

CHRONICLE OF MONETARY POLICY OF 2001

SEPTEMBER AND OCTOBER

5 September

The Banking Supervision Department, the Insurance Supervisory Authority and the Securities Inspectorate signed **mutual framework agreements**, which are part of preparations for launching the Financial Supervision Authority on 1 January 2002. The aim of these agreements is to strengthen consolidated supervision over the financial sector and improve cooperation before the launch of the comprehensive supervision institution.

6 September

Proceeding from Article 9, Section 2, Clause 7 of the Central Bank Act, the Board of Eesti Pank decided to propose Riigikogu to appoint auditors **Urmas Kaarlep** and **Tiit Raimla** of AS PricewaterhouseCoopers to carry out the 2001 audit of Eesti Pank.

13 September

Decree of the Governor of Eesti Pank *On Customs Clearance of Currency and Securities*

Under Article 60, Section 2 of the Customs Act, the Decree orders legal entities and private individuals crossing the Estonian customs border to declare currency (foreign cash, Estonian kroons, traveller's cheques) that exceeds the sum of 80,000 kroons (according to the official daily exchange rate of the Estonian kroon). Securities need not be declared.

If the sum of foreign currency exceeds 200,000 kroons (according to the official daily exchange rate of the Estonian kroon), the legal entities and individuals are required to specify the origin of the currency in their customs declarations and submit to customs officials documentation proving the legitimacy of the currency.

At the same time, the Decree of Eesti Pank from 18 March 1994 *On Implementation of the Procedure of Recording Currency and Securities at Customs* (see Eesti Pank Bulletin No 3, 1994, pp 3 – 4) was declared null and void.

14 September

The prize of Eesti Pank at the 12th International Graphic Triennial in Tallinn was awarded to the Finnish artist **Janne Laine**.

18 September

Eesti Pank hosted the meeting of Riigikogu's Financial Committee. Members of the Committee and officials met with the members of the Monetary Policy Committee of the central bank.

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Exhibition of prints by **Peeter Laurits “Birthday of Eternity. Afterparty”** was opened at the Gallery of Eesti Pank.

19 September

Riigikogu amended the 2001 state budget.

20 September

Eesti Pank held a **seminar “Introduction of the Euro and Withdrawal of the National Currencies of the Eurosystem – What Does It Mean for Estonia and Europe?”**

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The Working Papers of Eesti Pank published in Estonian the study *Index of the Monetary Environment* by **Mari Rell**.

The study is available on the web site of Eesti Pank at www.ee/epbe/papers/index.html.et in Estonian only.

21 September

The council of the future Financial Supervision Authority approved the strategy of the institution for the period of 2002-2003, the principles of its structural organization and the regulations of the council submitted by the interim board.

27 September

Due to the creation of the Financial Supervision Authority and the need to optimize the structure of the central bank, **the Financial Intermediation Department** was formed by the Decree of the Governor of Eesti Pank and the Decision of the Board of Eesti Pank. **Sven Meimer**, formerly Head of the Payment and Settlement Systems Department was appointed Head of the new department.

28 September

Eesti Pank approved an action plan for guaranteeing reliability of the Estonian banking system in connection with the terrorist attack on the USA and thus assured participation in the fight against terrorism within the uniform state policy framework. **Eesti Pank and the Banking Supervision Department asked commercial banks to provide information on accounts belonging to or connected with the companies, organizations and private individuals listed in the 23 September Decree of the President of the US.** The Estonian commercial banks in their reply declared that none of them is connected with the listed companies, organizations and private individuals through bank accounts, loans or investment and personal banking services.

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Members of the Numismatic Club of the Finnish central bank celebrated 30th anniversary of the club at the Museum of Eesti Pank.

3 October

The Governor of Eesti Pank updated its Decree from 27 February 2001 *On the Formation of the Monetary Policy Committee of Eesti Pank and the Liquidation of the Payment, Development, Financial and Banking Supervision Committees* (see Eesti Pank Bulletin No 3, 2001, p 6) and appointed **Sven Meimer**, Head of the Financial Intermediation Department, member of the Monetary Policy Committee.

4 October

Eesti Pank issued an information folder *Euro in Europe, Kroon in Estonia*, which contains essential information for Estonian residents on the introduction of euro banknotes in the 12 European countries from 1 January 2002. The folder was published in Estonian and in Russian. The folders were dispatched to banks, libraries and secondary schools, as well as to Eesti Post for distribution at post offices. The folders are also available at the Museum of Eesti Pank

5 October

President Lennart Meri relieved Mihkel Pärnoja of the duties of the minister of economy. **This reinstated Mihkel Pärnoja as member of the Board of Eesti Pank.** As members of the government are not allowed to belong to the Board of the central bank, Pärnoja was, after his appointment as minister of economy on 24 March 1999, replaced by Kalle Jürgenson on the Board of Eesti Pank.

8 October

Arnold Rüütel, who was elected President of the Republic of Estonia by the electoral college on 21 September, was sworn into office.

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The Banking Supervision Department of Eesti Pank registered the representative office of Parex Bank. The Latvian bank is the fifth foreign bank to open a representative office in Estonia. The office was opened on 19 October and is headed by **Ardi Roosimaa**.

10 October

The Bank of England and Eesti Pank held a three-day seminar “Development of Strategy and Planning in Central Banks” at the Maardu training centre. Eesti Pank was represented at the seminar by members of the Board and Heads of departments, the Bank of England was represented by adviser to the Centre for Central Banking Studies **Stuart Allen**, Senior Manager at the Department of Finance and Resource Planning **Mark Robson** and long-time Head of the Personnel Department **Iain C. Thomson** who now works as a private consultant.

15 October

President Arnold Rüütel appointed **Henrik Hololei** the new minister of economy.

17 October

Riigikogu passed **the Securities Market Act, the Customs Act** and approved **the report on the fulfilment of the 2000 state budget.**

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Riigikogu made amendments in the **Criminal Code** and the **Administrative Violations Act**, concerning the responsibility for using insider information on securities and issuers, manipulation of the regulated securities market, violations of the requirements on the public offering of securities, the obligation of equal informing of all investors, violation of takeover bidding requirements and the Securities Market Act. The amendments will take effect from 1 January 2002.

18 October

The Government of Estonia endorsed the **procedure of closing the Compensation Fund**, pursuant to the Compensation Fund Act.

19 October

A two-day investment fair “Money Compass 2001” began at the National Library in Tallinn. When opening the fair, Governor of Eesti Pank **Vahur Kraft** introduced the euro banknotes that attracted lively interest also at the box of Eesti Pank. The flyer and the folder introducing the euro banknotes were also available. Other publications of Eesti Pank, security features of the Estonian kroon, the Museum of Eesti Pank, souvenir coins and folders with coins in circulation draw great interest as well.

Acting Chairman of the interim Board of the Financial Supervision Authority **Andres Trink** participated in the discussion “What Will Become of the World Economy After the Tragedy in the US?” and deputy department head **Kaja Kell** delivered a lecture “Cash Euro and Estonia.”

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125th anniversary of the birth of **Mihkel Pung**, the first Governor of Eesti Pank.

22 October

Due to the liquidation of the Estonian Privatization Agency as of 1 November 2001 as prescribed by the Privatization Act, the Government of Estonia issued a decree regulating the **transfer of the property, rights and liabilities of the Privatization Agency.**

24 October

Samples of **euro banknotes** were put on display at the Museum of Eesti Pank. Head of department of the central bank **Tanel Ross** delivered a lecture of the euro banknotes to students of Tallinn Technical University who visited the display.

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Riigikogu made amendments in the Accountancy Act, adding a whole new chapter on the **annual report of a concern.** The amendments take effect from 1 January 2002.

26 October

A statistics seminar of the central banks of the Baltic countries took place at the Maardu training centre, dedicated to the methodology of compiling the balance of payments and international reporting standards.

29 October

John Odling-Smee, Director of the European II Department of the International Monetary Fund (IMF), arrived for a two-day visit to Estonia. Estonian economic and financial policy was discussed at his

meetings with the prime minister, members of the government, leaders of the central bank and commercial banks. On 30 October, John Odling-Smee and the IMF representative in Estonia, **Adalbert Knöbl**, held a briefing.

30 October

The first concert in the **Kroon Music Series** took place at the Independence Hall of Eesti Pank, featuring the **Tallinn Boys' Choir** and the **Ellerhein Chamber Choir**.