

SELECTED LEGISLATION AND SIGNIFICANT DOCUMENTS

JANUARY–APRIL 2003

22 January

Riigikogu passed **Amendment Act of the Bank of Estonia Act**. The majority of the amendments will take effect upon Estonia's joining the European Union.

3 February

The Governor of Eesti Pank's Decree No 1 established the **reserve and standing deposit facility interest rates** paid to credit institutions. The Decree entered into force on 1 March 2003.

The Governor of Eesti Pank's Decree No 14 'Reserve and Standing Deposit Facility Interest Rates' of 15 June 1999 was repealed.

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The Governor of Eesti Pank's Decree No 2 endorsed the **procedure for calculating and meeting the reserve requirement** and the **report on meeting the reserve requirement**. The Decree entered into force partially on 15 February 2003 and fully on 1 March 2003.

The Governor of Eesti Pank's Decree No 17 'Amendments to the procedure of calculating and meeting the reserve requirement' of 17 June 1998 and Decree No 13 'The Procedure

of Accounting and Meeting the Reserve Requirement' of 22 December 2000 were repealed.

17 February

The Governor of Eesti Pank's Decree No 3 repealed Decree No 3 'Approval of the Rules on Compiling Bank Statements' of 12 February 1997.

The Decree entered into force on 1 March 2003.

18 February

The Board of Eesti Pank decided to **keep the special ratio of credit institutions' reserve requirement at the level of the general ratio (13%)** in accordance with the provisions of the 31 October 2002 Decision of the Board No 11-2 'Reserve Requirements of Credit Institutions.'¹

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The Board of Eesti Pank repealed its 24 May 1994 Decision 'Restrictions on Persons with Access to Confidential Information of Credit Institutions Concerning Their Participation in Credit Institutions.'

¹ See Kroon & Economy No 1, 2003, pp 98–99.

28 February

The Governor of Eesti Pank's Decree No 4 'Balance of Payments Reporting by Companies' endorsed **balance of payments report forms No 2-7 and 9-10 as official statistical reports**. The forms were applied from the first reporting period of 2003.

The Decrees No 11 of 13 May 1998, No 12 of 20 May 1999 and No 4 of 13 April 2000 'Approval of balance of payments report forms' were repealed.

4 March

Minister of Finance Decree No 44 amended Decree No 109 from 12 September 2002 'The Procedure of Calculating the Net Own Funds of Investment Firms and Establishing the Minimum Size of These Funds.'

14 March

The Governor of Eesti Pank's Decree No 5 approved the 2 July 2002 Decree No 12 'Prudential Ratios of Credit Institutions' Appendix No 1 '**Instructions for Calculating Credit Institutions' Capital Adequacy on Solo and Consolidated Basis**' and Appendix No 2 '**Rules for Credit Institutions' Capital Adequacy Reporting on Solo and Consolidated Basis**' **new wording**. The Decree entered into force on 1 April 2003.

15 March

Amendments to the Bank of Estonia Act, the State Audit Office Act and the Courts Act took effect. The amendments had been passed by Riigikogu on 29 January.

25 March

Eesti Pank's Statistics Department was renamed into the **Balance of Payments and Economic Statistics Department**.

3 April

The Board of Eesti Pank approved the **2002 Annual Accounts** and submitted it to Riigikogu for approval.

It was decided to continue Eesti Pank's profit distribution strategy, based on the ratio of the bank's free foreign exchange reserve to major economic indicators. 456,379,000 kroons of the bank's 2002 profit (601,379,000 kroons) were allocated to the special reserve and 145,000,000 kroons to the state budget.

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The Board of Eesti Pank made amendments in the Statute of Eesti Pank that entered into force on 4 April.

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The Board of Eesti Pank changed its operating procedure so that in the absence of the Chairman of the Board the meetings are chaired by a member elected from among the board members present.

The decision entered into force on 4 April 2003.

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The Board of Eesti Pank decided to relieve Elle Tischler from the office of the Head of the Internal Audit Department by agreement of the parties from 4 April 2003, and to appoint **Henn Oit** as the new Head of the Internal Audit Department from the same day.

8 April

Due to the reorganisation of Eesti Pank's Statistics Department into the Balance of Payments and Economic Statistics Department, the words *Statistics Department* were replaced with *Balance of Payments and Economic Statistics Department* in the report forms endorsed by the 28 February 2003 Decree No 4 'Balance of Payments Reporting by Companies'. The amendments

were made according to the Governor of Eesti Pank's Decree No 6.

24 April

The Board of Eesti Pank decided to ask Riigikogu to appoint auditors **Veiko Hintsov** and **Villu Vaino** of AS Deloitte & Touche Audit to carry out the audit of Eesti Pank in 2003.