperation, without legal personality. BSCEE hereby keeps the right to transform the operational form to an internationally registered association, whenever required by the members.

1.5 The membership can be terminated by any member of BSCEE with an immediate effect. BSCEE can be dissolved at any time following the consensus of the members.

## **2. Members and its representatives**

2.1 The members of BSCEE consist of banking supervisory units from Albania, Belarus, Federation of Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldavia, Poland, Romania, Russia, Serbia and Montenegro (Central Bank of Montenegro), Slovak Republic, Slovenia and Ukraine.

2.2 The representative of BSCEE members shall be the highest executive officer or the deputy, and the representative shall be in charge to practice the vote.

2.3 New membership of BSCEE must be voted by two-thirds majority of the Members' Conference. The concerned member should not take part in the vote. Termination of membership in BSCEE must be announced in writing by the leaving member to the Secretariat at least two months before and must be duly noted by the Members' Conference.

2.4 Members of BSCEE hereby declare their intention to have a fast and effective communication with the other BSCEE members. Members also declare their intention to keep the deadlines given by BSCEE. For these purposes, members are required to assign a suitable contact person and, in case of communication by e-mail, to send e-mails to both leaders of supervisory authorities and to contact persons.

### **3. Purpose**

The purposes of BSCEE shall be:

- to encourage and help research, training and educational programs and in general, all activities related to the functions of its members
- to promote and maintain close cooperation and communication among the Central and Eastern European banking supervisory units
- to facilitate the Central and Eastern European banking supervisory units for a better performance of their supervisory functions
- to serve as a high-level forum for the technical discussions, conferences
- to provide possibility for exchange of supervisory techniques, experiences, information and know-how
- to help with the integration to the European banking supervisory system
- the representation before the Basle Committee

### **4. Organizational structure**

4.1 The organizational structure of BSCEE Group comprises the Members' Conference, the Chairman and the Secretariat.

#### *4.2 Members' Conference*

4.2.1 The Members' Conference is the supreme body of BSCEE, which consists of the totality of the member Central and Eastern European banking supervisory units.

4.2.2 BSCEE shall hold at least one Members' Conference each year in its own organization in a member country. In the year when there is an International Conference of Banking Supervisors (ICBS), a BSCEE members' meeting takes place at the location of ICBS.

4.2.3 The place for the next BSCEE Members' Conference is selected and voted on at the end of the yearly regular Conference according to point 4.2.2 .

4.2.4 The Members' Conference shall adopt resolutions - except in questions listed in point 4.2.6 - by simple majority of votes. Each member has one vote. In case of equality of votes, the vote of the Chairman shall prevail.

4.2.5 The Members' Conference shall proceed regardless of number of countries represented.

4.2.6 Two-thirds of the majority of votes of the Members' Conference are required for:

- the acceptance, amendment and modification of the present agreement
- the assignment of banking supervisory unit which runs the Secretariat
- the approval of a new membership

4.2.7. Consensus of the Members' Conference are required for:

- the decisions relating to liabilities at the charge of the members
- the transformation of BSCEE to a registered, associated form, the dissolution of BSCEE

4.2.8. The representative of the Basle Committee must be invited for each BSCEE Members' Conference. Other institutions and representatives (e.g. IMF, OECD, World Bank) can be invited by BSCEE also to the meetings and other events.

### 4.3 *The Chairman*

4.3.1 The Chairman is the representative of the BSCEE Group and shall act as the host of the Members' Conference.

4.3.2 The Chairman is automatically the highest executive officer or his deputy of the banking supervisory authority, which is chairing the BSCEE Group. The chairmanship of the BSCEE Group is to held by all the member countries, on a rotational basis.

4.3.3. The Chairman is to hold his position for a period of one year, until December 15th of the year, and the mandate of the new Chairman enters into effect on the next day. The election of the new BSCEE Chairman shall be made on recommendation of the current Chairman and shall be approved at the Members' Conference, with the majority of votes of the present members. At the end of the mandate, the Chairman shall notice the new Chairman in written.

4.3.4 The Chairman's duty is:

- to represent BSCEE
- to organize the Members' Conference of BSCEE
- to take part in the meeting organized by the Basle Committee for executive officers of regional banking supervisory units
- in cooperation with the Secretariat, to inform the members and observers on the updated issues and programs of BSCEE
- to chair the Members' Conference and, if needed, other events of BSCEE.

### 4.4 *The Secretariat*

4.4.1. The Secretariat is a technical-administrative office of BSCEE.

4.4.2 BSCEE has a permanent Secretariat.

4.4.3 The Secretariat is located at the premises of one of the banking supervisory authorities, member of the BSCEE. BSCEE members voluntarily,

in equal parts are responsible for the operational costs of the Secretariat. The Secretariat shall report its yearly operational budget to the Members' Conference and the budget must be accepted by the Members' Conference. The location of the Secretariat shall be determined upon the results of BSCEE members' voting, in accordance with point 4.2.6, for a period of 5 years, with a possibility of re-election.

4.4.4 The Secretariat's duty is:

- to cooperate in the organization of the BSCEE Members' Conferences
- to prepare minutes after each BSCEE Members' Conference
- to render administrative services to the Chairman in his work within BSCEE
- to complete, amend or modify the text of the Agreement and other documents, according to the resolutions of BSCEE
- to provide organizational and technical support for BSCEE meetings
- to inform the members on the BSCEE events
- to keep updated contact with the Basle Committee on Banking Supervision (BCBS) and, if necessary, with other international institutions and organizations in the sphere of banking supervision.
- to manage the official BSCEE web-site.

## **5. Official language**

The official language of the Members' Conference, meetings and workshops is English.

## **6. Costs**

In order to cover the operational cost of the permanent Secretariat, BSCEE disposes of a separate budget. BSCEE members contribute in equal parts as defined by the Members' Conference. The yearly contribution is 1000 EUR.

The banking supervisory unit in charge of holding BSCEE meeting is responsible for its total costs, but in case of the Members' Conference this does not include the travel and accommodation costs.

In case of workshops, travel, accommodation and living costs shall be covered by the invited banking supervisory units. The Secretariat shall sponsor the organizing of the event with the amount of EUR 2000 from the yearly contributions of the members.

## **7. Other provisions**

7.1 BSCEE other events are meetings and expert workshops. Any member of BSCEE - with the assistance of the Secretariat - can hold further meetings and workshops and host them.

7.2 Invitation to the Members' Conference, workshops and technical meetings are to be sent from the banking supervisory authority to the members at least 1 month before, and should include the agenda to be covered.

7.4 All provisions of the Agreement enter into effect after the Agreement is signed by all members.

7.5 The members of BSCEE hereby authorize the Secretariat to complete, amend or modify the text of the present Agreement according to the resolutions accepted by the Members' Conference.

Stockholm, June 11, 1996

Amended: Dubrovnik, May 28, 2004

Amended: Kyiv, May 31, 2005

## On behalf of the Banking Supervisory Units of Member Countries

Bank of Albania	.....
National Bank of the Republic of Belarus	.....
Banking Agency of the Federation of Bosnia and Herzegovina	.....
Bulgarian National Bank	.....
Croatian National Bank	.....
Czech National Bank	.....
Estonian Financial Supervision Authority	.....
Hungarian Financial Supervisory Authority	.....
Financial and Capital Market Commission, Latvia	.....
Bank of Lithuania	.....
National Bank of Macedonia	.....
National Bank of Moldova	.....
Central Bank of Montenegro	.....
National Bank of Poland	.....
National Bank of Romania	.....
Central Bank of the Russian Federation	.....
National Bank of Slovakia	.....
Bank of Slovenia	.....
National Bank of Ukraine	.....

Dubrovnik, May 28, 2004  
Amended: Kyiv, May 31, 2005