

REPUBLIC



OF CYPRUS

138(I) of 2002
166(I) of 2003
34(I) of 2007
86(I) of 2013
103(I) of 2013
66(I) of 2014
139(I) of 2014
144(I) of 2014
107(I) of 2016
170(I) of 2017.

THE CENTRAL BANK OF CYPRUS LAW, 2002

(English translation and consolidation)

Office of the Law Commissioner

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NOTE FOR THE READER

The publication at hand of the Office of the Law Commissioner is an English translation and consolidation of Law No.138(I)of2002, as amended.[(i.e.Laws138(I)of2002,166(I)of2003,34(I)of2007,86(I)of2013,103(I)of2013,66(I)of2014,139(I)of2014,144(I)of2014,107(I)of2016,170(I)of2017]. The Note appearing at the end of the publication is important and should be borne in mind.

However useful the English translation of the consolidated Laws is in practice, it does not replace the original text of the Laws since only the Greek text of the Laws published in the Official Gazette of the Republic of Cyprus is authentic.

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THE CENTRAL BANK OF CYPRUS LAW, 2002

PART I - INTRODUCTORY PROVISIONS

Short title.

138(I) of 2002
166(I) of 2003
34(I) of 2007
86(I) of 2013
103(I) of 2013
66(I) of 2014
139(I) of 2014
144(I) of 2014
107(I) of 2016
170(I) of 2017.

Interpretation.

2(a) of
103(I) of 2013.

66(I) of 1997
74(I) of 1999
94(I) of 2000
119(I) of 2003
4(I) of 2004
151(I) of 2004
231(I) of 2004
235(I) of 2004
20(I) of 2005
80(I) of 2008
100(I) of 2009
123(I) of 2009
27(I) of 2011
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26(I) of 2015
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89(I) of 2018
153(I) of 2018
80(I) of 2019
149(I) of 2019
21(I) of 2020
73(I) of 2020
28(I) of 2021
94(I) of 2021
95(I) of 2021
162(I) of 2021
163(I) of 2021
61(I) of 2022
62(I) of 2022.

1. This Law may be cited as the Central Bank of Cyprus Law, 2002.

2. In this Law, unless the context otherwise requires –

“authorisation” has the meaning assigned to it by section 2 of the Business of Credit Institutions Law, as from time to time amended or substituted;

2(a) of
103(l) of 2013.

“authorised credit institution” has the meaning assigned to it by section 2 of the Business of Credit Institutions Law, as from time to time amended or substituted;

2(a) of 34(l) of 2007.

“authorised financial institution” (*Deleted*);

“Bank” means the Central Bank of Cyprus which was established under section 3 of the Central Bank of Cyprus Laws, 1963 to 2001, in accordance with Articles 118 to 121 of the Constitution of the Republic of Cyprus;

48 of 1963
10 of 1979
35 of 1990
233 of 1991
74(1) of 1992
66(1) of 1993
100(l) of 1994
99(1) of 1995
116(l) of 1996
107(l) of 1997
97(1) of 1998
92(1) of 1999
148(l) of 1999
124(l) of 2000
166(l) of 2000
147(l) of 2001.
95 of 1989
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115(l) of 1996
104(l) of 2002
127(l) of 2006
51(l) of 2010
68(l) of 2013
130(l) of 2015
69(l) of 2016
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100(l) of 2019
128(l) of 2019
160(l) of 2019
161(l) of 2019
135(l) of 2020
67(l) of 2022
103(l) of 2022.

2(b) of 103(l) of 2013.

“bank” has the meaning assigned to it by section 2 of the Business of Credit Institutions Law, as from time to time amended or substituted;

“Board” means the Board of Directors of the Bank as provided under this Law;

2(d) of 34(l) of 2007.

“Committee” (*Deleted*);

2(b) of 103(l) of 2013.

“cooperative credit institution” has the meaning assigned to it by section 2 of the Business of Credit Institutions Law, as from time to time amended or substituted;

2(b) of 103(l) of 2013.

“credit institution” has the meaning assigned to it by section 2 of the Business of Credit Institutions Law, as from time to time amended or

substituted;

“Deputy-Governor” means the Deputy-Governor of the Bank;

“director” means a member of the Board of Directors other than the Governor and the Deputy- Governor;

2(b) of 34(l) of 2007.

86(l) of 2004.¹

“electronic money institution” has the meaning assigned to this term by section 2 of the Electronic Money Institutions Law;

“European Central Bank” means the European Central Bank which operates in accordance with the Treaty establishing the European Community;

2(b) of 34(l) of 2007.

“European System of Central Banks” or “System” means the European System of Central Banks referred to in the Treaty;

2 of 66(l) of 2014.

Official Journal of the
EU: L331,
15.12.2010, p.1.

“European Systemic Risk Board” means the Board which was established under the European Union act titled “Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board”;

2 of 66(l) of 2014.

“financial institution” means any credit institution, financial conglomerate, payment institution, electronic money institution, insurance or reinsurance undertakings, insurance mediator, institutions for occupational retirement provisions, investment firms or collective investment undertakings or another institution, business, entity with principal activity of similar nature that has been incorporated in the Republic and has been authorised by the competent authority in the Republic or that has been operating in the Republic;

2 of 66(l) of 2014.

“financial system” means all financial institutions, markets, products and market infrastructures;

2(c) of 34(l) of 2007.

“foreign exchange” means securities or any other asset denominated in foreign currency or unit of account;

“Governor” means the Governor of the Bank;

2(a)of103(l)of2013.

“management body” has the meaning assigned to it by section 2 of the Business of Credit Institutions Law, as from time to time amended or substituted;

2 of 66(l) of 2014.

“member state” means a member state of the European Union or

¹ The Electronic Money Institutions Law,2004[L.86(I)/2004] was repealed and replaced by the Electronic Money Law,2012[L.81(I)/2012, as amended].

any other state which is a contracting party to the European Economic Area Agreement, which was signed on 2 May 1992 in Oporto and as adjusted by the Protocol signed in Brussels on 17 May 1993, as this Agreement may be amended from time to time;

“Minister” means the Minister of Finance;

“remuneration” includes salary, wages, fee, allowance, as well as of any kind of payments;

2(b) of 34(l) of 2007.

“Statute” means the Statute of the European System of Central Banks and of the European Central Bank, annexed to the Treaty establishing the European Community;

2 of 66(l) of 2014.

“systemic risk” means the risk of disruption in the financial system with the potential to have serious negative consequences for the internal market and the real economy;

2 of 66(l) of 2014.

“third country” means a state other than a member state;

2(b) of
34(l) of 2007.

“Treaty” means the Treaty establishing the European Community, as amended.

PART II - CONTINUATION OF OPERATION, OBJECTIVES AND TASKS OF THE BANK

Operation of the Bank.

3. The Bank shall continue to function as a legal entity with perpetual succession and a common seal, ability to appear in court as a plaintiff or defendant, with power to acquire, hold and dispose of property, to enter into contracts, and to take any action for the purposes of this Law.

Seat, agents of the Bank.

4. (1) The Bank’s seat and head office shall be in Nicosia.
(2) The Bank may at any time establish and close regional branch offices in the Republic, according to its needs.
(3) The Bank may at any time appoint and revoke the appointment of agents or correspondents in the Republic or elsewhere.

Objectives of the Bank.
3(a) of 34(l) of
2007
3(b) of 34(l) of 2007.

5. (1) The primary objective of the Bank shall be to ensure price stability.

3(c) of 34(l) of 2007.

(2) Without prejudice to this primary objective and subject to the fulfilment of its obligations under paragraph (1) of Article 105 of the Treaty, the Bank shall support the general economic policy of the State.

The Bank as an integral part of the European System of Central Banks.

5A. (1) The Bank is an integral part of the European System of Central Banks and shall act, within the fields of competence of the System, in accordance with the guidelines and instructions of the European

4 of 34(l) of 2007.

Central Bank.

(2) The Bank shall contribute, as an integral part of the European System of Central Banks, to the performance of the tasks and the exercise of the competences entrusted to or conferred upon the latter in accordance with the provisions of the Treaty or of the Statute.

Tasks of the Bank.

6. (1) The Bank shall perform all tasks required for the achievement of its objectives including any tasks performed by a central bank.

5of34(l)of2007
6of34(l) of 2007.

(2) Without prejudice to the generality of subsection (1) and to the obligations resulting from the participation of the Bank to the European System of Central Banks, the main tasks of the Bank shall be the following:

(a) the contribution, as an integral part of the System, to the definition and implementation of the monetary policy of the Community;

(b) the holding, keeping and management of the official reserves of the Republic, including the foreign exchange and gold reserves of the Bank and of the State;

(c) the conduct of foreign exchange operations and the management of foreign reserves that may be held with the Bank for management, subject to the provisions of Article 111 of the Treaty;

3 of 103(l) of 2013.
3 (a) of 66(l) of 2014.

(d) the granting of authorization and supervision of the authorised credit institutions without prejudice to the provisions of the Business of Credit Institutions Law, as from time to time amended or substituted;

3 (b) of 66(l) of 2014.

(e) the macro-prudential oversight of the financial system, with the purpose of contributing to the safeguard of the stability of the financial system;

(f) the provision of services or performance of the tasks of banker and financial agent of the Republic in financial matters;

(g) the promotion, regulation and oversight of the smooth operation of payment, clearing and/or settlement systems;

(h) the collection, compilation and distribution of statistical data, including the data required for the fulfillment of the tasks of the Bank, as an integral part of the System vis-à-vis the European Central Bank;

(i) its participation as a member in international monetary and economic organizations, subject to the approval of the European Central Bank, in accordance with Article 6.2 of the Statute.

2 of 170(l) of 2017.

(3) The Bank is designated as the Information Authority in application of point (13) of Article 4 of Regulation (EU) No 655/2014 of the European Parliament and of the Council of 15 May 2014 establishing a European Account Preservation Order procedure to facilitate cross-border debt recovery in civil and commercial matters:

Provided that the Bank and any person who is a consultant or an officer or an employee of the Bank shall not be liable to civil or any other damages for any act or omission in the exercise of functions and duties under the provisions of this subsection, unless it is proven that the act or omission was not in good faith or was a result of gross negligence:

Provided further that the Bank shall determine and recover in a reasonable and cost-oriented manner all costs incurred in relation to the performance of its duties under the provisions of this subsection.

Independence of the Bank.
7 of 34(l) of 2007.

7. In the exercise of its tasks under this Law, the Bank and any member of its organs shall neither seek or take instructions from Union institutions or bodies, from the Government of the Republic or from any government of any other member state or from any other body.

PART III - ORGANISATION OF THE BANK

Organs of the Bank.
8 of 34(l) of 2007.

8. The organs of the Bank shall be the Board of Directors, the Governor and the Deputy-Governor.

Establishment and functioning of the Monetary Policy Committee.
9 of 34(l) of 2007.

9. *Repealed.*

Tasks of the Committee.
10 of 34(l) of 2007.

10. *Repealed.*

Directives of the Committee.
11 of 34(l) of 2007.

11. *Repealed.*

Composition of the Board.
2 of 86(l) of 2013.

12. The Board of Directors of the Bank shall consist of the Governor, the Deputy Governor, two executive directors and five non-executive directors.

Directors.

13. (1) The directors shall be appointed by the Council of Ministers and shall be citizens of the Republic of recognised professional qualifications, and/or recognised economic and business experience who are not disqualified for appointment under section 14.

(2) Each director shall be appointed for a term of office of five years which may be renewed, and shall be removed from office by decision of the Council of Ministers, on a recommendation from the

Minister, after hearing the views of the Governor, if he no longer fulfils the conditions required for the performance of his duties or if he has been guilty of serious misconduct:

Provided that, a person who holds on the date of the coming into force of this Law, the post of director, shall continue to hold such post, under the same conditions until the expiry of his term of office, unless otherwise provided for by a subsequent law.

12(a) of 34(l) of 2007.

(3) When a person ceases to be a director before the expiry of the period of his term of office, the Council of Ministers shall appoint as director a person having the qualifications provided in subsection (1), for a term of five years.

12(b) of 34(l) of 2007.

(4) The post of director, save for the Governor and the Deputy Governor, shall become vacant:

(a) upon the death of the member, or the loss of his or her citizenship of the Republic; or

(b) upon the written resignation of the member; or

(c) if the member no longer fulfils the conditions required for the performance of his duties, or if he or she is guilty of serious misconduct; or

(d) upon the occurrence of any of the circumstances referred to in section 14.

(5) No director who has a personal interest in a matter under discussion shall take part in the discussion and vote on it:

Provided that, in such a case, the director shall be under a duty to disclose if he has any such interest.

3 of 86(l) of 2013.

(6) The remuneration and other terms of service of the executive directors and the remuneration of the non-executive directors shall be set by the Council of Ministers upon their appointment for the entire five-year period of their term of office:

Provided that, the terms of service of the directors, including the executive directors, shall not affect the independence of the Governor which stems from his participation in the European System of Central Banks and from the Treaty and the Statute:

Provided further that, the remuneration and the other terms of service of the executive directors and the non-executive directors may not be varied adversely after their appointment, without prior consultation with the Bank.

Conflict of interest.

14.- No person shall be appointed as a director if he holds any office which is incompatible with his capacity as director and in particular if

he is:

- (a) a Minister, or a member of the House of Representatives;
- (b) a member of a Municipal Council, including a Mayor;
- (c) a member of the armed or security forces of the Republic;
- (d) a public officer or employee of any local authority or he is acting as a deputy in such office:

Provided that, "public office" means any office of profit in the public service of the Republic, the emoluments of which are under the control of the Republic and includes any office in any public corporation or public utility body:

Provided further that, no person shall be disqualified under this paragraph if he-

- (i) is a holder of a teaching post in a university or other higher education institution in the Republic;
- (ii) is acting, without being a member of the public service, as representative of the Republic in an international monetary or financial organisation of which the Republic is a member;

(e) has been declared bankrupt and has not been discharged or against whom a receiving order has been made or who has made an arrangement or composition with his creditors;

(f) is a person under judicial restriction due to insanity or otherwise declared to be of unsound mind;

4 of 103 (l) of 2013.

(g) is a director, officer or employee of other authorised credit institution or financial institution or their subsidiary or as a shareholder has a controlling interest in any other credit institution or financial institution or their subsidiary operating in the Republic or is controlled by an organisation operating in the Republic.

Tasks of the Board.

15.- (1) The Board shall have the following main tasks-

(a) to supervise the administration of the Bank;

13 of 34(l) of 2007.

(b) to define and implement the policy of the Bank, in accordance with sections 5 and 6, on all matters which concern the Bank, except for the matters falling within the fields of competence of the European System of Central Banks.

(2) In order to achieve the main tasks provided in subsection (1), the Board may perform all other tasks incidental thereto.

(3) The Board may from time to time decide to delegate any of its tasks to the Governor under such conditions and for such periods, as the Board may determine.

Granting authorisation and operations of credit institutions.
4 of 86(I)of2013.
5 (I) of 103(I)of 2013.

Directives of the Board.
14 of 34(I) of 2007.

15A. The decisions for granting authorisation as well as carrying out the business of credit institution are taken by the Governor with the assent of the Board.

- 16.** The Board may issue directives-
- (a) subject to paragraph (b) of subsection (3) of section 20 with a view to achieving the objectives laid down in section 5 and the tasks laid down in section 6 and/or regulating the performance of the tasks of the Bank, except for the tasks falling within the field of competence of the European System of Central Banks;
 - (b) for its own organisation and operating procedure;
 - (c) on the recommendation of the Governor, for the organisation of the Bank, defining the schemes of service of all employees of the Bank and regulating their powers and duties, as well as matters of recruitments, promotions and exercise of disciplinary control.

Functioning of the Board.

15(a) of 34(I) of 2007
5(a) of 86(I) of 2013.

- 17.-** (1) A meeting of the Board shall be convened:
- (a) by the Governor, by notice to all its members, or in his temporary absence or incapacity, the Deputy- Governor:

Provided that, such meetings shall be convened when required for the transaction of business, and, in any case, at least twelve times a year;

- (b) by two directors, following a written request submitted to the Governor in this respect, specifying the subjects for which the convening of the meeting is being requested.

(2) The Governor, or in his temporary absence or incapacity the Deputy Governor, shall preside at all meetings of the Board; in case of absence of both from any meeting, the members of the Board attending such meeting shall elect one of them to preside.

- 5(b) of 86(l) of 2013. (3) Five members of the Board shall form a quorum at every meeting; decisions shall be taken by a simple majority of the members present and in the event of an equality of votes, the chairman of the meeting shall have the casting vote.
- 15(c) of 34(l) of 2007. (4) When exercising the duties and tasks in pursuance of the objectives laid down in section 5, the members of the Board shall take due account of the Governor's capacity as a member, both of the Governing Council of the European Central Bank as well as of the General Council.
- 15(b) of 34(l) of 2007. (5) The minutes of every meeting of the Board shall be confidential, unless the Board determines otherwise and shall be kept in such form as the Board determines, but its decisions shall be recorded verbatim.
- 15(b) of 34(l) of 2007. (6) No act or action of the Board shall be considered null and void by reason of a vacancy in a seat of the Board.
- Duties of executive directors. 6 of 86(l) of 2013. **17A.** (1) The Board assigns specific duties to the executive directors in order to assist the Governor in the management, supervision and control of the Bank's operations, except for the matters falling within the field of competence of the European System of Central Banks.
- (2) The executive directors shall perform their duties on a full-time basis and shall not undertake any other employment.
- 6 of 103 (l) of 2013. (3) The executive directors may not hold any post in the Republic or acquire an interest in any authorised credit or financial institution or subsidiary thereof operating in the Republic or controlled by an organisation operating in the Republic which is under the supervision of the Bank or accept any remuneration therefrom, for a period of two years following the termination of their appointment.
- Governor and Deputy - Governor. **18. -** (1) Subject to paragraph 1 of Article 118 of the Constitution, the Governor and the Deputy-Governor shall be appointed by the President and the Vice-President of the Republic.
- (2) The Governor and the Deputy-Governor shall be citizens of the Republic and shall be fit and proper persons of recognised experience in economic matters.
- (3) The term of office of the Governor and the Deputy-Governor shall be five years and may be renewed:
- Provided that, a person who holds on the date of the coming into force of this Law, the office of Governor or Deputy-Governor, shall continue to hold office under the same conditions until the expiry of term of office, unless otherwise provided by a subsequent law.
- (4) Subject to paragraph 1 of Article 118 of the Constitution, the

Governor and the Deputy-Governor may be removed from office, only if in the opinion of the Council established under the eighth paragraph of Article 153 of the Constitution, they no longer fulfil the conditions required for the performance of their duties or they are guilty of serious misconduct.

(5) The remuneration and other terms of service of the Governor and the Deputy-Governor shall be laid down in the instruments of their appointment:

Provided that, the remuneration of the Governor and the Deputy-Governor shall be determined for the whole of their five-year term.

Exclusive occupation of Governor and Deputy-Governor in the service of the Bank.

7 of 103 (I) of 2013.

- 19.-** (1) The Governor and the Deputy-Governor should devote their entire time during their term of office exclusively to the service of the Bank and shall not engage in any other work, profession or business.
- (2) The Governor and Deputy-Governor may not hold any post in the Republic or acquire an interest in any authorised credit institution or financial institution or subsidiary thereof operating in the Republic or controlled by an organisation operating in the Republic and which is under the supervision of the Bank or receive therefrom any remuneration whatsoever for a period of two years following the termination of their appointment.

Tasks of the Governor.

16 (a) of 34 (I) of 2007.

- 20.-** (1) Subject to Article 119 of the Constitution, the Governor as the chief executive organ of the Bank, shall have the following tasks:
- (a) to carry out the policy of the Bank;
- (b) to manage and control the business of the Bank;
- (c) to act in connection with the conduct of the business of the Bank, in all matters which do not fall within the competence of the Board;
- (d) to appoint, suspend or dismiss any employees of the Bank.
- (2) The Governor, in carrying out his tasks under paragraph (d) of subsection (1), shall act in accordance with the opinion of the Personnel Committee as provided in section 22.

16(b)(c)(d) of 34(I) of 2007.

- (3) (a) The Governor shall participate, ex-officio, as an independent person, in the General Council and the Governing Council of the European Central Bank and shall have the exclusive competence to-
- (i) carry out the tasks and exercise the powers conferred upon the Bank, in accordance with the provisions of the Treaty or the Statute; and
- (ii) oversee the payment, clearing and/or settlement systems.

(b) Without prejudice to the powers of the European System of Central Banks and of the European Central Bank and subject to the provisions of the Treaty and of the Statute, the Governor may issue Directives for the achievement of the tasks referred to in paragraph (a).

16(c) of
34(l) of 2007.

(4) The Governor, is the main representative of the Bank and shall have the following tasks:

(a) to represent the Bank in every relation thereof with other persons, including the Government;

(b) to represent the Bank, either personally or through counsel, in every legal proceedings to which the Bank is a party;

(c) to sign contracts, concluded by the Bank, and the annual reports, financial statements, correspondence and other documents of the Bank;

(d) to delegate the exercise of any of his powers provided for in paragraphs (a), (b) and (c) to other employees of the Bank upon his own responsibility.

16(e) of 34(l) of 2007.

(5) Without prejudice to the provisions of subsection (3) and subject to the provisions of the Treaty and of the Statute, the Governor shall keep the Board informed on all current matters which require its attention and shall, where possible, provide it with such data and information to facilitate decision-making and determine its policy:

Provided that the Governor shall, also, submit to the Board, for approval, draft measures or decisions which in his view are necessary to realise the objectives and policies of the Board.

Deputy-
Governor.

21. The Deputy-Governor shall assist the Governor in the performance of his tasks and, in case of absence or temporary incapacity of the Governor, shall perform all the tasks of the Governor as are provided by the Constitution or by this Law.

Personnel
Committee.
17 of 34(l) of 2007.
7(a) of 86(l) of 2013.

22.- (1) (a) The Personnel Committee shall consist of the Governor as Chairman, the Deputy-Governor, the two executive directors and two other members appointed by the Board to hold office for three years, unless they are removed before the expiry of their term of office by the Board, after a reasoned recommendation from the Governor and provided it is ascertained that they do not fully perform their duties:

Provided that, in case of temporary absence or incapacity of the Governor, the Deputy-Governor shall preside at the meetings of the Personnel Committee.

(b) In case of temporary absence or incapacity of the Governor and the Deputy-Governor, the members of the Personnel Committee attending such meeting shall elect one of the

members present to preside.

7(b) of 86(I) of 2013.

(c) In case any member of the Personnel Committee is unable to attend a meeting for any reason, the Personnel Committee may, on the recommendation of the Governor and with the assent of the Board of Directors, appoint in advance another person to attend in the place of the absent member.

17 of 34(I) of 2007
7(c) of 86(I) of
2013.

(2) Four members of the Personnel Committee who are at least present at meetings shall constitute a quorum and decisions shall be taken by a majority; in case of an equality of votes the chairman shall have the casting vote.

(3) The Personnel Committee shall, on the recommendation of the Governor, delegate any of its tasks provided for in subsection (2) of section 20 of this Law, as it may determine, to a sub-committee consisting of at least three persons.

(4) The Personnel Committee, on the recommendation of the Governor, shall decide its organisation and procedure of its meetings, as well as those of any sub-committee to which any of its tasks may be delegated under subsection (3).

Employees.

23.- (1) For the purpose of carrying out the tasks of the Bank under this Law, there shall be appointed, as provided in this Law, such employees as may be necessary.

(2) The appointment of any employee of the Bank shall be remunerated and under such terms and conditions provided for in directives or the schemes of service issued in this respect by the Board under section 16 of this Law.

8 of 103(I) of 2013.

(3) Subject to any directives issued under this Law in this respect, no person shall hold any post in the Bank who, at the same time –

(a) holds any post in any other authorised credit institution or financial institution or a subsidiary thereof operating in the Republic or controlled by an organisation operating in the Republic;

(b) has any participation in the capital of such authorised credit institution or financial institution or a subsidiary thereof without disclosing this participation in advance and obtaining the permission of the Board:

Provided that the Board shall determine with directives the terms and conditions under which the employees of the Bank may participate in the capital of such authorised credit institutions or financial institutions or their subsidiary.

Independent
persons for the

24. Subject to the provisions of this Law and the terms of service laid

performance of special duties.

down in each case by the Board, independent persons may be employed to perform such special duties, as may be provided from time to time in the relevant contract of employment.

Obligation of secrecy.
18 of 34(l) of 2007.
19(a) of 34 (l) of 2007.

25.- (1) Every director, employee of the Bank, has an obligation of professional secrecy, even after their duties have ceased, and shall, for the purposes of the Criminal Code in force for the time being, be deemed to belong to the public service and the provisions of the Public Officers Protection Law shall apply in relation to them as if they were public officers:

Cap. 154.
3 of 1962
43 of 1963
41 of 1964
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5 of 1967
58 of 1967
44 of 1972
92 of 1972
29 of 1973
59 of 1974
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83(l) of 2008
64(l) of 2009
56(l) of 2011
72(l) of 2011
163(l) of 2011
167(l) of 2011
84(l) of 2012
95(l) of 2012
134(l) of 2012

125(I) of 2013
131(I) of 2013
87(I) of 2015
91(I) of 2015
112(I) of 2015
113(I) of 2015
31(I) of 2016
43(I) of 2016
31(I) of 2017
72(I) of 2017
23(I) of 2018
24(I) of 2018
108(I) of 2018
134(I) of 2020
150(I) of 2020
27(I) of 2021.

Cap. 313.

19(b) of 34 (I) of 2007.

Provided that, persons who were members of the Monetary Policy Committee, established by and operated under the Central Bank of Cyprus Law, 2002, shall continue to have an obligation of professional secrecy, even after the termination of employment and/or the abolition of the said Committee.

Cap.44.
37 of 1982
84 of 1983
119(I) of 2011
147(I) of 2012
22(I) of 2013
150(I) of 2018.

Cap. 155.
93 of 1972
2 of 1975
12 of 1975
41 of 1978
162 of 1989
142 of 1991
9 (I) of 1992
10(I) of 1996
89(I) of 1997
54(I) of 1998
96(I) of 1998
14(I) of 2001
185(I) of 2003
219(I) of 2004
57(I) of 2007
9(I) of 2009
111(I) of 2011
165(I) of 2011
7(I) of 2012
21(I) of 2012
160(I) of 2012
23(I)of2013
16(I) of 2014
42(I) of 2014
186(I) of 2014
110(I) of 2011
129(I) of 2018
68(I) of 2021
64(I)of2022.

61(I) of 1996
25(I) of 1997
41(I) of 1998
120(I) of 1999
152(I)of 2000

(2) (a) Secrecy shall not apply against a Court of the Republic, a Commission of Inquiry appointed and acting under the Commissions of Inquiry Law, an investigating officer carrying out an investigation under section 4 of the Criminal Procedure Law, the Unit for Combating Money Laundering under the Prevention and Suppression of Money Laundering Activities Law and the Parliamentary Committees under the Submission of Data and Information to the House of Representatives and the Parliamentary Committees Law, provided that nothing in this section shall be construed as conferring any additional powers.

118(I) of 2003
185(I) of 2004
188(I) of 2007.
21 of 1985
12(I) of 1993.

(b) The obligation of professional secrecy shall not apply to the provision of information to the European Central Bank in compliance with the provisions of the Treaty or the Statute.

Oath of fidelity and
secrecy.
20 of 34(I) of 2007.
Schedule.

26. Every person who assumes the duties of Governor, Deputy Governor, director or employee of the Bank, shall before taking up his/her duties sign and give the prescribed oath provided in the Schedule.

PART IV - THE MONETARY UNIT AND LEGAL TENDER MONEY

Monetary
unit.

21 of 34(I) of
2007
9 of 103(I) of
2013.

27. The euro is the monetary unit of the Republic.

Monetary transactions
in euro.
22 of 34(I) of 2007.

22 of 34(I) of 2007.

28.- (1) All monetary transactions carried out in the Republic are considered to be expressed in euro, unless otherwise agreed upon by the contracting parties.

(2) All monetary transactions carried out in the Republic, shall be settled in euro, unless otherwise provided for in any public domestic or any international legislative provision or unless otherwise agreed upon by the contracting parties.

Issue of notes and
coins.
23 of 34(I) of 2007.

2(a) of 107(I) of 2016.

29.- (1) The Bank may issue banknotes which circulate as legal tender within the Republic in accordance with the provisions of paragraph (1) of Article 106 of the Treaty and Article 16 of the Statute.

(2) The Bank may issue as a representative of the Government coins which circulate as legal tender within the Republic. The quantity of the coins issued shall be subject to approval by the European Central Bank; the denomination and technical specifications of the coins in euro shall be determined in accordance with the provisions of paragraph (2) of Article 106 of the Treaty:

2(b) of 107(I) of 2016.

107(I) of 2016.

Provided that the amount of the nominal value of that coins that are in circulation on the date of entry into force of the Central Bank of Cyprus (Amendment) Law, 2016, is transferred to the General Governmental Account in the credit of the Consolidated Fund:

Provided further that, the amount of the nominal value of coins that circulate from the Bank annually is transferred to the General Governmental Account in the credit of the Consolidated Fund per semester, on the 30th of June and 31st of December every year,

following the deduction of this amount of the nominal value of coins that have been withdrawn from circulation during the same time period:

Provided even further that, any matter related to the cooperation of the Government and the Bank for the issue of coins required or permitted to be prescribed, may be regulated through agreements or other arrangements.

Denomination and form of notes and coins.
24(a) of 34(l) of 2007.
24(b) (i) of 34(l) of 2007.
24(b)(ii) of 34(l) of 2007.

30.- (1) *Repealed.*

(2) The Bank shall communicate by notification published in the Official Gazette of the Republic the denominations and other characteristics of notes and coins that it may issue from time to time under section 29.

Legal tender money.
25(a) of 34(l) of 2007
25(b) of 34(l) of 2007.

31.- (1) Subject to the European Community acts in force in the Republic and subsection (2), notes and coins, issued by the Bank, pursuant to the provisions of Article 106 of the Treaty shall be legal tender and accepted without limitation as to the amount, in the settlement of all debts, public or private.

25(c) of 34(l) of 2007.

(2) The Bank may communicate by notification thereof published in the Official Gazette of the Republic, that particular issues or denominations of notes or coins shall cease to be legal tender as of a certain date onwards:

25(d) of 34(l) of 2007.

Provided that, by any such notice a time-limit shall be communicated, within which such notes or coins may be exchanged by the Bank with other currently valid legal tender money.

Directives for defaced notes and coins.
26 (a)(b) of 34(l) of 2007.

32. Subject to the provisions of Community law, the Bank shall issue directives to be published in the Official Gazette of the Republic, providing for the conditions on which mutilated, defaced or otherwise defective notes or coins may be exchanged by the Bank.

PART V - FOREIGN EXCHANGE AND TRANSACTIONS IN PRECIOUS METALS

Reserve of precious metals and foreign exchange.
27(a) (i)(ii)(iii) of 34(l) of 2007.

33.- (1) Subject to the provisions of the Treaty and of the Statute, the Bank shall keep a reserve of precious metals as well as foreign exchange as part of its assets.

27(b) (i)(ii) of 34(l) of 2007.
27 (c) of 34(l) of 2007.

(2) The Board may, from time to time, determine, subject to the provisions of the Treaty and of the Statute, the precious metals and the foreign exchange, which the Bank shall keep under subsection (1).

Transactions spot, forward or in any

34. (1) Subject to the provisions of the Treaty and of the Statute, the

other form.

28(a) (b) (c) of
34(l) of 2007.

28((d)(i) (ii)(iii) of
34(l) of 2007.

Bank may engage in transactions and accept deposits in foreign exchange as well as precious metals, spot or forward or in any other form.

(2) Subject to the provisions of the Treaty and of the Statute, the Bank may engage in borrowing and lending operations in any currency.

Foreign
exchange
transactions.

29 (a)(b)(c)(d)(e) of
34(l) of 2007.

10 of 103 (l) of 2013.

35. Subject to the provisions of the Treaty and of the Statute, the Bank may engage in transactions in foreign exchange and precious metals with:

- (a) banks and co-operative credit societies;
- (b) the Government, public corporations and other organisations dependent on the Government;
- (c) foreign central banks, foreign credit institutions, or foreign financial institutions;
- (d) foreign governments and other organisations dependent on foreign governments;
- (e) international economic organisations;
- (f) other organisations specifically permitted to act in this respect by the Bank.

Dealers in
foreign exchange
transactions.

30 of 34(l) of 2007.

30 of 34(l) of 2007.

36.- (1) The Bank shall permit natural persons or legal entities to engage in foreign exchange transactions as part of their business activity.

(2) The Bank shall issue directives, relating to the transactions and the reserves in foreign exchange transactions of the natural persons and legal entities to which it permits to act under subsection (1).

Determination
of rates of
transactions
in foreign
currencies.

31 of 34(l) 2007.

37. *Repealed.*

Exchange
control
legislation.

32 of 34(l) of 2007.

38. *Repealed.*

PART VI - MONETARY FUNCTIONS AND OPERATIONS OF THE BANK

Transactions and rights
of the Bank.

33(a)of 34(l) of
2007
33(b) of 34(l) of 2007.

33(a) of 34(l) of 2007
33(c) of 34(l)of
2007.

39.- (1) In order to conduct its operations, the Bank may open accounts for credit institutions, public entities and other market participants, and accept assets, including book entry securities, as collateral.

(2) In order to achieve its objectives and carry out its tasks, the Bank may –

- (a) operate in the financial markets, by buying and selling outright (spot and forward) or under repurchase agreement, and by

lending or borrowing claims or securities in any currency as well as precious metals; and

33(d) of 34(l) of 2007.
34(a)(b) of 34(l) of 2007.

(b) engage in lending and borrowing operations with credit institutions and other market participants with lending or other relevant financing operations being based on adequate collateral.

33(a) of 34(l) of 2007
33(e) of 34(l) of 2007.

(3)(a) Subject to the provisions of the European Union acts in force in the Republic, the Bank may determine the terms and conditions governing its transactions with credit institutions.

34(c) of 34(l) of 2007.

(b) *Repealed.*

33(a) of 34(l) of 2007.

(4) Notwithstanding anything contained in any other law in force for the time being, the rights of the Bank to collateral security provided to it shall not be affected by insolvency proceedings against the counterparty to the Bank, which provided the collateral security, which may be realised immediately for the satisfaction of these rights.

Rate of interest.
36 of 34(l) of 2007.

40. *Repealed.*

Minimum reserves.
37 of 34(l) of 2007
38 of 34(l) of 2007.

41. Minimum reserves shall be held with the Bank in accordance with the provisions of Article 19 of the Statute.

Securities.
39 of 34(l) of 2007.
40 (a)(b) of 34(l) of 2007.

42. In order to achieve the objectives of the System and to implement its tasks, the Bank may issue securities for the purpose of intervening in the money market.

Application of measures.
41 of 34(l) of 2007.

43. All measures of general application prescribed by the Bank under the provisions of sections 40 and 41, shall be duly published and communicated with their dates of entry into force, in such manner as the Bank may determine and any directives issued thereunder shall be published in the Official Gazette of the Republic.

Advances or loans to banks.
42 of 34(l) of 2007
43 of 34(l) of 2007.

44. *Repealed.*

11 of 103(l) of 2013

PART VII-TRANSACTIONS WITH CREDIT INSTITUTIONS

Securities
45 of 34(l) of 2007.

45. *Repealed.*

Deposits.
46(a) of 34(l) of 2007
12(a) of 103(l) of 2013.

46.- (1) The Bank accepts deposits on behalf of credit institutions and may collect money on their behalf.

46(b) of
34(l) of
2007
12(b) of 103(l) of 2013.

(2) The Bank may, at its discretion, pay interest on specified deposits made by credit institutions, except for reserves held with the Bank in accordance with section 41.

46(c) of
34(l) of
2007
12(c) of
103(l) of 2013.

(3) Without prejudice to the obligations deriving from the Bank's participation to the System and, in particular, Article 21 of the Statute, the Bank may grant advances against collateral security or grant loans against collateral security to credit institutions for fixed periods and for purposes which the Bank may designate.

Services to credit
institutions.
47(l) of 34(l) of 2007
13 of 103(l) of 2013.

47. The Bank may provide on such terms and conditions as it may determine, appropriate services to credit institutions.

4 of 66(l) of 2014

PART VIIA – MACRO-PRUDENTIAL OVERSIGHT OF THE FINANCIAL SYSTEM

Macro-prudential
Authority.
4 of 66(l) of
2014.

47A.- (1) The ultimate purpose of the macro-prudential oversight of the financial system is to contribute to the safeguarding of the stability of the financial system as a whole, inter alia, by strengthening the resilience of the financial system and decreasing the build-up of systemic risks, thereby ensuring the constant contribution of the financial sector to economic growth; when conducting the macro-prudential oversight of the financial system, the Bank-

(a) identifies, monitors and assesses the risks that threaten the financial stability; and

(b) implements policies to prevent or limit the aforementioned risks in order to achieve its ultimate purpose.

(2) The Bank pursues macro-prudential policy either on its own initiative or via the implementation of recommendations of the European Systemic Risk Board or via the implementation of recommendations or decisions of European Central Bank or other competent authorities of the European Union in accordance with European Union legislation.

(3) The Bank, when carrying out its tasks conferred upon it under paragraph (e) of subsection (2) of section 6, cooperates with the competent authorities in the Republic whose actions have a material impact on financial stability, without prejudice to their respective responsibilities laid down in relevant laws.

(4) The Bank may designate and/or develop, in cooperation or in coordination with other competent authorities in the Republic, the surveillance approaches for identifying the financial institutions and structures that are systemically relevant for the Republic, and to determine or recommend on the perimeter of national regulation in relation to financial stability.

(5) The Bank, when carrying out its tasks conferred upon it under paragraph (e) of subsection (2) of section 6, cooperates and exchanges any data and information with competent authorities of the European Union, including the European Central Bank and the European Systemic Risk Board, and, where necessary, with other competent authorities in the Republic and member states, including the macro-prudential authorities of other member states or competent authorities of third countries, ensuring their confidentiality.

(6) The Bank may develop and apply appropriate instruments for carrying out its tasks laid down in paragraph (e) of subsection (2) of section 6 either on its own initiative or via the implementation of recommendations of the European Systemic Risk Board, or via the implementation of recommendations or decisions of the European Central Bank or other competent authorities of the European Union in accordance with European Union legislation.

(7) Subject to the provisions of section 5A and the regulations in force for the time being within the framework of the European System of Central Banks, the Bank may issue special or general directives or guidelines for the components of the financial system as a whole or as a group or per financial institution, business or entity, which it may publish as the Bank may deem necessary.

(8) The Bank publishes any macro-prudential policy decisions and their reasoning in a timely manner, unless in doing so it creates risks to financial stability, and sets out and publishes the macro-prudential policy strategies.

(9) The Bank shall proceed to public or non-public statements in relation to systemic risk.

(10) Notwithstanding the provisions of subsection (8), the Bank shall inform in a timely manner the House of Representatives, of any decisions on macro-prudential policy and their reasoning, as well as of the macro-prudential strategies determined by the Bank; the Bank shall submit once a year a report on the macro-prudential policy of the previous year to the House of Representatives.

2 of 139(l) of 2014.

(10A) The Central Bank of Cyprus shall inform the House of Representatives by submitting every three months a relevant report in relation to-

- (a) the number, type, and the amount of restructured advances per credit institution and per financial institution;
- (b) the progress made in collection of arrears; and
- (c) the implementation of the provisions of Part VIA and Part VIB of the Immovable Property Transfer and Mortgage Law, 1965 to 2021, as from time to time amended or substituted;

9 of 1965
51 of 1970
3 of 1978
6 of 1981

181(l) of 2002
59(l) of 2006
122(l) of 2007
52(l) of 2008
26(l) of 2010
120(l) of 2011
142(l) of 2014
4(l) of 2015
27(l) of 2015
32(l) of 2015
42(l) of 2015
46(l) of 2015
53(l) of 2015
75(l) of 2015
76(l) of 2015
133(l) of 2015
139(l) of 2015
198(l) of 2015
87(l) of 2018
118(l) of 2019
138(l) of 2019
61(l) of 2020
195(l) of 2020
212(l) of 2020
98(l) of 2021
185(l) of 2021.

(11) Any person, who is a director or officer of the Bank, shall not be liable in case of a lawsuit, action or any other legal proceedings for compensation for any act or omission in carrying out the tasks and responsibilities of the Bank in accordance with paragraph (e) of subsection (2) of section 6 or under any special or general directives or guidelines issued under subsection (7) of section 47A, unless it is proven that the act or omission is not in good faith or that it is the result of gross negligence.

Ensuring financial
stability.
2 of 144(l) of 2014.

47B. The Central Bank, where it considers that the financial stability in the Republic is affected, it may intervene in the rate of foreclosures of mortgaged properties, by issuing general or specific directives or guidelines, as may deem necessary, by virtue of its powers as macro-prudential authority:

Provided that the Bank shall inform every three months the House of Representatives on financial stability issues regarding the implementation of the provisions of Part VIA and Part VIB of the Immovable Property Transfer and Mortgage Law, 1965 to 2021, as from time to time amended or substituted, in relation to the foreclosures made per category of property.

PART VIII - PAYMENT, CLEARING AND/OR SETTLEMENT SYSTEMS

- Payment systems.
- 48 (a)(i) of 34(l) of 2007.
- 48 (a)(ii) of 34(l) of 2007.
- 48 (b)(i) of 34(l) of 2007.
- 48 (b)(ii)(iii) of 34(l) of 2007.
- 48 (c)(i) of 34(l) of 2007.
- 48 (c)(ii)(iii) of 34(l) of 2007.
- 48 (c)(iv) of 34(l) of 2007.
- 48 (c)(v) of 34(l) of 2007.
- 48 (d) of 34(l) of 2007.
- 48.-** (1) Subject to the provisions of any other law in force for the time being, the Bank may -
- (a) manage, participate in, or become a member of any payment, clearing and/or settlement system;
- (b) place under its oversight payment, clearing and/or settlement systems operating in the Republic.
- (2) Subject to the provisions of section 5A and the rules in force from time to time within the framework of the European System of Central Banks, the Bank may issue directives, regulating the functions and the operating procedure of payment, clearing and/or settlement systems under its oversight:
- Provided that, such directives may be of a general nature having effect on all systems or of a specific nature having effect on particular systems or group of systems and may be amended by the Bank whenever the Bank deems it necessary for the proper functioning of such systems.
- (3) The Bank may suspend the operation of any payment, clearing and/or settlement system or terminate the participation of any member in any payment, clearing and/or settlement system under its oversight by letter to the members of such system, under the terms specified by the Bank, which shall be included in the aforesaid letter:
- Provided that the relevant decision of the Bank shall be published in the Official Gazette of the Republic.
- (4) (a) Where it is ascertained that a member or manager of a payment, clearing and/or settlement system under the oversight of the Bank fails to comply with any of the terms relating to the operation of such system, the Bank shall have the power to impose an administrative fine not exceeding one hundred seventy thousand and eight hundred sixty euros (€170.860) according to the seriousness of the infringement.
- (b) In case of a second infringement, the Bank may, according to the seriousness of the infringement, impose an administrative fine not exceeding three hundred forty-one thousand and seven hundred twenty euros (€341.720).
- (c) In case of an omission of payment of the administrative fine imposed by the Bank under this section, the Bank shall take judicial measures and shall collect the amount due as a civil debt owed to the Republic.

PART IX - RELATIONS WITH THE GOVERNMENT

Prohibition of credit facilities.
49 (a) of 34(l) of 2007
49(b) of 34(l) of 2007.

49.- (1) (a) Subject to the provisions of subsection (3) and in accordance with the provisions of Article 101 of the Treaty and Council Regulation (EC) No 3603/93 of 13 December 1993, as amended from time to time –

(i) overdraft facilities or any other type of credit facility with the Bank, in favour of Community institutions or bodies, the Government, regional, local or other public authorities, public corporations or public undertakings;

(ii) the direct acquisition of debt instruments by the Bank from the institutions or agencies referred to in subparagraph (i) on their issue, shall be prohibited.

49 (c) of 34(l) of 2007.

(2) The provisions of subsection (1) shall not apply to publicly-owned banks which shall be given by the Bank the same treatment as the other banks which are not publicly-owned.

(3) The total claims of the Bank on the Government outstanding on the date of the coming into force of this Law, shall be converted to a long-term loan with a maturity of thirty years, with the first five years being a grace period with regard to the capital and with an annual interest rate of three per cent (3%), on the basis of a formal agreement between the Bank and the Ministry of Finance.

The Bank as banker and financial agent of the Government.

50. (1) Except in so far as the Minister in respect of certain financial transactions otherwise determines, the Bank shall act as banker of the Government and its agent in financial matters.

(2) The Bank may at its discretion perform the tasks of agent in financial matters and banker for any municipality or public corporation in the Republic in accordance with special arrangements between the Bank and the municipality or public corporation concerned and within the framework defined by these arrangements.

Tasks of the Bank as banker and financial agent of the Government.

51. The Bank in its capacity as banker to the Government and its agent in financial matters shall-

(a) be the depository of the Government and accept deposits and effect payments for the account of the Government:

50(a) of 34(l) of 2007
50(b) of 34(l) of 2007
14 of 103(l) of 2013.

Provided that the Bank may, after consultation with the Minister, select credit institutions to act in its name and for its account as depositories of the Government.

(b) be the administrator of public funds, in accordance with arrangements between the Bank and the Minister;

(c) manage the public debt including the issue of securities of the Government, unless the Council of Ministers otherwise decides:

Provided that, the management of public debt shall be carried out within the framework of general arrangements between the Bank and the Minister:

Provided further that, for the removal of the duties of managing the public debt from the Bank, the Council of Ministers shall give the Bank notice of at least twenty-four months before its relevant decision takes effect;

(d) pay, remit, collect funds or act as a depository of funds in the Republic or abroad;

(e) purchase, sell or transfer securities of any kind, precious metals and foreign exchange or act as their depository;

(f) collect for the account of the Government all proceeds accruing to the Government as the owner of securities or other property.

No interest paid by the Bank.

52.- (1) The Bank shall pay no interest on the deposits which it holds pursuant to paragraph (a) of section 51.

(2) The Bank shall not receive any payment for services rendered to the Government, unless otherwise agreed.

Advice to Government.

53.- (1) The Bank may render advice to the Government and to the Minister on any matter which in its opinion is likely to affect the attainment of its objectives as defined in section 5.

(2) The Government and the Minister may request from the Bank to provide them with data on the prevailing economic conditions or advice on any particular measures which may be taken and information on the general conditions of money and the banking system.

Meetings of the Council of Ministers.

54.- (1) Without prejudice to section 7, the Governor may be invited and attend meetings of the Council of Ministers or competent committees of the Council of Ministers whenever the issues discussed pertain to the objectives and tasks of the Bank.

(2) Without prejudice to the provisions of paragraph (4) of Article 105 of the Treaty, the Bank shall be consulted on every Bill concerning its tasks:

Provided that, the Bank may submit proposals to the Government on matters in its fields of competence.

51 of 34(l) of 2007.

PART X - REPORT TO THE PRESIDENT OF THE REPUBLIC AND RELATIONS WITH THE HOUSE OF REPRESENTATIVES

Report on monetary policy to the President and the House of Representatives.

52 of 34(l) of 2007.

- 55.-** (1) Subject to paragraph 5 of Article 119 of the Constitution, the Bank shall submit an annual report on the monetary policy of both the previous and the current year to the President of the Republic and to the House of Representatives.
- (2) Subject to the provisions of Article 108 of the Treaty and Articles 10.4 and 38 of the Statute, the Governor, if duly asked in this respect, shall appear before the committees of the House of Representatives to report on matters relating to the fields of competence of the Bank.

PART XI - CAPITAL, RESERVES AND RELATED FINANCIAL STATEMENTS

Capital of the Bank.
53 of 34(l) of 2007.

- 56.-** (1) The capital of the Bank is wholly owned by the State. The paid-up capital is thirty million euro.
- (2) The capital may be increased or altered by a decision of the Board:

Provided that any increase of the capital which entails additional payment by the State shall be made by agreement between the Bank and the Council of Ministers.

Annual financial statements.

2(a) of 166(l) of 2003
2(b) of 166(l) of 2003
54(a) of 34(l) of 2007.

- 57.-** (1) Within three months following the end of each financial year, the Bank shall prepare the annual financial statements.
- (2) The Bank shall determine its net profit or net loss for each financial year according to approved accounting standards applying from time to time for the European System of Central Banks, as they are adopted by the European Central Bank.
- (3) The Bank shall prepare and publish, by the end of each month a summary balance sheet, as applied at the end of the immediately preceding month.

54(b) of 34(l) of 2007.

General Reserve Fund.

- 58.-** (1) The Bank shall have a reserve to be called as the "General Reserve Fund", which is created by withholding net profits of the Bank, the amount of which shall be determined by the Board, with a view to ensuring the continuous and proper functioning of the Bank and the financial independence necessary for the achievement of the objectives of the Bank.
- (2) The General Reserve Fund, by a decision of the Board, may be used to:

- (a) issue new capital;
- (b) write-off accumulated losses;
- (c) meet extraordinary expenses related to the achievement of the objectives of the Bank.

Distribution of net profit.

59. The net profit of the Bank shall be distributed as follows:

(a) An amount equivalent to twenty per cent (20%) of the net profits of the corresponding financial year, shall be transferred to the General Reserve Fund; if the General Reserve Fund falls below the capital of the Bank, then the Board may transfer to the General Reserve Fund an amount not exceeding fifty per cent (50%) of the net profits until the General Reserve Fund equals the capital of the Bank.

(b) the balance, after deducting the amount referred to in paragraph (a), shall be transferred into the Consolidated Fund of the General Government Account, unless the Board decides the further withholding of net profits, in case this is required in its opinion due to exceptional circumstances.

Audit of the annual financial statements.

60. (1)(a) The annual financial statements of the Bank shall be audited in accordance with Article 27 of the Statute and, to this end, the Bank shall provide the auditors appointed in accordance with the said Article with all the information, books and other records necessary for the fulfilment of their tasks.

(b) Without prejudice to Article 38 of the Statute, the Auditor-General of the Republic may carry out financial and management audit of the activities of the Bank that are not related to its tasks and competences emanating from the European System of Central Banks and under the condition that his reports and audit activities do not touch upon the Bank's independence.

In order for the Auditor-General to carry out the abovementioned task, the Bank provides to him all the necessary information, books and other records.

For the purposes of this paragraph, management audit, means the audit of the operational efficiency of the activities of the Bank that are not related to its tasks and competences emanating from the European System of Central Banks and which does not touch upon its independence.

(2) The auditors shall submit their report to the Board after the relevant audit and address a copy to the Minister for information.

55 of 34(l) of 2007.

Audit Committee. 8 of 86(l) of 2013.

60A. There shall be established an Audit Committee composed of three members of the Board to be designated by the Board, who

have no executive capacity, with competence to audit the application of a corporate governance code and to supervise the carrying out of internal budgetary audit and submit a relevant report to the Board for approval:

Provided that, for the purposes of this section, the committee employs the services of an internal auditor.

Annual report.

61. The Board shall prepare and publish an annual report for the activities of the Bank for each financial year, which shall include the annual financial statements of the Bank.

Annual budget.

62. (1) The Board shall be responsible for the preparation and approval of the annual budget of the Bank.

(2) The annual budget of the Bank shall be communicated to the House of Representatives.

44(c) of 34(l) of 2007

PART XII - REPORTING OF DATA TO THE BANK

Obligation to report data to the Bank.

56(a)(b) of 34(l) of 2007.
15 of 103(l) of 2013.

63. Without prejudice to the obligation to report statistical information to the European Central Bank, according to Article 5 of the Statute and the complementary European Union legislation adopted in accordance with the said Article, authorised credit institutions, government services, public corporations, as well as any natural person or legal entity shall be required, without being entitled to invoke bank or other secrecy, to report to the Bank all the data and information in their possession which are necessary for the fulfilment of its objectives as laid down in section 5 and for the performance of its tasks in accordance with section 6.

Obligation to report data for the compilation of the balance of payments.

57(a)(b) of 34(l) of 2007.

64. -(1)(a) The Bank may require from the natural persons and legal entities referred to in section 63 to report to the Bank all the data and information in their possession, which shall be specified in directives, issued by the Bank under subsection (2), for the compilation of the balance of payments and the international investment position of the Republic, as well as the financial accounts of the individual sectors of the economy.

57(b) of 34(l) of 2007.

(b) Natural persons and legal entities referred to in section 63 shall be required, without being entitled to invoke bank or other secrecy, to report to the Bank the data and information referred to in paragraph (a).

(2) The Bank may specify, by issuing relevant directives, the data and information which the natural persons and legal entities referred to in section 63 are required to obtain and report in relation to their transactions and to their asset and liability position vis-à-vis residents or non-residents of Cyprus as well as the manner, time and reporting procedure and every other relevant detail:

Provided that, the data and information shall be complete and reported to the Bank in the same way as they came to the knowledge and possession of the entities and the persons concerned.

16 of 103(l) of 2013.

(3) In order to meet the reporting requirement of data specified in directives issued by the Bank, authorised credit institutions and designated financial institutions carrying out transactions on behalf of residents with non-residents of Cyprus, shall be required to collect from the resident counterparties to such transactions these data or information.

(4) Notwithstanding anything contained in any other Law in force for the time being, data or information reported to the Bank for the purposes of this section shall be covered by professional secrecy and it shall be prohibited to be disclosed to any person or authority, either by a person acting or having previously acted on behalf of the Bank, or by a person which acquires knowledge of these data or information:

Provided that, this prohibition shall not apply to the disclosure, in aggregate form, of the abovementioned data and information, provided that the identity of the persons or entities to which such data and information refer is not revealed.

(5) For the purposes of this section, the Bank may define the meaning of “resident of Cyprus” by issuing relevant directives.

57(c) of 34(l) of 2007.

(6) (a) Any person who contravenes any of the provisions of this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding eighty-five thousand and four hundred thirty euros(€85.430) and, in case of a continuing offence, by a further fine of one thousand seven hundred and eight euros(€1.708) for each day during which the offence continues.

(b) A Court, hearing an offence by reason of contravention of the provisions of this section, may, in case of conviction, in addition to any penalty imposed to the convicted person by virtue of paragraph (a), order the immediate reporting to the Bank of the data or information requested therefrom.

Imposition of
administrative fine.
58 of 34(l) of 2007.

64A. In the event that the Bank in exercising its task to collect data and information ascertains an infringement of the obligation for reporting data and information under this Part, and to the extent that there is no provision for the exclusive competence of the European Central Bank to impose sanctions, the Governor may, after having heard the person concerned, impose an administrative fine not exceeding one hundred two thousand and five hundred sixteen euros (€102.516) and, in case of a continuing infringement, impose, in addition, an administrative fine not exceeding eight hundred and fifty euros (€850) for each day during which the infringement continues.

44(c) of 34(l) of 2007

PART XIII - MISCELLANEOUS

Offences.
59(a) of 34(l) of 2007.
59(b) of 34(l) of 2007.

65. Notwithstanding any specific provision made to that effect and to the extent that there is no provision for the exclusive competence of the European Central Bank to impose sanctions, any person who infringes any of the provisions of this Law, shall be guilty of an offence and shall be liable on conviction to imprisonment not exceeding two years or to a fine not exceeding eighty-five thousand and four hundred thirty euros(€85.430) and, in case of a continuing offence, by a further fine not exceeding one thousand seven hundred and eight euros(€1.708) for each day during which the infringement continues.

Criminal prosecution.

66. No prosecution in respect of any offence under this Law shall be instituted except by or with the consent of the Attorney-General of the Republic.

Sanctions.
60 of 34(l) of 2007.

66A. (1) Notwithstanding any specific provision made to that effect, in case where a person does not comply with the provisions of this Law and/or the directives issued thereunder, the Governor may, to the extent that there is no provision for the exclusive competence of the European Central Bank and after having heard the party concerned, impose sanctions.

(2) For the purposes of this section, "sanction" includes notice, warning, as well as imposition of an administrative fine not exceeding one hundred seventy thousand and eight hundred sixty euros(€170.860).

Exemption from the
payment of taxes of
any kind.

67. The Bank shall be exempted from the payment of any government or municipal taxes, fees or duties of any kind, including stamp duties, payable under any Laws or Regulations in force for the time being.

The Company Law
does not apply.

68. (1) The provisions of the Company Law do not apply to the Bank.

(2) No winding-up proceedings shall be instituted against the Bank

except in accordance with a law enacted to this effect.

Special Bank
Holidays.
13(l) of 1996.

17 of 103(l) of 2013.

69. Notwithstanding anything contained in the Bank Holidays Law, the Minister may by notification published in the Official Gazette of the Republic declare certain days as special bank holidays or as days on which no transactions of authorised credit institutions and branches of credit institutions operating in the Republic are carried out with the public, within or without the Republic, if he deems that it is in the public interest.

Provisions of this Law
to prevail.

Cap. 197.
110(l) of 2004.
18 of 103(l) of 2013.

70.- (1) The Currency Law shall be read, construed and applied subject to the provisions of this Law.

(2) Save as otherwise in the context or the date of any specific matter or transaction provided, any reference in any law or administrative acts to “pound” or “sterling” or any subdivision thereof, shall be construed as references to the euro or any subdivision thereof, as provided by this Law.

44(c) of 34(l) of 2007

PART XIV – TRANSITIONAL PROVISIONS

Repeal.

71. Subject to the provisions of section 72, the Central Bank of Cyprus Laws, 1963 to 2001, are hereby repealed.

Validity of
existing
regulations or
directives.

72. Any regulations, directives or other administrative acts issued under the laws repealed by this Law, being in force on the date of the coming into force of this Law, shall remain in force until repealed or replaced, to the extent that they are not incompatible with the provisions of this Law.

Validity of
regulations issued by
the
Monetary Policy
Committee.
61 of 34(l) of 2007.

72A. Any directives, acts and decisions of the Monetary Policy Committee, which was established and operated under the Central Bank of Cyprus Law, 2002, issued until the date of abolition of the said Committee, shall remain in force until amended or revoked by the Board.

Continuation
of service of
employees.

73. Any person, who on the date of entry into force of this Law is an employee of the Bank, shall continue to hold the same post with the same remuneration and terms and conditions.

Entry into force of this
Law.

74. This Law shall be deemed to have entered into force as of 5.7.2002.

SCHEDULE

(Section 26)

Oath of Fidelity and Secrecy

62 of 34(l)
of 2007.

I,, from..... do solemnly swear that I will faithfully, truly and to the best of my judgement, skill and ability, execute and perform the duties required of me as a Governor, Deputy Governor, director, or employee, as the case may be, of the Central Bank of Cyprus and which properly relate to the office or employment in the said Bank held by me.

I further solemnly swear that I will neither communicate nor allow to be communicated to any person not legally entitled thereto any information relating to the affairs and tasks in general of the Bank, nor allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Bank and relating to the business and tasks in general of the Bank.

NOTE

The following observations do not form part of the principal Law and cannot be included in the consolidated text of the Law, as a part thereof. However, in view of the fact that they affect the application of this Law, it was considered expedient to include them in this Note:

1. Section 63 of the Central Bank of Cyprus (Amendment) Law, 2007(L.34(I)/2007), published in the Official Gazette of the Republic, Supplement I(I), dated 15.3.2007, contains the following provision:

Entry into force of this Law. 63. (1) Subject to the provisions of subsection (2), this Law shall enter into force on the date of its publication in the Official Gazette of the Republic.

(2) Notwithstanding the provisions of subsection (1), the amendments to sections 2(d), 4, 6, 8, 9, 10, 11, 12(b) and (c), 16, 19, 20, 21(b), 22, 23, 24, 25(b) to (d), 26, 27(a)(i) and (ii), 29(a) and (b), 31, 34, 36, 38, 40, 43, 46(b), 48(b) (iii), 52, 53, 54(a), 55, 61 and 62 shall be incorporated into the Central Bank of Cyprus Law, 2002 to 2007 and shall enter into force on the date of the adoption of Euro by the Republic.

2. The sums in CYP£ pounds, wherever found in the text, have been converted into Euros according to the provisions of P.I 312/2007, issued pursuant to the Adoption of the Euro Law, 2007 (L.33(I)/2007, as amended).