

CHRONICLE OF 2001

1 JANUARY

From 1 January Estonian banks are allowed to invest a quarter of their reserve requirement into high-quality internationally traded liquid bonds.

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Greece became the 12th member of the European Monetary Union.

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Ilmar Lepik became Head of the Central Bank Policy Department of Eesti Pank and Ahti Roosa, Head of the Information Technology Department.

4 JANUARY

The international rating agency Moody's Investors Service in its 2000 report estimated Estonia's rating outlook to be *stable*.

11 JANUARY

Kristjan-Erik Suurväli was appointed Director General of the Securities Inspectorate.

25 JANUARY

The Board of Eesti Pank approved the Strategic Development Plan and Activity Guidelines of Eesti Pank for 2001–2003, which put a clear emphasis on the priority of issues related to the European Union.

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The Board of Eesti Pank approved in principle the creation of the Centre for Strategic Initiatives.

31 JANUARY

Seventh seminar of economic researchers of Eesti Pank began in Otepää.

19 FEBRUARY

Governor of Eesti Pank Vahur Kraft and members of the Board met with the delegation of the Financial Commission of the German Bundestag.

20 FEBRUARY

Delegation of the Banking Supervision of the Russian Central Bank arrived at Eesti Pank.

21 FEBRUARY

The International Department and the Public Relations Department were reorganised into the **International and External Relations Department** under **Tanel Ross**. The Cash Department and the Security Department were reorganised into the **Cash and Security Department** under **Rait Roosve**.

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An exhibition *Bank Cards in the Estonian Banking Sector 1992–2001* was opened at the Museum of Eesti Pank.

22 FEBRUARY

The contract on handing over the Ernst Rudolf Jaakson grant fund was signed at the Independence Hall of Eesti Pank. The fund will be managed by the Foundation of the University of Tartu, chaired by Vahur Kraft.

23 FEBRUARY

On the 83rd anniversary of the Republic of Estonia President Lennart Meri awarded the Governor of Eesti Pank Vahur Kraft with the White Star Order, Second Class, for maintaining the stability of the Estonian monetary policy.

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Eesti Pank received a delegation from Kyrgyzstan.

27 FEBRUARY

Monetary Policy Committee of Eesti Pank was set up, consisting of **Vahur Kraft, Rein Minka, Märten Ross, Andres Sutt, Andres Trink, Henn Oit, Ilmar Lepik, Tanel Ross** and **Rait Roosve**. The activities of Eesti Pank's payment committee, development committee, financial committee and banking supervision committee were ended.

12 MARCH

Eesti Pank published the Estonian translation of the information kit *The Euro Banknotes and Coins* on its web site. On 23 March it appeared in hard copy.

16 MARCH

The Banking Supervision Department of Eesti Pank and the respective department of the Bank of Lithuania concluded **an agreement of co-operation**.

18 APRIL

The regular mission of the International Monetary Fund (IMF) arrived in Estonia for economic policy consultations.

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8th seminar of the central banks of the Baltic States opened in Riga, Latvia, focusing on monetary policy issues, management of the central bank foreign currency reserve and public relations.

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In order to optimise the structure of Eesti Pank, the Establishment Department and the Governor's Office were merged into the **Administrative Department** under **Kristjan Kukk**.

19 APRIL

The Board of Eesti Pank approved **the 2000 Annual Report and submitted it to the Riigikogu for approval**.

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The Board of Eesti Pank decided **to continue the existing profit distribution strategy of Eesti Pank**.

25 APRIL

Exhibition of Latvian banknotes and coins was opened at the Museum of Eesti Pank.

3 MAY

Eesti Pank marked its 82nd anniversary with a real-time on-line press conference for students of all secondary schools.

9 MAY

Riigikogu passed **the Financial Supervision Authority Act**. The autonomous Financial Supervision Authority with its own budget was launched by Eesti Pank on 1 January 2002.

10 MAY

The IMF mission on ROSC SDDS visited Estonia.

11 MAY

International seminar **Economic and Monetary Union: Challenges and Risks** opened in Tartu. The seminar was organised by University of Tartu, EuroCollege of University of Tartu and Eesti Pank with the assistance of Hansapank and Sampo Pank.

14 MAY

Eesti Pank endorsed **the instructions for settlement of payments**, which took effect from 1 July 2001.

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Head of the European Commission's Directorate-General for Internal Market **John F. Mogg** met top officials of Eesti Pank and the Ministry of Finance.

24 MAY

A joint seminar of Eesti Pank and the Ministry of Finance opened in Kuressaare, focusing on two main topics – standards and codes of best practices initiated by international institutions, and further development of Estonian economic policy.

29 MAY

Riigikogu approved **the 2000 Annual Report of Eesti Pank**.

8 JUNE

Due to the introduction of euro coins and banknotes in the Member States of the European Economic and Monetary Union, a special working group was set up at Eesti Pank which had to predict the euro cash demand in Estonia and devise measures to lower the risks related to the introduction of euro cash, evaluate the documents concerning handling and transport of foreign currency and other activities. The workgroup was headed by Deputy Governor **Rein Minka**.

11 JUNE

Third seminar of internal auditors of the Baltic central banks began in Estonia.

13 JUNE

The agreement of co-operation was signed at the Independence Hall of Eesti Pank, launching the creation of **the Centre for Strategic Initiatives**. The agreement was signed by Governor of Eesti Pank **Vahur Kraft**, Chairman of the Board of the Estonian Chamber of Commerce and Industry **Toomas Luman**, Rector of Tallinn Technical University **Andres Keevallik** and Rector of the University of Tartu **Jaak Aaviksoo**.

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Riigikogu adopted amendments to the **Government of the Republic of Estonia Act** and the **Central Bank Act**. The amendments took effect from 1 January 2002 and are related to the creation of the Financial Supervisory Authority.

18 JUNE

Governor of Eesti Pank Vahur Kraft held a traditional reception at Maardu Manor on the occasion of the 9th anniversary of the re-introduction of the Estonian kroon.

27 JUNE

The Board of the International Monetary Fund (IMF) discussed Estonia's economic and political situation. The IMF report states that Estonia is still one of the most successful among the countries in transition.

29 JUNE

The Board of Eesti Pank appointed certified auditor **Ruut Mägi** and Deputy Governor of Eesti Pank **Andres Sutt** members of the Board of the Financial Supervision Authority. The six-member Board also includes the Minister of Finance **Siim Kallas** and the Governor of Eesti Pank **Vahur Kraft**, both due to their office. The Ministry of Finance appointed **Matti Klaar** and **Veiko Tali** to the Board.

1 JULY

As of 1 July 2001, Estonian banks are allowed to invest half of their reserve requirement into high-quality internationally traded liquid bonds.

2 JULY

An international conference **Challenges for the Unified Financial Supervision in the New Millennium** opened in Tallinn, organised by the Ministry of Finance, Eesti Pank and the World Bank.

6 JULY

The Supervisory Council of the Financial Supervision Authority appointed Head of Eesti Pank's Banking Supervision Department **Andres Trink** Chairman of the intermediate Management Board of the FSA.

30 JULY

The international rating agency Fitch placed Estonia's long-term foreign currency rating BBB+, the short-term foreign currency rating F2 and the local currency long-term rating A on rating watch positive.

14 AUGUST

Estonian Balance of Payments Yearbook 2000 was published for the first time as a separate edition. After the restoration of independence the first balance of payments was drawn up in 1992.

16 AUGUST

The German Minister of Economy **Hans Eichel** visited Eesti Pank where he discussed the readiness of the Estonian economy and the financial sector for European Union membership with the Governor of Eesti Pank **Vahur Kraft**, Deputy Governors **Märten Ross** and **Andres Sutt** and experts of the bank.

22 AUGUST

The Belgian Minister of Finance **Didier Reynders** and Director General of the European Central Bank **Pierre van der Haegen** visited Eesti Pank. The discussion at their meeting with the Governor of Eesti Pank **Vahur Kraft**, Deputy Governor **Märten Ross** and experts of the bank focused on Estonia's economic situation and entering the European Monetary Union.

26 AUGUST

Ninth joint seminar of the central banks of Estonia and Finland began in Oulu, Finland. Besides analysing the economy and financial sector of Finland and Estonia, the introduction of the euro banknotes and coins as well as the role of the economic research department in central banks was discussed.

30 AUGUST

The international rating agency Fitch upgraded Estonia's long-term foreign currency rating or sovereign rating to A-, short-term foreign currency rating to F1 and long-term local currency rating to A+.

13 SEPTEMBER

The Governor of Eesti Pank issued a decree on customs clearance of currency and securities.

18 SEPTEMBER

Eesti Pank hosted a **joint meeting of Riigikogu's Financial Committee and the Monetary Policy Committee of the central bank.**

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?**

21 SEPTEMBER

The electoral college elected Arnold Rüütel as president of the Republic of Estonia.

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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 organisation and the regulations of the Council.

27 SEPTEMBER

Due to the creation of the Financial Supervision Authority and the need to optimise the structure of the central bank, **the Financial Stability Department** was formed at Eesti Pank. **Sven Meimer** 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 against the USA. Estonian commercial banks announced that none of them is connected through bank accounts, loans or investment and personal banking services with the companies, organisations and private individuals listed in the 23 September Decree of the President of the US.

3 OCTOBER

Sven Meimer, Head of the newly created Financial Stability Department, was appointed member of the Monetary Policy Committee.

4 OCTOBER

Eesti Pank issued an information folder **Euro in Europe, Kroon in Estonia.**

8 OCTOBER

The Banking Supervision Department of Eesti Pank registered the representative office of the Latvian **Parekss Banka.**

10 OCTOBER

The Bank of England and Eesti Pank held a joint seminar **Development of Strategy and Planning in Central Banks** at the Maardu training centre.

17 OCTOBER

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

19 OCTOBER

The 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 for the first time in Estonia.

24 OCTOBER

Samples of **euro banknotes** were put on display at the Museum of Eesti Pank.

26 OCTOBER

A **statistics seminar of the central banks of the Baltic States** took place at the Maardu training centre.

29 OCTOBER

John Odling-Smee, Director of the European II Department of the International Monetary Fund, arrived in Estonia.

8 NOVEMBER

Eesti Pank held a briefing on euro cash, with **Urpo Levo**, Head of the Payment Instruments Department of the Finnish central bank, and **Jyrki Ahvonen**, Head of the Security Department of the Finnish central bank.

12 NOVEMBER

The Minister of Finance set the rates of the share of the supervision fee for the 2002 budget of the Financial Supervision Authority.

14 NOVEMBER

Riigikogu decided to appoint auditors **Urmas Kaarlep** and **Tiit Raimla** of AS PricewaterhouseCoopers to audit the 2001 activities of Eesti Pank and evaluate the central bank's annual report.

20 NOVEMBER

The international rating agency **Standard & Poor's (S&P)** upgraded Estonia's long-term foreign currency rating or sovereign rating to **A-** from **BBB+**. The short-term foreign currency rating and local currency rating were affirmed at **A-2**, the long-term local currency rating at **A-**.

28 NOVEMBER

Eesti Pank and the central bank of Finland signed an agreement under which the Finnish central bank delivered euro cash to the Estonian central bank and Eesti Pank distributed it to Estonian commercial banks.

3 DECEMBER

The Banking Supervision Department of Eesti Pank registered the **Estonian representative office of Norddeutsche Landesbank Girozentrale (Nord LB)**.

5 DECEMBER

Riigikogu passed the **law on replacing units of currency with the euro in legal acts**.

7 DECEMBER

Summit of the leaders of the European Central Bank, the System of European Central Banks and central banks of the EU candidate countries took place in Berlin.

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Representatives of Eesti Pank and six commercial banks operating in Estonia signed a purchase agreement on euro cash under which the central bank purchased euro banknotes for the commercial banks.

10 DECEMBER

Eesti Pank hosted the **joint meeting of Riigikogu's European Affairs Committee and the Central Bank Monetary Policy Committee**.

13 DECEMBER

Riigikogu amended the Credit Institutions Act. The aim of the amendments was to bring the Act fully into line with the banking directives of the European Union.

17 DECEMBER

The Board of the Financial Supervision Authority (FSA) appointed **Andres Trink** as Chairman of the FSA Board and **Kristjan-Erik Suurväli**, **Kaido Tropp**, **Andres Kurgpõld** and **Kilvar Kessler** members of the Board.

18 DECEMBER

The Board of Eesti Pank took notice of the **Development Plan of Eesti Pank for 2002–2004**.

19 DECEMBER

Riigikogu passed the 2002 state budget, in which income and expenditure are balanced at 33,130,693,000 kroons.