

BANK OF GREECE

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STATUTE

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NINTH EDITION



ATHENS  
2000

## INTRODUCTORY NOTE

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*The Statute of the Bank of Greece is attached, as Annex IV, to the Protocol re: “Approval of a loan of 9.000.000 pound sterling”, the terms of which were approved by the Council of the League of Nations and was signed by the Greek Government in Geneva on 15 September 1927. The Protocol was ratified by Legislative Decree of 10 November 1927, which was further ratified by Law 3423/7.12.1927. In implementation of the Protocol, the Greek State and the National Bank of Greece entered into an agreement on 27 October 1927, re: «Waiving by the National Bank of Greece of its privilege of issuing banknotes and establishment of a new Bank under the name “Bank of Greece”». The said agreement and the Statute of the Bank of Greece annexed thereto, pursuant to which the Bank of Greece was established, were ratified by another Legislative Decree, also dated 10 November 1927, which was further ratified by Law 3427/7.12.1927 (Government Gazette, A 298).*

*It is stipulated in Article 1 para b of the above mentioned Legislative Decree that the provisions of the Statute of the Bank of Greece have the force of law and more specifically the force of a superior law prevailing over any other provision of domestic law, given that the Statute of the Bank of Greece forms part of an international agreement which was ratified by Law (see Article 28 para 1 of the Greek Constitution). Moreover, the Statute of the Bank of Greece, as explicitly stated in its Article 7, is amended by “a decision of the General Meeting of the Shareholders ratified by Law”.*

*Since then, several – though rather minor – amendments were made to the Statute of the Bank of Greece, which nevertheless necessitated updated editions based on the initial codification of Presidential Decree 21/22.8.1931 re: “Codification of provisions pertaining to the Bank of Greece” (Government Gazette, A 287). Thus, any amendments made to the Statute from time to time appear to be “codified” into a single text.*

*Substantial amendments to the Statute were decided by the Extraordinary General Meeting of the Shareholders of the Bank held on 22.12.1997 and ratified by Law 2609/1998 (Government Gazette A 101), in compliance with the provisions of the Treaty on European Union (Law 2077/1992, Government Gazette A 136) and Law 2548/1997 (Government Gazette A 259) re: “Provisions on the Bank of Greece”,\* determining the necessary amendments to be made to the Statute. Said amendments, already incorporated into the previous eighth edition of the Statute (1998), mainly related to the determination of the Bank’s primary objective and its main tasks, the establishment of its independence, the relations of the Bank with the Parliament and the government, as well as the creation of a Monetary Policy Council.*

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\* By Article 19 of Law 2832/2000 (Government Gazette A 141) most of the provisions of Law 2548/1997 have been repealed, in order to avoid any confusion that could be caused by their existence in parallel with the provisions of the Statute, into which they had already been incorporated.

# BANK OF GREECE

## STATUTE

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## SECTION I

### GENERAL

#### Article 1

A Corporation (Société Anonyme) is hereby established under the name “Bank of Greece”, having its seat in Athens, and governed by this Statute.

The duration of the Bank shall extend to December 31st 2020<sup>1</sup> and may be further extended by a decision of the General Meeting of its Shareholders ratified by a Decree.

#### Article 2<sup>2</sup>

The main tasks of the Bank of Greece shall be to:

a) define and implement monetary policy. The concept of monetary policy shall be understood to include credit policy;

b) conduct the policy on the exchange rate of the drachma against other currencies, within the framework of exchange rate policy chosen by the government, following consultation with the Bank of Greece;

c) hold and manage the country’s official foreign reserves, consisting of the foreign exchange and gold reserves of the Bank of Greece and of the State, and carry out foreign exchange operations;

d) supervise credit institutions, as well as other enterprises and institutions of the financial sector, in accordance with Article 55A hereof;

e) promote and oversee the smooth operation of payment systems, as well as of trading, settlement or clearing systems for over-the-counter (OTC) transactions in securities and other financial instruments, in accordance with Article 55 no. 5 hereof;<sup>3</sup>

f) have the exclusive privilege of issuing banknotes which have the status of legal tender within Greece;

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1 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 29 April 1991, which was ratified by the sole article of Law 2010/1992 (Government Gazette A 20/14 February 1992). The extension of the duration of the Bank until the 31st December 2000 has been provided by para 1 of Article 1 of Legislative Decree 413/1970 (Government Gazette A 16/22 January 1970).

2 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

3 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

g) act as treasurer and fiscal agent for the government, in accordance with Articles 45 and following hereof.

In order to perform its tasks and fulfil its duties under Article 5 of the Statute of the European System of Central Banks (ESCB) and of the European Central Bank (ECB), the Bank of Greece shall collect the necessary information and data, as laid down in Article 55C hereof.<sup>1</sup>

As from the adoption of the euro as the currency of Greece, the Bank shall no longer autonomously perform the tasks under a,b,c and the ESCB- related tasks under e above, but, being an integral part of the European System of Central Banks, shall contribute to the performance of the tasks of the ESCB according to Article 2 of the ESCB Statute and shall act in accordance with the guidelines and instructions of the ECB, as stipulated in Articles 105 (2) and (3) and 111 of the Treaty establishing the European Community as well as in Articles 3, 12, 14.3, 30 and 31 of the ESCB Statute. As from the same date, the Bank of Greece may issue banknotes which have the status of legal tender in accordance with the provisions of Article 106 of the Treaty establishing the European Community and Article 16 of the ESCB Statute.<sup>2</sup>

The Bank of Greece may participate in international monetary and economic organisations, subject to the approval of the European Central Bank under Article 6.2 of the Statute of the European System of Central Banks.<sup>3</sup>

#### Article 3<sup>4</sup>

The Greek State undertakes the obligation, during the period of the privilege granted to the Bank, not to issue or re-issue money of any type other than coins in circulation, in denominations not higher than one thousand drachmae and such coins only through the Bank at its request or pursuant to the law.<sup>5,6</sup>

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1 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 As this paragraph was replaced by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

3 As this paragraph was amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

4 As amended by Article 24 of Law 2008/1992 (Government Gazette A 16/11 February 1992). Article 3 had been amended by Article 2 of Law 1126/1949 (Government Gazette A 240/5 October 1949) and then further amended, first by the decision of the General Meeting of Shareholders of the Bank of Greece held on 29 April 1960 on the basis of the approval given by Article 2 of Law 4034/1960 (Government Gazette A 14/15 February 1960) and later by Article 2 of Law 1261/1982 (Government Gazette A 72/18 June 1982).

5 See also paragraph 1 of Article 1 of the Agreement between the Greek Government and the Bank of Greece dated 14 August 1980 and ratified by Article 1 of Law 1261/1982 (Government Gazette A 72/18 June 1982), reading as follows: "The Bank of Greece, not waiving its right under Articles 3 and 56 indent 1 of its Statute to issue banknotes of denominations higher than twenty drachmae, recognizes the right of the State to issue metal coins of a denomination of fifty drachmae, which are to circulate simultaneously with the banknotes of equal denomination issued by the Bank".

6 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

All necessary charges for the issuance and circulation of the metal coins of up to one thousand drachmae shall be covered by the Expenses Budget of the Ministry of Finance, to which the relevant credits shall be listed.<sup>1</sup>

All details pertaining to the issuance and circulation of said coins shall be regulated by relevant decisions of the Minister of Finance.

As from the adoption of the euro as the currency of Greece, the quantity of coins issued shall be subject to the approval of the European Central Bank and the denominations and technical specifications of euro coins shall be determined in accordance with the provisions of Article 106 (2) of the Treaty establishing the European Community.<sup>2</sup>

#### Article 4<sup>3</sup>

The primary objective of the Bank of Greece shall be to ensure price stability.

Without prejudice to this primary objective, the Bank shall support the general economic policy of the government.

As from the adoption of the single European currency (euro) as the national currency of Greece, the Bank of Greece, as an integral part of the ESCB and in accordance with the terms set out in Article 105 paragraph 1 of the Treaty establishing the European Community shall pursue the primary objective of maintaining price stability.<sup>4</sup>

#### Article 5<sup>5</sup>

#### Article 5A<sup>6</sup>

When carrying out the tasks conferred upon them, neither the Bank of Greece nor any member of its decision-making bodies shall seek or take instructions from the gov-

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1 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 As this paragraph was added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

3 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

4 The decision of the General Meeting of the Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000) determines that: «Wherever the Statute refers to the “adoption of the euro as the national currency of Greece” such references shall be replaced by the words “adoption of the euro as the currency of Greece” and any references to the “Treaty on European Union” shall be replaced by the words “Treaty establishing the European Community”». In the present text of the Statute the new phrasing is adopted.

5 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

6 Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

ernment or any organisation. Neither the government nor any other political authority shall seek to influence the decision-making organs of the Bank in the performance of their duties.

#### Article 5B<sup>1</sup>

The Bank of Greece shall submit to the Parliament and to the Council of Ministers an annual report on the monetary policy of the previous and the current year. During the year, the Bank shall submit a supplementary report on monetary developments and monetary policy. As from the establishment of the ESCB, the Bank of Greece shall assist the ECB in fulfilling its reporting commitments, as laid down in Article 109B, paragraph 3 of the Treaty establishing the European Community and Article 15 of the Statute of the ESCB.

The Governor of the Bank of Greece, when asked, shall appear before the competent parliamentary committee to report on matters relating to the Bank's fields of competence. For the same reason, the Governor may ask the Speaker of the Greek Parliament to invite him to appear before the committee.

Without prejudice to the previous article, the Governor of the Bank of Greece shall be invited and may attend meetings of the Council of Ministers or of competent committees thereof whenever the issues discussed pertain to the objectives and tasks of the Bank of Greece.

The Bank of Greece shall be consulted on any draft legislative provision concerning the tasks referred to in Article 2 hereof. The Bank of Greece may submit proposals to the government on matters in the fields of competence of the Bank.

#### Article 6<sup>2</sup>

The Head Office of the Bank shall be located in Athens.

The Bank is empowered to establish branches or agencies, or to appoint agents anywhere in Greece, and may establish agencies or appoint agents abroad.

#### Article 7

The present Statute may be amended by a decision of the General Meeting of Shareholders, ratified by law.

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1 Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

2 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

**SECTION II****CAPITAL AND RESERVES****Article 8**

The share capital of the Bank, determined upon establishment thereof at 400 million drachmae, was divided into 80,000 shares (of 5,000 drachmae each), was fully paid up by the National Bank of Greece, which took over the whole of the share capital as provided for in Article 2 of the Agreement between the Government and the National Bank of Greece, to which this Statute is annexed. The share capital of the Bank of Greece, following revaluation according to Decree 14 of 27 November 1956 on “the revaluation of the balance sheets of Sociétés Anonymes”, is determined as from 1 January 1957 at 168 million drachmae, divided into 80,000 shares.<sup>1</sup>

[Following the decision of the Bank’s General Council of 10 April 1998 (Meeting No. 4), which was approved by the Act of the Council of Ministers No. 23/3 June 1998 (Government Gazette A 177/3 June 1998), the share capital of the Bank now amounts to 16,686,504,800 drachmae, divided into 2,979,733 shares, each of a nominal value of 5,600 drachmae.<sup>2</sup>]

The shares of the Bank are registered. The transfer of shares shall be made by the inscription thereof in a special book, and a new certificate of ownership shall be issued on the occasion of each transfer. The transfer shall be signed by the transferor, or his attorney, and the Governor of the Bank.<sup>3</sup>

Every shareholder, wherever his residence may be, shall recognise Athens as his domicile for the purpose of his relations, as shareholder, with the Bank of Greece, and

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1 As this paragraph was amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 11 April 1957, which was ratified by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959).

2 See previous successive increases in the Bank’s share capital by virtue of Article 1 para 2 of Legislative Decree 413/1970 (Government Gazette A 16/22 January 1970); Article 1 para 1, of Legislative Decree 889/1971 (Government Gazette A 101/25 May 1971) and the decision of the Bank’s General Council of 23 March 1977, which was approved by Council of Ministers’ Act No. 60/13 April 1977 (Government Gazette A 104). The share capital was further increased by virtue of Articles 10 through 18 of Law 1249/1982 (Government Gazette A 43/5 April 1982) and the decision of Bank’s General Council of 8 December 1982, which was approved by Council of Ministers’ Act No. 151/29 December 1982 (Government Gazette A 153); Article 11 of Law 1839/89 (Government Gazette A 90/7 April 1989) and the decision of the Bank’s General Council of 21 September 1998 (Meeting No. 13), which was approved by Council of Ministers’ Act No. 120/18 November 1988 (Government Gazette A 263/18 November 1988); and Articles 22 and 23 (para 3) of Law 2065/92 (Government Gazette A 113/30 June 1992) and the decision of the Bank’s General Council of 10 October 1994 (Meeting No. 10), which was approved by Council of Ministers’ Act No. 456/23 November 1994 (Government Gazette A 199/29 November 1994).

3 See Article 5 of Legislative Decree 244/1973 (Government Gazette A 238/18 December 1973), authentically construing Article 8b of Royal Decree 174/1963 (Government Gazette A 37/30 March 1963) as follows: “The true meaning of Article 8b of Royal Decree 174/63 re “codification of the provisions of Law 2190/20 in a single text etc.” is that the procedure for the transfer of registered shares stipulated by that article shall not apply to the shares of the Bank of Greece, the transfer of which shall be governed by the Bank’s Statute, ratified by Law 3424/1927”.

shall be subject to the Greek laws and to the jurisdiction of the Courts of Athens. The ownership of a share certificate implies, ipso facto, the acceptance of the provisions of the Bank's Statute and the decisions taken in accordance therewith by the organs of the Bank. Shareholders shall be liable only to the extent of the nominal amount of their holding and shall possess, towards the Bank, only such rights as expressly granted to them by this Statute. It is forbidden in particular to the shareholders of the Bank and their creditors to apply for the sequestration or seizure of the books or assets of the Bank.

The State, as well as public enterprises, shall not, directly or indirectly, hold shares of the Bank amounting, in the aggregate of such holdings, to more than thirty five per cent (35%) of the nominal issued share capital.<sup>1</sup>

The provisions on dematerialised registered shares listed on the Athens Stock Exchange, as from time to time in force, shall be applicable on the shares of the Bank. Entry in the dematerialisation system shall be considered as registration in the special book referred to in the second paragraph of this article. As per article 72 of the Statute, it remains in force.<sup>2</sup>

#### Article 9

The share capital of the Bank may be increased by a decision of the General Council, subject to the approval of the Government. Every such increase shall be fully paid up, and the price at which such further shares shall be issued, as well as the mode of issuance, shall be fixed by a decision of the General Council, subject to the approval of the Government. The same procedure shall be followed when deciding a share split and determining the nominal value of the resulting parts, each of them forming a share.<sup>3</sup>

#### Article 10

The regular reserve (and special reserve funds, if any), shall be built up out of the annual net profits as provided for in Article 71. Appropriations to the regular reserve may be suspended whenever it amounts to, or exceeds, the paid-up capital of the Bank.

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1 As this paragraph was amended by the decision of the Extraordinary General Meeting of Shareholders of the Bank of Greece held on 7 October 1999, which was ratified by Law 2778/1999 (Government Gazette A 295/30 December 1999).

2 As this paragraph was added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 29 April 1999, which was ratified by Law 2733/1999 (Government Gazette A 155/30 July 1999).

3 This last indent was added by the decision of the Extraordinary General Meeting of Shareholders of the Bank of Greece held on 7 October 1999, which was ratified by Law 2778/1999 (Government Gazette A 295/30 December 1999).

**SECTION III****GENERAL MEETINGS OF SHAREHOLDERS****Article 11**

The General Meeting of Shareholders, as constituted by the provisions of this Statute, is the supreme organ of the Bank and represents the whole body of shareholders. Its decisions are binding upon all shareholders, including those absent or disqualified from attending a meeting or disagreeing with the decisions taken thereat.

**Article 12**

General Meetings shall be held as follows:

(a) a General Meeting shall be held regularly once a year, not later than the month of April.

(b) Extraordinary General Meetings shall be held whenever required.

General Meetings and Extraordinary General Meetings shall be convened by the General Council. The General Council at the request, in writing, of duly qualified shareholders, representing at least one quarter of the share capital, shall call for an Extraordinary General Meeting to take place within thirty days from the receipt of such request. Every such request shall be accompanied by the issues to be submitted to the meeting and by a statement of support.

The notice calling for a General Meeting, specifying the place, the date, the time and the agenda, shall be displayed in a prominent position in the Offices of the Bank and shall be published in the Government Gazette and in such newspapers as the General Council may decide. Not less than twenty-one days' notice shall be given prior to any General Meeting.

In the case of the Annual General Meeting, copies of the annual report shall be obtainable by shareholders at all the Offices of the Bank.

Proposals to amend this Statute, with the exception of the capital increase provided by Article 9, may also be discussed at the Extraordinary General Meetings, to be held for this purpose. Decisions taken on such issues shall be submitted to the Parliament, through the Government, for ratification.<sup>1</sup>

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<sup>1</sup> This last paragraph was added by para a of the sole article of Law 5534/1932 (Government Gazette A 192/17 June 1932).

### Article 13<sup>1</sup>

Every shareholder, who owns at least twenty five shares and has been registered as such in the books of the Bank not less than three months prior to the General Meeting, shall be entitled to sit and vote at any General Meeting. Twenty-five shares shall confer upon their holder the right of one vote. Shareholders having less than twenty-five shares may appoint a shareholder as a joint representative who may sit at the General Meetings, provided that he represents at least twenty-five shares. In the event of a share split according to the third indent of article 9 hereof, the above minimum number of shares entitling shareholders to participate, be represented and vote at a General Meeting of Shareholders may be adjusted accordingly, from time to time, by a decision of the General Council.<sup>2</sup>

### Article 14

The following persons shall not be entitled to exercise the rights of shareholders at the General Meetings, individually or by proxy:

- (a) persons not having the Greek citizenship;
- (b) persons declared bankrupt, during the period of the limitation of their rights;
- (c) persons who have not fulfilled their obligations towards the Bank, or whose bills, kept by the Bank, have been protested and remain unpaid;
- (d) persons whose civil or political rights have been curtailed or withdrawn, as a result of conviction for a criminal offence, so long as such curtailment or withdrawal remains in force.

### Article 15

No employee of the Bank may represent a shareholder at a General Meeting, except in his capacity as a relative up to the fourth degree inclusive, or as a legally appointed trustee or administrator.

### Article 16<sup>3</sup>

Every shareholder who has the right to sit and vote at the General Meetings is entitled to exercise such right by proxy, subject to the limitations provided by Article 13.

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1 As replaced by Article 3 of Legislative Decree 244/1973 (Government Gazette A 328/18 December 1973).

2 This last indent was added by the decision of the Extraordinary General Meeting of Shareholders of the Bank of Greece held on 7 October 1999, which was ratified by Law 2778/1999 (Government Gazette A 295/30 December 1999).

3 As replaced by Article 4 of Legislative Decree 244/1973 (Government Gazette A 328/18 December 1973).

**Article 17**

The General Council shall prescribe the form in which the right of voting shall be given. The proxies must be lodged with the Secretariat at least seven days prior to the Meeting.

**Article 18**

The Chairman of General Meetings of Shareholders shall be elected by the Meeting.<sup>1</sup> In case of a tie, the Chairman shall have a casting vote.

**Article 19**

The Annual General Meeting of Shareholders shall be the only competent organ to deal with the following matters:

- (a) approval of the annual report;
- (b) approval of the Balance Sheet following the report of the Auditors;
- (c) appropriations to reserve and other special funds; the fixing of dividends, and any other disposal of net profits;
- (d) election or removal of members of the General Council and of the Auditors and the fixing of their fees and travelling expenses;
- (e) discharge from all personal responsibility of members of the General Council and of the Auditors. The voting on this issue shall be conducted by show ballot and by roll-call;
- (f) proposals to amend this Statute, except the increase of capital (Article 9); such proposals to be submitted to the Parliament through the Government;
- (g) proposals on any other matter submitted to the Meeting by the General Council.<sup>2</sup>

Subject to the provisions of this Statute, the General Meeting with reference to its works will decide upon the method of procedure.

**SECTION IV****ADMINISTRATION****1. GENERAL COUNCIL****Article 20<sup>3</sup>**

The general management of the affairs of the Bank shall be entrusted to the General Council, responsible to the General Meeting of Shareholders. The General

<sup>1</sup> As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

<sup>2</sup> As amended by Article 6 of Legislative Decree 244/1973 (Government Gazette A 238/18 December 1973).

<sup>3</sup> As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

Council, within the limits of the Statute, shall be entitled to take all decisions and exercise all powers which are not specifically reserved to the General Meeting of Shareholders or to the Monetary Policy Council or, as provided for in Article 31, last paragraph, and Article 55A hereof, to the Governor of the Bank.

#### Article 21<sup>1</sup>

The General Council shall consist of the Governor, the two Deputy Governors and the other members of the Monetary Policy Council as well as of six Councillors. Three, at least, of the General Council members shall be elected amongst those specifically engaged in the fields of industry, commerce and agriculture.

The Governor and Deputy Governors shall be appointed as provided for in Article 29, while the other members of the Monetary Policy Council as provided for in Article 35A.

The six Councillors shall be elected by the General Meeting of Shareholders for a renewable three-year term.

The members of the Monetary Policy Council other than the Governor and the Deputy Governor shall participate in the General Council, as provided for in Article 35A, as from the day following the 1998 General Meeting of Shareholders. The serving Councillors shall remain in office until the 1998 General Meeting of Shareholders is held, on which date their term of office shall ipso jure terminate.

Following a drawing of lots, two Councillors amongst the six Councillors so elected at the 1998 General Meeting of Shareholders shall retire at the 1999 General Meeting of Shareholders, two more at the 2000 General Meeting of Shareholders and the other two at the 2001 General Meeting of Shareholders.

#### Article 22<sup>2</sup>

Persons belonging to the following categories cannot be elected Councillors:

(1) members of the Government, or civil servants, or employees of public institutions and enterprises;

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1 As initially amended by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959) and embodied, under Article 1 para 3 thereof, in the Bank's Statute by Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2) and as subsequently amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

2 As initially amended of Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959) and embodied, under Article 1 para 3 thereof, in the Bank's Statute by Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2) and as subsequently amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

- (2) members of Parliament;
- (3) counsels or employees of other Banks;
- (4) any person whose status comes within the definitions of Article 14.<sup>1</sup>

Upon the establishment of the European System of Central Banks (ESCB), the Governor shall participate, *ex officio*, as an independent personality in the Board of Directors and the Governing Council of the European Central Bank (ECB), in accordance with the Statute of the ESCB.

The Governor and Deputy Governors may participate in the Board of Directors of the Bank for International Settlements.

Persons who are associated in a business or who are relatives up to the third degree inclusive may not serve at one and the same time as Governors or Councillors of the Bank. In the event of a vacancy in a Councillor's position occurring in the course of the year between two Annual General Meetings of Shareholders, the General Council shall appoint in replacement a new Councillor to hold office until the next Annual General Meeting of Shareholders.

The Governor, Deputy Governors, and Councillors shall, on taking up office, take oath to strictly and faithfully observe the provisions of this Statute, to promote the welfare of the Bank in all respects, to devote themselves, honourably and assiduously, to the administration of the Bank's business, and be pledged to secrecy with regard to the Bank's transactions. The Governor and Deputy Governors shall take oath before H.M. the King,<sup>2</sup> and the Councillors before the Governor at a meeting of the General Council.

### Article 23<sup>3</sup>

### Article 24<sup>4</sup>

The Governor, Deputy Governors and Councillors may be relieved from office by the General Meeting of Shareholders if they are no longer capable of performing their

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1 As this paragraph was amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 As, under the present Constitution of Greece, adopted in 1975, Greece is a Presidential Parliamentary Republic, the Governor now takes the oath before the President of the Republic.

3 Replaced by Legislative Decree 1385/1973, Article 1 para 1 (Government Gazette A 94/24 April 1973), which was repealed by Legislative Decree 244/1973, Article 2 para 1 (Government Gazette A 328/18 December 1973). The repealed article read as follows: "During his term of office, every Councillor must hold, registered in his name, not less than five shares of the Bank. This provision applies also to persons who are Councillors at the time of publication hereof". Prior to its replacement this article provided that every Councillor was obliged to hold, registered in his name, not less than 25 shares of the Bank.

4 As amended, originally by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959), by Article 1 para 3 of which it was incorporated in the Bank's Statute, pursuant to Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2), and subsequently by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

duties or are guilty of serious misconduct, especially if they have violated the present Statute, disclosed confidential information about the affairs of the Bank or abused their position for their own benefit or for business purposes.

#### Article 25

The office of Councillors shall be honorary. Their fees and travelling expenses relevant to the exercise of their duties as Councillors shall be determined by the General Meeting of Shareholders.

#### Article 26<sup>1</sup>

The Governor or, in his absence, the Deputy Governor replacing him as provided for in Article 32, shall summon meetings of the General Council as often as may be required, but not less frequently than once a month, and shall take the chair at these meetings. A quorum shall be met when not less than six members are present.

Decisions shall be taken by a simple majority of votes of the members present at the meeting. In the event of a tie, the Chairman shall have a casting vote.

The minutes of meetings of the General Council shall contain the names of the Councillors present and reference to any decisions taken thereat.

The minutes shall be signed by the Chairman of the Meeting and a member of the General Council.

No Councillor shall be entitled to a leave of absence extending beyond a maximum of four months within the year except in the case of “vis major” justifying his absence. A Councillor who fails to attend the meetings of the General Council for a period of four months within a year, or has been absent from four consecutive meetings without being on leave or without the concurrence of a case of vis major, shall be deemed to have resigned and shall be replaced according to the stipulations of the present Statute. The second sentence of Article 35 shall also apply to the Councillors of the Bank.

The General Council may decide to hold its meetings outside the Bank’s Head Office but within the Greek territory.<sup>2</sup>

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1 As amended by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959 ), Article 1 para 3 of which it was incorporated in the Bank’s Statute pursuant to Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2).

2 The last paragraph was added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 30 April 1992, which was ratified by Article 8 para 1 of Law 2275/1994 (Government Gazette A 238/29 December 1974).

## Article 27

The General Council shall decide on the following matters:

- a)<sup>1</sup>
- b) general conditions and the extent of business conducted by the Bank outside the scope of ESCB- related tasks.<sup>2</sup>
- c) eligibility of applicants for accommodation by way of discount or advances and the sanctioning of the credit limits proposed by the Governor for such accommodation, unless these matters fall within the field of competence of the Monetary Policy Council;<sup>3</sup>
- d) the sanctioning of renewal bills, the renewal of advances for fixed periods, and the periodical review (not less than once every six months) of all credits, discount, and advances, unless these matters fall within the field of competence of the Monetary Policy Council;<sup>4</sup>
- e)<sup>5</sup>
- f) the appointment or dismissal of Directors, on the proposal of the Governor, and the general internal organisation of the Bank;
- g)<sup>6</sup>
- h)<sup>7</sup>
- i) matters connected with the acquisition of immovable property required for the business of the Bank and the temporary acquisition and sale of similar property under Article 58;
- j) the depreciation of the Bank's assets;
- k) without prejudice to the provisions of Articles 30 and 31 of the Statute of the European System of Central Banks, the appointment of foreign correspondents and the fixing of the maximum amounts of the funds which may be held with them for account of the Bank, as well as the limit of credit facilities by way of discounts or loans to be granted to them;<sup>8</sup>
- l) questions concerning the design, text, material, denominations, and supply of banknotes denominated in drachmae, their withdrawal and cancellation, and the terms on

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1 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

2 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

3 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

4 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

5 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

6 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

7 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

8 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

which mutilated banknotes denominated in drachmae may be paid; the design, text, and denominations shall, however, be fixed in agreement with the Minister of Finance;<sup>1</sup>

m) questions regarding the liquidation of bankrupt enterprises and of debts due to the Bank;

n) the opening or closing of Branches and Agencies of the Bank;

o) the agenda for General Meetings;

p) the signatures binding upon the Bank;

q) the approval of the annual report and balance sheet to be submitted to the Annual General Meeting.

Subject to the provisions of this Statute, the General Council shall decide upon the method of procedure to apply on its works and may form Committees consisting of its members to consider, or decide upon, such matters as may be entrusted to them by the General Council.

## 2. EXECUTIVE COMMITTEE

### Article 28<sup>2</sup>

If, in case of affairs reserved to the decision of the General Council, the taking of a decision becomes urgent, such decision may be taken by an Executive Committee consisting of the Governor, one of the Deputy Governors, and two other members of the General Council. The meetings of this Committee shall be called upon by the Governor or, in his absence, by the Deputy Governor replacing him as provided for in Article 32, and a quorum shall be met when not less than three members are present; if only three members are present, the decisions of the Committee must be unanimous. All decisions taken shall be recorded in minutes and be submitted to the General Council for approval at its next meeting.

## 3. THE GOVERNORS

### Article 29<sup>3</sup>

The Governor and the Deputy Governors shall be appointed for a six-year term by a Presidential Decree on a proposal of the Council of Ministers following a proposal by

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1 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 As amended by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959), by Article 1 para 3 of which it was incorporated in the Bank's Statute pursuant to Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2).

3 As initially amended by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959) and embodied, under Article 1 para 3 thereof, in the Bank's Statute by Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2) and as subsequently amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

the Bank's General Council. They shall devote their whole time to the affairs of the Bank, except in cases where, by law, they are members of the Board of Directors of legal entities in public law, public enterprises or state advisory bodies.

University professors of Law and Economics may be appointed to the positions of Governor and Deputy Governor of the Bank, while retaining the right to exercise their university duties.

#### Article 30<sup>1</sup>

1. The Governor or, in his absence, the Deputy Governor replacing him as provided for in Article 32, shall take the chair at meetings of the General Council.

Should all members of the Administration of the Bank be unable to be present, the chair, at meetings of the General Council, shall be taken by a member of the General Council elected according to Article 32.

2. The Governor shall represent the Bank before all Courts of Law and, should he be absent or unable to be present, the Bank shall be represented by the Governor's deputy according to Article 32; in the case of affairs of Branches and Agencies, the Governor may also be represented by the respective Managers or Deputy Managers thereof, or their appointed deputies.

In cases requiring the personal appearance of the Governor or his nominee before a Court or Judge, or when the Bank is put on oath, the Bank shall be represented either by the Governor or his deputy, or in business concerning the Head Office by the Director of the Legal Department or one of the Directors of the Bank thereof, or in business concerning such Branches or Agencies of the Bank by the respective Branch or Agency Manager or Deputy Manager or their appointed nominees.

#### Article 31

The Governor shall, on behalf of the General Council, be in permanent control of the management of the Bank's assets and general business, taking decisions in all cases not specifically reserved to the General Council or the Monetary Policy Council or governed by regulations which the said Councils have issued.

Except for matters assigned to the Monetary Policy Council, the Governor shall decide on all other matters falling within the duties of the ESCB.

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<sup>1</sup> As amended by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959), by Article 1 para 3 of which it was incorporated in the Bank's Statute pursuant to Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2).

Article 32<sup>1</sup>

The Governor may delegate any of his duties to the Deputy Governors.

The senior Deputy Governor, who is second only to the Governor, shall replace him when absent, unable to be present or non-existing, to the full extent of his duties. In the absence of both, the Governor shall be replaced by the junior Deputy Governor.

The seniority of the Deputy Governors shall be determined on the basis of the time elapsed since their initial appointment, provided that their term of office has been uninterrupted since then.

If all members of the Administration of the Bank are unable to be present, the Governor shall be replaced by another member of the General Council, to be appointed at the beginning of the year to this effect.

Article 33<sup>2</sup>

The staff of the Bank, with the exception of Directors, shall be appointed and may be dismissed by the Governor on the proposal of the Management Council, in accordance with Article 38.

Article 34<sup>3</sup>Article 35<sup>4</sup>

The Governor and Deputy Governors shall not engage in any business for their own account. No bills or notes signed by them shall be accepted for discount or as guarantee for an advance granted by the Bank.

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1 As amended by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959), by Article 1 para 3 of which it was incorporated in the Bank's Statute pursuant to Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2).

2 As amended by Article 1 para 1 of Law 6294/1934 (Government Gazette A 319/24 September 1934).

3 Already replaced pursuant to Royal Decree 3, dated 8/11 January 1960, this article was repealed by Article 2 para 1 of Legislative Decree 244//1973 (Government Gazette A 238/18 December 1973). The repealed article read as follows: "During their term of office, the Governor and Deputy Governors must each hold, registered in his name, not less than fifty shares of the Bank".

4 As amended by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959), by Article 1 para 3 of which it was incorporated in the Bank's Statute pursuant to Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2).

## 4. MONETARY POLICY COUNCIL

Article 35A<sup>1</sup>

The Monetary Policy Council shall be responsible for decisions pertaining to monetary policy definition and implementation and to the conduct of exchange rate policy, the operation of payment systems and the issue of banknotes. These tasks shall be exercised by virtue of Acts of the said Council. As from the adoption of the euro as the currency of Greece, the responsibilities of the Council directly related to monetary policy shall be restricted as follows:

The Monetary Policy Council shall examine economic and monetary developments and discuss the implications of the monetary policy formulated within the framework of the ESCB without prejudice to the Governor's independence from instructions as provided for in Article 22 hereof. In the execution of the ESCB- related tasks, the Council shall act in accordance with the guidelines and instructions issued by the ECB.<sup>2</sup>

The Monetary Policy Council shall comprise the Governor of the Bank of Greece, the two Deputy Governors and three (3) other members, who shall be appointed by Presidential Decree issued on a recommendation from the Council of Ministers following an opinion of the Governor, and shall take the oath provided for in Article 22 hereof.

The members of the Monetary Policy Council shall be appointed from among persons of recognised standing and professional experience in monetary or banking matters, and shall perform their duties on a full-time basis. Civil servants and employees of legal entities in public or private law shall not have the right to retain their position, once they have accepted their appointment as members of the Monetary Policy Council. However, university professors appointed members of the Monetary Policy Council retain the right to exercise their university duties as well.

Members of the Monetary Policy Council shall not disclose, even after their duties have ceased, any information acquired during the performance of their duties and which is covered by the obligation of professional secrecy.

The terms of employment and remuneration of the members of the Monetary Policy Council shall be determined by the General Council of the Bank.

The Governor and Deputy Governors are members of the Monetary Policy Council as long as they retain their position. The term of office of the remaining members is six years and is renewable. In the event of demise or withdrawal, for any reason whatsoever, of a member of the Monetary Policy Council prior to the expiry of his term of office, except for the Governor and the Deputy Governors, the term of office of the member appointed as a replacement shall be for the remainder of the term of office of the deceased or outgoing member and for an additional full term, provided that the remainder of the predecessor's term of office is less than two (2) years.

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1 Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

2 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

When the first Monetary Policy Council is established, the term of office of its members, except for the Governor and one of the Deputy Governors, may exceptionally be less than six years so as to ensure the said Council's gradual and partial renewal, as specified by law.<sup>1</sup> The exact term of office of each of these members shall be specified in the act of appointment thereof.

Chairman of the Monetary Policy Council is the Governor of the Bank of Greece or his alternate in accordance with Article 32 hereof. The Chairman shall convene a meeting of the Council whenever necessary, and at least once a month.

The quorum of the Monetary Policy Council shall be met only if a minimum of four (4) members are present at meetings. Decisions shall be taken by the Council by simple majority. In the event of a tie, the Chairman shall have the casting vote. In the event of the demise, expiry of the term of office or withdrawal of members of the Monetary Policy Council, the Council may function with a smaller number of members pending the appointment of new members. The provision of the final paragraph of Article 26 hereof shall apply accordingly to the members of the Monetary Policy Council, other than the Governor and Deputy Governors of the Bank.

The Monetary Policy Council shall be assisted in its tasks by the Bank's services and by committees comprising both members of the Council and employees of the Bank. The Council may assign these committees the task of taking decisions on matters within its fields of competence, while retaining its decision-making powers on these matters.

The Monetary Policy Council may assign the supervision of sectors within its field of competence to certain of its members.

The Council shall draw up its internal organisation and operating regulations.

The members of the Monetary Policy Council are also ex officio members of the General Council of the Bank.

## 5. MANAGEMENT COUNCIL

### Article 36<sup>2</sup>

A Management Council shall be established to ensure the singleness of policy and procedure throughout the various Departments of the Bank. The Management Council shall consist of the Governor, the Deputy Governors and the Directors.

The Management Council shall hold meetings at least once a week.

A service unit shall be formed, consisting of officers belonging to the two upper ranks of any branch and specialty, to be appointed by a Governor's Act. During the tenure of their office, said officers shall not perform duties at any other service of the Bank, but

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<sup>1</sup> See Article 13 para 2 of Law 2548/1997 (Government Gazette A 259/19 December 1997).

<sup>2</sup> As amended by Legislative Decree 4022/1959 (Government Gazette A 247/12 November 1959) and incorporated (under article 1 para 3 thereof) into the Bank's Statute by Royal Decree 3, dated 8/11 January 1960 (Government Gazette A 2).

shall be members of a Committee chaired by the Deputy Governor or by the senior Director in the Committee. The task of the Committee shall be to deal with matters lying within the competence of the Management Council, forwarded to the Committee prior to their submission to the Council for discussion. The Governor may entrust the Committee and/or any member thereof with the study of any matter.<sup>1</sup>

#### Article 37

The Management Council shall submit to the General Council a detailed report every month regarding the business and the position of the Bank, in particular those issues relevant to the discounts and advances, and shall deliver its opinion on all matters referred to it by the General Council.

### SECTION V

#### STAFF OF THE BANK

#### Article 38

The staff of the Bank, with the exception of the Directors, shall be appointed and may be dismissed by the Governor on the proposal of the Management Council.<sup>2,3</sup> Employees shall be appointed only to positions created by a decision of the General Council. The number of employees on the Bank's staff, of any rank or category whatsoever, shall be determined by the General Council taking into account the relevant needs. No employee shall be appointed, up to the rank of assistant accountant inclusive, without having passed an examination, details of which shall, on each occasion, be specified by regulations. For the auxiliary personnel (collectors etc.), a test of qualifications of each, compared with the qualifications of the other candidates, shall be sufficient. Special technical personnel may be appointed for either a specific period of time or not, by a decision of the General Council, determining their salary. Said employees may be appointed to permanent posts by a decision of the General Council, following an examination.<sup>4</sup>

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1 The last paragraph was added by Article 9 of Legislative Decree 110/1974 (Government Gazette A 307/17 October 1974).

2 This paragraph was replaced by Article 3 of Law 2120/1952 (Government Gazette A 132/12 May 1952). Thereafter, pursuant to Article 1 para 3 of Law 3123/1955 (Government Gazette A 23/2 February 1955), the position of the Bank's General Director was abolished and that provision was accordingly amended.

3 See also Article 13 para 1 of Law 2548/1997 (Government Gazette A 259/19 December 1997) re: "Provisions on the Bank of Greece".

4 This paragraph was added by Article 1 para 2 of Law 6294/1934 (Government Gazette A 319/24 September 1934).

The Directors and employees of the Bank shall be pledged to secrecy with regard to all transactions and business of the Bank.

The Directors and employees of the Bank shall receive their salaries, pensions, or any other remuneration, on terms laid down by the General Council. Their remuneration cannot take any form of commission (tantieme) or share in the profits of the Bank.

#### Article 39

The Directors and all other officials or employees of the Bank shall not be entitled to engage in business for their own account. No bills or notes signed by them shall be accepted for discount or as guaranty for an advance granted by the Bank.

### SECTION VI

#### DISCOUNT COMMITTEES

Article 40<sup>1</sup>

Article 41<sup>2</sup>

Article 42<sup>3</sup>

Article 43<sup>4</sup>

### SECTION VII

#### AUDITORS

Article 44

The first General Meeting of Shareholders and, subsequently, the Annual General Meeting shall elect three qualified persons and two substitutes as Auditors, to examine

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1 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

3 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

4 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

and report upon the balance sheet of the Bank to be presented at the next Annual General Meeting, and shall determine their fees. No Councillor or other officer of the Bank shall be eligible as Auditor during his term of office.

The Auditors are entitled to obtain any explanation or information they may require from the Governors or Directors and to examine the Bank's books and documents.

The Auditors shall submit a report to the shareholders upon the annual balance sheet and accounts, and in every such report they shall state whether, in their opinion, the balance sheet is a complete and accurate balance sheet containing all necessary particulars and properly drawn up so as to present a true and correct view of the state of the Bank's affairs, and, in case they have requested any explanation or information from the Governors or Directors, whether it has been given and whether it is satisfactory. Any such report submitted to the shareholders shall be read at the Annual General Meeting.

The Auditors may, at the expense of the Bank, employ accountants or other persons to assist them in investigating the accounts of the Bank.

With the exception of information provided to the General Meeting of Shareholders, the Auditors and their assistants shall preserve strict secrecy in regard to the affairs of the Bank.

The aforementioned audit shall be carried out without prejudice to the audit by independent external auditors under Article 27 of the Statute of the European System of Central Banks.<sup>1</sup>

## SECTION VIII

### RELATIONS WITH THE STATE

#### Article 45<sup>2</sup>

The State may entrust the Bank with its monies, remittance, foreign exchange and banking transactions in Greece and elsewhere. In particular, bank accounts and balances of the State in drachmas, including the accounts of public enterprises, may be kept with the Bank.<sup>3</sup> The State accounts and reserves in foreign currency shall be kept with the Bank.

The Bank shall pay interest on such accounts. The interest rate shall be determined in an agreement to be entered into between the parties concerned and shall in any case reflect the market terms and conditions.

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1 This paragraph was added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 4 November 1994, which was ratified by Article 8 para 3 of Law 2275/1994 (Government Gazette A 238/29 December 1994).

3 See also Article 2 of Law 6294/1934 (Government Gazette A 319/24 September 1934).

The Bank shall receive and disburse State monies and keep accounts thereof in accordance with the instructions to be given by the competent State authorities and under a remuneration to be determined in a relevant agreement. The responsibility of the Bank in relation to these funds shall be limited to the exact performance of the instructions received.

The Bank shall be entrusted with issuing and servicing all domestic State loans according to any terms to be agreed thereon.

All agreed fees for services rendered to the State shall also reflect market terms and conditions.

#### Article 46<sup>1</sup>

It is not permitted to the Bank to grant, directly or indirectly, credit facilities to the State, or the public enterprises, by way of discount, loans, advances or overdrafts nor it is permitted to the Bank to guarantee bills issued by the State Cashier's Office or other obligations of the State or public enterprises.

#### Article 47

The Minister of Finance may nominate a Government Commissioner<sup>2</sup> who shall have the right to attend all General Meetings of Shareholders and meetings of the General Council, but would not have the right to vote. The remuneration of the Government Commissioner shall be paid by the State.

The Commissioner shall have the right to protest against any decision of either the General Meeting of Shareholders or the General Council, which he considers in conflict to this Statute or other laws of the State. Any such protest, if adopted by the Minister of Finance within two days, shall have the force of a suspensive veto until the question in dispute has been resolved by a Committee consisting of three persons, to be named within seven days on a request to that effect being made either by the Bank or the Government Commissioner; the Committee should report within seven days from nomination. The Committee shall consist of one representative of the Government, one representative of the General Council, and a Chairman, to be elected upon a mutual agreement of the Government and the Bank. Failing an agreement, Chairman shall be the President of the Supreme Court.

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1 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 4 November 1994, which was ratified by Article 8 para 3, of Law 2275/1994 (Government Gazette A 238/29 December 1994).

2 For the Government Commissioner see Law 3729/1929 (Government Gazette A 1/3 January 1929), Legislative Decree 1/1968 (Government Gazette A 270/21 November 1968) and Ministerial Decisions 68062-3311/1969, 200543/1971 (Government Gazette B 281 and 955, respectively), 145255/74 (Government Gazette B 979) etc., and, more recently, Ministerial Decision 34020/223/86 (Government Gazette B 149).

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**Article 48**

No representative of the Government shall have access to the books of either the Head Office, or the branches of the Bank, except in the case of the purposes of the preceding Article, where the Government Commissioner may require the Administration of the Bank to furnish him with whatever evidence may be necessary to enable him to form his opinions. The Government Commissioner shall observe strict secrecy in regard to the affairs of the Bank.

**Article 49**

Any other question in dispute between the Government and the Bank, other than those leading to a suspensive veto of the Government Commissioner, shall also be settled by arbitration in the same manner as is laid down in Article 47.

**Article 50**

The Bank shall not be subject to any special regulations issued by the Government, or by its subordinate authorities, during the period of its privilege of issuing banknotes, with the exception of the regulations provided for in this Statute.

**SECTION IX****ACCOUNTS AND STATEMENTS****Article 51**

The financial year of the Bank shall begin on January 1st and shall end on December 31st. At the end of the financial year, the accounts of the Bank shall be submitted for auditing to the Auditors elected by the Annual General Meeting of Shareholders, as provided for in Article 44.

**Article 52<sup>1</sup>**

The Bank shall draw up a statement of its assets and liabilities as at the 15th and last day of each month, and shall publish it not later than a week after these dates.

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<sup>1</sup> As replaced by Article 4 of Law 2120/1952 (Government Gazette A 132/12 May 1952).

**Article 53**

The Bank shall also publish, annually, and not later than one month prior to the date of the Annual General Meeting of Shareholders, its balance sheet and profit and loss account as at December 31st of the preceding year.

**Article 54**

The Bank shall publish said statements, balance sheet, profit and loss account, and other notifications in the Government Gazette and in such newspapers as the General Council may decide. A copy of all statements of accounts and notifications and of the annual report shall be sent to the Minister of Finance.

**Article 54A<sup>1</sup>**

The accounts and reports of the Bank shall be drawn up on the basis of the accounting rules and techniques applicable each time to the ESCB as determined by the ECB.

**SECTION X****BUSINESS OF THE BANK AND MONETARY POLICY INSTRUMENTS<sup>2</sup>****Article 55**

The business of the Bank shall be restricted to the following operations. The Bank, acting in accordance with the provisions applicable each time in the ESCB legal framework, may:<sup>3</sup>

1. make and issue banknotes;
2. issue demand bills and cheques made payable at its Head Office or Branches. No such bills or cheques drawn by the Bank on itself shall be made payable to bearer;

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1 Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 The words “monetary policy instruments” were added to the original title of the Section (“Business of the Bank”) by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

3 As this indent was replaced by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

3.<sup>1</sup> acquire and sell, spot and forward, all types of foreign exchange assets, as well as precious metals. The term “foreign exchange assets” shall include securities and all other assets denominated in any foreign currency or unit of account; hold and manage the assets referred to above;

4.<sup>2</sup> open accounts for the State as well as for public entities, credit institutions, legal entities, natural persons and other market participants. Book-entry securities may be included among the assets which the Bank shall accept as collateral to secure its claims;

5.<sup>3</sup> establish operating rules and oversee payment systems and settlement systems for over-the-counter transactions, with a view to ensuring the efficiency and soundness of these systems and in particular to reducing systemic risk and strengthening competition; the Bank may also manage such systems without prejudice to the rules applicable each time in the ESCB legal framework.

These systems shall include systems for netting, settlement and clearing of payments, as well as systems for the settlement and clearing of over-the-counter transactions in securities, in physical or book-entry form, and other financial instruments.

The Bank shall take all the necessary measures for the application of the rules set forth by the ECB with a view to ensuring efficient and sound clearing and payment systems in the sense of Article 22 of the ESCB Statute.

6.<sup>4</sup>

7. undertake the issue and management of the Government loans and loans of other legal entities of public law and operations for the State as provided for in Article 45;

8.<sup>5</sup> operate in money and capital markets by dealing in claims or securities in any currency, as well as precious metals;

9. act as agent for, or correspondent of, any other bank in Greece or abroad;

10.<sup>6</sup> conduct lending or borrowing operations with credit institutions or other money and capital market participants. Lending should be based on adequate collateral,

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1 As originally amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998) and subsequently amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

3 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998) and subsequently added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

4 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

5 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

6 As originally amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998) and subsequently added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

including book-entry securities or purchase of securities with a resale agreement or with other specific agreements. The form and the general terms and conditions of collateral shall be specified by the Monetary Policy Council in accordance with the provisions applicable each time in the ESCB legal framework.

11.<sup>1</sup>

12. accept the custody and management of monies, securities and other articles of value;

13.<sup>2</sup> undertake, on behalf of third parties, the purchase and sale, collection and payment, of securities, currencies and credit instruments at home and abroad, and the purchase or sale of gold and silver; guarantee bills bought for account of other Central Banks and the Bank of International Settlements and rediscount same on the previous decision of the General Council, at a commission specified thereby;

14.<sup>3</sup> subscribe, for its own account, to the capital of the Bank of International Settlements and keep among its assets shares of that Bank;

15.<sup>4</sup> promote the establishment of a clearing-house and provide facilities for the conduct of its business in premises belonging to the Bank.

16. do all such things as may be incidental to the transaction of the Bank's legitimate business, as defined in this Statute;

17.<sup>5</sup> without prejudice to the powers of the institutions and bodies of the European Union establish relations with central banks and financial institutions in other countries, as well as with international organisations. Moreover, conduct all types of banking transactions in the context of relations with other countries and international organisations. More specifically, transact, with the Bank for International Settlements, all operations which that Bank is authorised to undertake with the view of encouraging cooperation between central banks and which, although they have not been particularly provided for in the present Statute, would be in conformity to the monetary policy of the Bank of Greece;

18.<sup>6</sup> by securing and keeping the required technical equipment and necessary personnel, undertake the striking of metal coins and medals on behalf of the Greek government as well as of third parties;

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1 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 29 April 1993, which was ratified by Article 8 para 2a of Law 2275/1994 (Government Gazette A 238/29 December 1994).

2 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

3 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

4 As originally amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998) and subsequently amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

5 As originally amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998) and subsequently added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

6 Added by Article 1 para 2 of Legislative Decree 1385/1973 (Government Gazette A 94/24 April 1973).

19.<sup>1</sup> issue bond loans within or outside the country under public or non-public subscription in foreign currency or in drachmas under any kind of safeguarding clause. Such loans are issued exclusively by a decision of the Monetary Policy Council, fixing the amount of the loan, the currency, the duration, the interest rate, without any limitation, the par value, the above or below par price and the forms of the bonds (registered, to the bearer, to the order, hybrid) which are always non-convertible. All other terms and details for the issuance, disposition and repayment of the bonds, as well as all matters related to their eventual quotation in domestic or foreign Stock Exchanges shall be determined and realised exclusively through Acts of the Governor of the Bank of Greece, or of an organ of the Bank authorised by him, by derogation to any other provision of the law.

The aforementioned loans shall enjoy all facilities and tax exemptions provided for in Legislative Decree (L.D.) 3746/1957 re “safeguarding clauses, tax exemptions and other facilities for bond loans or preferred stock issued for productive purposes”, without being subject to the restrictions of same L.D. The provisions of Article 8 para 1 of Law 1083/1980, as supplemented by Article 9 para 3 of Law 1266/1982, the provisions of Article 3 of Law 128/1975 and the provisions of Article 1 of L.D. 970/1971 shall apply to same loans *mutatis mutandis*;

20.<sup>2</sup> notwithstanding the provisions of paras 2 and 4 of Article 56 of the present Statute, the Bank may establish or participate in legal entities specialised in the support or the specific pursuit of objectives related to the Bank’s tasks;

21.<sup>3</sup> in pursuing monetary policy objectives, the Bank of Greece may, until the adoption of the euro as the currency of Greece, require monetary financial institutions to hold interest-bearing or non-interest-bearing deposit accounts with the Bank and impose administrative sanctions under Article 55B in cases of non-compliance with such requirement. As from the adoption of the euro as the currency of Greece, the power to impose reserve requirements shall be exclusively regulated as prescribed in the ESCB legal framework.<sup>4</sup>

Under the present paragraph, monetary financial institutions shall be deemed to be all those coming under the definition of such institutions adopted by the ECB.

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1 Added by para 1 of the sole Article of Law 1392/1983 (Government Gazette A 124/14 September 1983) and amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998). Article 21 para 7 item 7 of Law 1921/91 (Government Gazette A 12/8 February 1991) abolished the tax exemption (provided for in Legislative Decree 3746/57- Government Gazette A 173/9 September 1973) of interest on bond loans, including those issued by the Bank of Greece under para 19 of the present Article. Subsequently, by the provision of Article 13 para 2 of Law 1989/91 (Government Gazette A 192/16 December 1991) interest on bonds issued by the Bank of Greece and denominated in foreign currency was again exempted from income tax, effective from 1 January 1991.

2 Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 29 April 1993, which was ratified by Article 8 para 2b of Law 2275/1994 (Government Gazette A 238/29 December 1994).

3 Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

4 As this paragraph was amended by the decision of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

Without prejudice to the previous sentence, monetary financial institutions shall comprise credit institutions, as well as all financial corporations and quasi-corporations, which are principally engaged in financial intermediation and whose business consists in receiving deposits and/or close substitutes for deposits from economic units other than monetary financial institutions, in granting loans on their own account and in investing in securities on their own account.

22.<sup>1</sup> in addition to the instruments referred to in this Article, the Bank of Greece may, until the adoption of the euro as the currency of Greece, use other monetary policy instruments, as it may deem appropriate for the pursuit of its objectives set forth in Article 4 hereof.

23.<sup>2</sup> the Bank of Greece may also perform other functions, provided that they do not obstruct the conduct of monetary policy and contravene the objectives and tasks of the ESCB.

#### Article 55A<sup>3</sup>

The Bank of Greece shall exercise prudential supervision over credit institutions and the following categories of financial enterprises and organisations:

- a) financial leasing companies,
- b) factoring companies,
- c) mutual guarantee companies,
- d) counterguarantee funds,
- e) bureaux de change,
- f) money-market broker companies.

Other categories of enterprises and organisations may also be brought under the prudential supervision of the Bank of Greece, as provided for by law, without prejudice to the provisions of the last paragraph of Article 5B hereof.

The scope and content of prudential supervision for each of the above-mentioned categories of institutions, undertakings and organisations is stipulated in each case by law.

The objectives of prudential supervision shall be to enhance the stability and effectiveness of the credit system and of the financial sector in general. Prudential supervision

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1 As added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998) and subsequently replaced by the decision of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

3 Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998) and amended by the decision of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

shall also be aimed at ensuring transparency of the procedures and terms of transactions carried out by those subject to supervision.

In performing its supervisory tasks, the Bank may impose administrative sanctions on all persons subject to its supervision, as well as their legal representatives and managers, in cases of non-compliance with provisions pertaining to the responsibilities of the Bank of Greece.

With the exception of violations of provisions related to the tasks of the Monetary Policy Council under Article 35A, in which case the sanctions laid down in Article 55B shall be exclusively imposed, the Bank may impose on all persons subject to its supervision administrative sanctions, as it may deem appropriate, from among those sanctions which are applicable, under the law, to credit institutions that fail to comply with legislative or regulatory provisions governing the pursuit of their activities or concerning the obstruction of control provided for by law; the Bank may, in addition, impose the following sanctions:

– a non-interest-bearing deposit with the Bank of Greece in an amount of up to forty per cent (40%) of the amount of the violation or, if such amount cannot be determined, up to GRD 3,000,000,000 (three billion drachmae) and for up to one (1) year;

– a fine in favour of the Greek State, calculated either as a percentage of up to forty per cent (40%) of the amount of the violation or as a lump sum of up to GRD 300,000,000 (three hundred million drachmae) and, in the event of repetition, up to GRD 500,000,000 (five hundred million drachmae).

The maximum amounts of the non-interest-bearing deposit or of the fine may be adjusted by an Act of the Governor of the Bank of Greece.

In respect of these violations, the Bank may also lay down further administrative sanctions and specify the details of their application as well as of the application of the other sanctions provided for in the present Article or in other legal provisions in force.

The sanctions stipulated in the present Article may also be imposed cumulatively. The powers stipulated in the present Article shall be exercised by Acts of the Governor of the Bank of Greece or of organs empowered by the Governor to that effect.

#### Article 55B<sup>1</sup>

The Bank, through the Monetary Policy Council, shall establish a framework of administrative sanctions and specify in detail how they are to be applied to persons who violate the provisions pertaining to the tasks of the Monetary Policy Council under Article 35A.

These sanctions shall include in particular the following:

a. a pecuniary penalty, calculated as interest on the amount of the violation, for a period equal to the duration of such violation and at an interest rate exceeding by up to 5 percentage points the rate applicable to the marginal lending facility granted to credit

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<sup>1</sup> Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

institutions be the Bank of Greece, which can be increased in case of repetition of the offence as prescribed in the ESCB legal framework;

b. suspension of eligibility as a counterparty in monetary policy operations;

c. restriction of the access to the marginal lending facility granted to credit institutions by the Bank of Greece, suspension of access to the marginal lending facility, suspension or exclusion from access to the intra-day lending facility granted by the Bank of Greece, suspension of the use of settlement accounts held by participants in payment systems, provisional or permanent exclusion from such systems;

d. a non-interest-bearing deposit with the Bank of Greece in an amount up to three times that of the violation, or, if such amount cannot be determined, a non-interest-bearing deposit of up to GRD 3,000,000,000 (three billion drachmae) and for up to one year;

e. abolition of the averaging provision regarding reserve requirements.

The above sanctions shall be imposed cumulatively or alternatively by virtue of an Act of the Governor of the Bank of Greece or of an organ empowered by the Governor to that effect.

As from the adoption of the euro as the currency of Greece, the provisions set forth in items d and e above shall be abolished. As from the same date, the powers of the Bank of Greece under the present Article shall only be maintained to the extent that an exclusive competence of the ECB to impose administrative sanctions is not provided for by Articles 19 and 34.3 of the ESCB Statute and such powers shall be exercised according to the relevant rules applicable each time in the context of the ESCB legal framework, in particular the rules concerning the type, the calculation method and the maximum limits of the sanctions to be imposed. The Monetary Policy Council shall issue the necessary Acts for the transposition of such rules into the Greek legal order.

#### Article 55C<sup>1</sup>

Without prejudice to the statistical reporting requirements of the European Central Bank under Article 5 of the Statute of the European System of Central Banks and complementary European Union legislation adopted in application thereof, credit and financial institutions, natural persons, legal entities of other market participants shall be required, without being entitled to invoke banking of other secrecy, to report to the Bank of Greece all the data and information in their possession, which are necessary for the performance of its tasks, in accordance with Article 2 thereof.<sup>2</sup> The same requirement shall also apply to government departments and services.

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<sup>1</sup> Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998) and numbered as 55C by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

<sup>2</sup> As this indent was completed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

The reporting requirements shall also apply to the data needed by the Bank to compile the balance of payments and the financial accounts of the various sectors of the economy, as well as the country's international investment position. Specifically, in order to meet this requirement, all credit and financial institutions carrying out transactions, on behalf of natural persons or legal entities resident in Greece with non-resident natural persons or legal entities, shall collect from the resident counterparties to these transactions the required by the Bank of Greece according to the following paragraph.

The Bank of Greece shall specify the data and information which the natural persons or legal entities mentioned in paragraph 1 are required to report in relation to their transactions and to their asset and liability position vis-à-vis residents or non-residents. The Bank shall also determine the manner, time, procedure and every other relevant detail according to which these data and information are to be reported.

All individuals acting or having previously acted on behalf of the Bank of Greece are forbidden to disclose to any natural person or legal entity and to any public authority the information or data reported in accordance with the above provisions, without prejudice to the exceptions stipulated by law. This prohibition shall not apply to the disclosure, in aggregate form, of the above-mentioned information and data, provided that the identity of the entities or persons to which the data refer is not revealed.

Persons acting or having previously acted on behalf of the Bank of Greece shall be penalised under Article 371 of the Penal Code if they violate the secrecy mentioned in the present paragraph. All other persons disclosing data submitted to the Bank of Greece shall be penalised under the same article, irrespective of how they may have acquired knowledge of these data.

In the event of non-compliance with the requirements of this Article, the Bank may, by virtue of an Act of its Governor or of an organ empowered by the Governor to that effect, impose on the persons referred to in the first sentence of the first paragraph of this Article, as well as on their legal representatives and managers, in the case of persons and entities subject to supervision by the Bank, the sanctions laid down in Article 55A, and, in the case of any other person required to report data, a fine in favour of the Greek State in an amount of up to GRD 100,000,000 (one hundred million drachmae) and, in case of repetition, up to 200,000,000 (two hundred million drachmae). These amounts may be adjusted by virtue of a similar Act.<sup>1</sup>

As from the adoption of the euro as the currency of Greece, the provisions of the present Article shall be applicable in the context of the tasks performed by the Bank under Article 14.4 of the ESCB Statute.<sup>2</sup>

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1 As this paragraph was replaced by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 This paragraph was added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

### Article 55D<sup>1</sup>

Without prejudice to the provisions of Article 5 of the ESCB Statute and of complementary European Union legislation adopted in application thereof, the Bank of Greece, in addition to its controlling authority in the context of prudential supervision, shall have the right to examine and make copies of all the books and records belonging to any natural person or legal entity engaged in any sort of enterprise, provided that, in the Bank's judgment, there are indications of a violation in the conduct of any activity which is related to the tasks of the Bank of Greece, under Article 2 thereof.<sup>2</sup>

Moreover, in order to verify reported information, the Bank of Greece shall have the right, with the same content and scope, to examine the books and records of the natural persons and legal entities mentioned in the first indent of paragraph 1, Article 55C thereof.<sup>3</sup> The prohibitions of disclosure of information under that article, as well as the sanctions provided for therein, shall also apply to the data which the organs of the Bank of Greece may acquire in the exercise of the controls mentioned in this article.

Natural persons, as well as the legal representatives and managers of the legal entities mentioned in paragraph 1, who deny the right of, or obstruct control shall be punished, upon formal accusation by the Bank of Greece, with a minimum of three (3) months' imprisonment.

### Article 56

The Bank is not entitled to:

1. issue notes of, or a lower denomination than, 20 drachmae;<sup>4</sup>
2. engage in trade, or otherwise have a direct interest in any commercial, industrial or other enterprise;
3. become the possessor of immovable property, except insofar as it is necessary for its own business, and with the exception provided for in Article 58;
4. purchase its own shares, or the shares of any other Bank, or corporation, except for the shares of the Bank for International Settlements;
- 5.<sup>5</sup> pay interest on deposits or current accounts with the Bank. The Bank may, in derogation to the general prohibition, pay interest to the Greek State as provided for in

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1 Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998) and numbered as 55D by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 As this paragraph was completed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

3 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

4 See footnote 5 to the first paragraph of Article 3 hereof.

5 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 4 November 1994, which was ratified by Article 8 para 3 of Law 2275/1994 (Government Gazette A 238/29 December 1994).

Article 45, as well as on deposits of other Banks in Greece. Furthermore, interest may be paid on time deposits kept with the Bank in foreign convertible exchange, of other Banks, or of natural persons or legal entities established abroad as well as on advances made to the Bank in foreign convertible exchange by the said persons;

6.<sup>1</sup>

7. directly or indirectly grant advances to the State;

8.<sup>2</sup> grant overdrafts or unsecured advances.

9.<sup>3</sup>

10.<sup>4</sup>

### Article 57<sup>5</sup>

If the value of a pledged security decreases, the debtor must provide additional security of a suitable kind, or repay the loan.<sup>6</sup> If he fails to comply with such requirements, or if the loan is not repaid when due, the Bank shall take immediate steps to recover the debt due and may sell the whole or part of the security held to satisfy its claims for capital, interest, fees and costs, if any, entering the balance, if any, to the credit of the debtor. Should the amount realised by the sale of the security not suffice to satisfy the claims of the Bank, the latter may take action against the debtor.

The Bank shall be under no obligation to sell any security and, if not doing so, its claims for capital, interest, fees and costs shall remain unimpaired.

In case of bankruptcy of a debtor, the claims of the Bank on any securities deposited against advances shall rank before the claims of any other creditor until repayment of the principal due to the Bank, together with interest, fees and costs.

The provisions of the present Article shall be applicable without prejudice to the provisions of Article 55, no 10 hereof pertaining to the providing of collateral, as well as to the provisions applicable each time in the context of the ESCB legal framework.<sup>7</sup>

1 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

2 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

3 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

4 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

5 Amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

6 As amended by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

7 This paragraph was added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

**Article 57A<sup>1</sup>**

To secure the entirety of its claims on a credit institution or on an enterprise in general, arising from lending operations in the context of monetary policy, as well as from transactions through the systems referred to in Article 55 no. 5, the Bank shall have a legal pledge on the book-entry securities held in the debtor's own portfolio securities account. Such collateral shall at all times cover the total amount of the relevant claim plus the prescribed margins.

If obligations of credit institutions or enterprises in general, financed by the Bank of Greece through the conduct of monetary policy operations or through transactions in the context of the systems referred to Article 55 no. 5, become overdue for more than 24 hours, the Bank may, in order to secure its claims and by way of derogation from provisions on pledge and realisation thereof, proceed to the sale of the pledged securities, either on the Stock Exchange, through a member of the Athens Stock Exchange designated by the Bank or over the counter, or, if the securities are due and payable, cash them on its own behalf. The Bank shall select, at its discretion, the pledged securities to be sold or cashed in order to satisfy its secured claims. The proceeds of such sale or cash collection shall be used to satisfy the secured claims, in terms of charges, interest and principal, prior to the claims of any other creditor. The Bank shall withhold the amount required to satisfy its secured claims and shall credit the remainder to the account of the debtor. Prior to initiating sale or cash collection, the Bank shall communicate to the debtor a written notice thereof, bearing a certain date.

The rights of the Bank arising from its involvement in the above systems, as manager or simple member, with respect to any type of collateral guarantee established in any manner whatsoever by or in favour of an enterprise participating in such systems shall not be affected by the bankruptcy of such enterprise. With regard to its effect on the rights and obligations of the bankrupt enterprise arising from participation in the system, bankruptcy status shall not be antedated to a time earlier than the date of publication of the bankruptcy order of the court. Bankruptcy shall be understood to include any other proceedings by which creditors can collectively pursue the satisfaction of their claims.

The provisions of this Article shall also apply where the Bank acts on behalf of the European Central Bank or a National Central Bank participating in the European System of Central Banks.

**Article 58**

If, after the granting of an advance, the value of the security held against it diminishes, or the debt is regarded, for this or other reasons, as a doubtful one, the Bank may

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<sup>1</sup> Added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

accept as additional security, if necessary, a mortgage on the immovable property of the debtor, or any other security approved by the General Council.

In the case of failure to repay a debt due to the Bank, any immovable property coming into the possession of the Bank under this article shall be realised as speedily as possible by public auction or private sale. No such property may be retained by the Bank for its own purposes, unless required for the carrying on of the business of the Bank.

The provisions of the present Article shall be applicable without prejudice to the provisions of Article 55 no 10 hereof pertaining to the providing of collateral, as well as to the provisions applicable each time in the context of the ESCB legal framework.<sup>1</sup>

#### Article 59

The Bank may refuse to accept an application for the opening of a current or a deposit account, or may close an account already opened, without giving any reason for so doing.

#### Article 60<sup>2</sup>

### SECTION XI<sup>3</sup>

#### COVER FOR NOTES AND OTHER DEMAND LIABILITIES

#### Article 61<sup>4</sup>

#### Article 62<sup>5</sup>

#### Article 63<sup>6</sup>

#### Article 64<sup>7</sup>

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1 This paragraph was added by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

2 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000).

3 Repealed by the decision of the General Meeting of Shareholders held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

4 Repealed by the decision of the General Meeting of Shareholders held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

5 Repealed by the decision of the General Meeting of Shareholders held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

6 Repealed by the decision of the General Meeting of Shareholders held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

7 Repealed by the decision of the General Meeting of Shareholders held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

**SECTION XII****NOTE ISSUANCE IN DRACHMAE<sup>1</sup>****Article 65<sup>2</sup>****Article 66**

The banknotes denominated in drachmae issued by the Bank of Greece shall be legal tender throughout the Greek State; that is to say that, subject to the provisions of Article 68, they shall be accepted at their face value by the State, by all legal entities or natural persons, in the discharge of debt.

**Article 67**

Before the issuance of any new form of banknotes denominated in drachmae, the Bank must publish a description thereof in the Government Gazette.

**Article 68**

In the event of the calling in of any series of banknotes denominated in drachmae, the General Council shall determine and publicly announce the period within which the said notes should be presented for exchange. After the expiration of such period, the banknotes denominated in drachmae recalled shall cease to be legal tender except within the Bank of Greece.

Two years after the expiration of the latest date publicly announced for the calling in of a series of banknotes denominated in drachmae, the Bank is entitled to deduct from the amount of note circulation the amount of the banknotes denominated in drachmae of the series then outstanding and unpaid, and the notes shall no longer be considered in circulation. Ten years after the expiration of the same as above date, these notes shall be considered as having been prescribed and the bearer of same shall have no valid claim whatsoever arising therefrom.<sup>3</sup>

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1 According to the decision of the Shareholders of the Bank of Greece held on 25 April 2000, which was ratified by Law 2832/2000 (Government Gazette A 141/13 June 2000) in Articles 66, 67 and 68 the words “denominated in drachmae” are added after the word “notes”.

2 Repealed by the decision of the General Meeting of Shareholders held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998).

3 This paragraph was amended by para 2 of Article 1 of Law 5305/1931 (Government Gazette A 431/31 December 1931), was replaced by Article 1 of Legislative Decree 2106/1943 (Government Gazette A 24/30 January 1943) and was brought back into force by para 3 of Article 6 of Law 2120/1952 (Government Gazette A 132), which abolished Legislative Decree 2106/1943 and the relevant Compulsory Law 3032/1941 (27 June 1941).

**Article 69**

The Bank shall exchange the banknotes at its Head Office and Branches for notes of other denominations or coins in such quantities as may, in the opinion of the Bank, be required for circulation.

**Article 70**

The Bank shall retain any forged or altered banknotes presented, issuing a receipt.

**SECTION XIII****APPROPRIATION OF PROFITS****Article 71<sup>1,2</sup>**

1. After making provision for bad and doubtful debts, depreciation in assets, contributions to Personnel and Pension Funds, and such other contingencies as are usually provided for by bankers, and after repayment, out of the net profits of the Bank, of a dividend at the rate of 12 per cent per annum on the capital, one-half of the surplus shall be allocated to the regular reserve fund, until such reserve fund is equal to the capital, and the remaining one-half shall be paid to the Government. After the reserve fund has become equal to the capital, a percentage out of the net profits may be paid to the shareholders, as additional dividend, as from fiscal year 1973 onwards, pursuant to a decision of the 1974 General Meeting of Shareholders, and thereafter, to be taken after proposal made without fail by the General Council, such decision to be valid only for each respective year, and the balance thereof to be paid to the Government. [Such percentage, fixed

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1 As amended by Article 1 of Legislative Decree 244/1973 (Government Gazette A 328/18 December 1973). This article had previously been amended by Legislative Decrees 1303/1949 (Government Gazette A 304/31 October 1949) and 4022/1959 (Government Gazette A 247/12 November 1959), Compulsory Law 278/1968 (Government Gazette A 31/13 February 1968) and Legislative Decree 513/1970 (Government Gazette A 87/14 April 1970).

2 Under Article 8 para 1 of Law 1083/1980 (Government Gazette A 252/30 October 1980), "Differences arising from the evaluation of foreign currency or exchange claims and obligations of the Bank of Greece and from the Bank's transactions in foreign currency or exchange in each financial year, as well as commission paid by the Bank of Greece on foreign exchange operations, shall be entered, as of financial year 1980, in a special account and not brought to the financial results. Debit balances in such account shall be written off against the net profits of the Bank of Greece which remain after provisions, ordinary and additional dividend payments and contributions to the regular reserve fund are made under Article 71 of the Bank's Statute. Credit balances in the same account remain there to be set off against any debit balances of subsequent financial years". "As of financial year 1982, part or the total of the interest paid in foreign exchange by the Bank of Greece may be entered in the special account provided for in the preceding indents, to the extent it exceeds the interest paid in foreign exchange to the Bank of Greece". The last indent was added to the end of Article 8 para 1 of Law 1083/1980 by Article 9 para 3 of Law 1266/1982 (Government Gazette A 81/2 July 1982).

pursuant to the above decision, shall never exceed that required so that the total amount of dividend received by the shareholders become equal to 12% on the overall net profits of that fiscal year.]<sup>1</sup>

2. As capital in the preceding paragraph is understood to be the amount specified in Article 8 of the Statute, as fixed from time to time.

## SECTION XIV

### ADDITIONAL PRIVILEGES OF THE BANK

#### Article 72

The provisions of the laws on corporations (Sociétés Anonymes) and Banks shall not apply to the Bank of Greece when in conflict with this Statute.

#### Article 73<sup>2</sup>

1. The Bank shall be exempt from all taxes or duties levied by the State. The Bank is in particular exempted from the payment of any tax or duty on the issued banknotes [other than the tax imposed in certain contingencies as provided for in Article 63].<sup>3</sup>

2.<sup>4,5</sup> Loan Agreements or agreements for the granting of credits made between the Bank of Greece and any foreign natural person or legal entity shall be exempted from any stamp duty, contribution or fee in favour of any Insurance Fund or third party. The interest paid by the Bank of Greece to its lenders on loans granted by any foreign natural person or legal entity shall not be subject to income tax or any other tax or fee.<sup>6</sup>

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1 The third indent of para 1 of Article 71, as amended by Article 1 of Legislative Decree 244/1973 (Government Gazette A/18 December 1973), was repealed by Article 9 para 1 of Law 1266/1982 (Government Gazette A 81/2 July 1982), with effect as of financial year 1981 (Article 9 para 2 of Law 1266/1982 (Government Gazette A 81/2 July 1982)).

2 Article 5 of the Agreement between the Greek State and the Bank of Greece, which was ratified by Law 4502/1930 (Government Gazette A 100/5 April 1930), stipulates the following: "The meaning of Article 73 of the Statute of the Bank of Greece is that the Bank is exempted from all direct or indirect taxation charges levied in the form of State tax or duty, as well as from any other compulsory contributions including postal and telegraphic dues (inland). Building materials for the use of the Bank, imported from abroad, are not included among the above exemptions. Whenever, according to a stipulation of law or to a custom in business transactions, the tax or duty is divided among several participants in the taxable transaction, the Bank of Greece shall be exempted from its proportion of tax or duty". According to Article 1 para 2, item 32, of Law 896/1937 (Government Gazette A 395/13 October 1937), as of the date of application thereof the exemption of the Bank of Greece from customs' duties shall be subject to the restrictions of paras 2 and 3 of Article 2 thereof.

3 The text in square brackets has become obsolete after Article 63 has been repealed.

4 This paragraph was added by the sole article of Legislative Decree 847/1971 (Government Gazette A 44/27 February 1971).

5 See also Article 15 para 2, item 3 of Legislative Decree 1077/1971 (Government Gazette A 273/27 December 1971), which was added by the sole article of Legislative Decree 350/1974 (Government Gazette A 74/20 March 1974).

6 See also Article 12 para 1, item 3 of Law 1676/1986 (Government Gazette A 204/29 December 1986).

**SECTION XV****DISSOLUTION OF THE BANK****Article 74**

In case of withdrawal of the note-issuing privilege (Article 2), the Bank shall be dissolved, its assets and liabilities to be valued by three experts. One of these experts shall be appointed by the Government, one by the General Council, while the third shall be a person mutually agreed upon by the Government and the General Council or, failing such agreement, he shall be appointed by the President of the Supreme Court. The State shall assume unimpaired full liability on obligations previously attaching to the Bank towards its serving and pensioned staff in respect of all their rights.

After having ascertained, as described above, the value of the assets and liabilities of the Bank, the nominal value of the shares shall be, in the first place, paid out to the shareholders, and any net excess in value shall be divided in the proportion of one-half to the Government and one half to the shareholders.

**SECTION XVI****TRANSITIONAL PROVISIONS****Article 75<sup>1</sup>**

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1 Repealed by the decision of the General Meeting of Shareholders of the Bank of Greece held on 22 December 1997, which was ratified by Law 2609/1998 (Government Gazette A 101/11 May 1998). Article 75 had been added by Article 5 of Law 2120/1952 (Government Gazette A 132/12 May 1952). According to Article 7 of that Law, the provisions of Article 75 of the Statute had come into force upon its ratification by the 14th General Meeting of Shareholders of the Bank of Greece, i.e. on 22 November 1947. Prior to the addition of Article 75 of the Statute, Compulsory Law 233/1945 (Government Gazette A 78/30 March 1945) had been issued, concerning “the financing of enterprises by the Bank of Greece”, which read as follows:

**“Article 1**

- 1 In order to stimulate the country's economy, the Bank of Greece may, up to the end of 1946, grant credits to industrial, agricultural, banking and other enterprises, on terms to be determined by decision of the General Council of the Bank according to the provisions set forth herein.
- 2 In deviation from the relevant provisions of the Statute, the General Council may also determine the following:
  - a) the rates of interest and guarantees on credits granted, b) the duration thereof, c) the maturity date and conditions for the renewal of notes accepted by the Bank for discount or security,
  - d) the terms on special credits to banks, and e) the total amount of credit granted by discounting agricultural bills and collateral instruments or by giving such paper as security.
- 3 In order to ensure adherence to credit terms, the General Council of the Bank of Greece may also impose a penalty in favour of the State, the amount of which shall be collected as public revenue.

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Article 2

In order to secure credits granted by the Bank of Greece to the Agricultural Bank, the Bank of Greece may accept pledges on existing or future claims of the Agricultural Bank against third parties, without any special mention thereof and without surrender or endorsement of the relevant instruments to the order of the Bank of Greece.

Article 3

The validity of the present Law shall be retroactive as from 11 November 1944.”

– The sole article of Compulsory Law 1830/1949 (Government Gazette A 330) on the one hand extended the validity of Compulsory Law 233/1945 to the end of 1950 (para 1) and on the other hand it added a new provision at the end of para 2 of Article 1 of that law, which came into force retroactively as from the date on which Compulsory Law 233/1945 became valid (11 November 1944). This provision runs as follows:

“The Bank of Greece is also allowed to grant advances to the State or to discount bills of exchange or promissory notes, endorsed by the State, on terms to be agreed upon between the State and the Bank”.

– Thereafter, the above Law 2120/1952 (Article 6 para 1) ratified the credits granted by the Bank of Greece pursuant to Compulsory Law 233/1945 up to the date on which the former law was published, i.e. 12 May 1952.

– The validity of Compulsory Law 233/1945 was successively extended up to the end of 1954 by the sole Article of Law 2134/1952 and by the sole Article of Legislative Decree 2539/1953 (Government Gazette A 142 and A 226, respectively). Thereafter, Article 3 of Legislative Decree 3074/1954 (Government Gazette A 242) extended the validity of Compulsory Law 233/1945 from its expiry for as long as the Currency Committee continues to operate. According to Article 8 para 3, of Law 1266/1982 (Government Gazette A 81), Compulsory Law 233/1945 remained in force even after the abolition of the Currency Committee”.

– In this connection it should be noted that the operation of the Currency Committee, set up by virtue of Compulsory Law 1015/1946 (Government Gazette A 90), had been repeatedly extended by virtue of several laws. The respective last law (sole article of Legislative Decree 4108/1960) defined that the operation of the Currency Committee is extended until such operation is terminated by the issue of a Council of Ministers’ Act.

Article 41 of Legislative Decree 957/1971 (Government Gazette A 166) abolished the Currency Committee provided for by the Compulsory Law 1015/1946 and Article 6 of the above Legislative Decree set up a new Committee. Thereafter, following the abolition of Legislative Decree 957/1971 by Article 46 of Legislative Decree 175/1973 (Government Gazette A 230), Article 5 of the latter law set up again a new Currency Committee. The latter was abolished by Article 1 of Law 1266/1982, according to which the tasks of the Currency Committee and its Sub-committees, except the cases mentioned in Articles 2 and 3 thereof, shall be conferred ipso jure to the Bank of Greece and be carried out by Acts of the Governor or organs empowered thereby, in the context of government policy.

*The present edition is based on that (8th) edition; additionally, it includes all amendments made to the Statute until the end of the year 2000. The latest and most significant among those amendments, decided by the Annual General Meeting of Shareholders of the Bank of Greece held on 25.4.2000 and ratified by Article 18 of Law 2832/2000 (Government Gazette A 141), aimed to further harmonise the Statute with the provisions of the Treaty establishing the European Community, in view of the accession of Greece into Stage Three of the Economic and Monetary Union (EMU). It is to be considered as of fundamental importance that the Statute in force provides that, as from the adoption of the euro as the national currency of Greece, the Bank of Greece, in pursuing its primary objective and in exercising its main tasks, shall be an integral part of the European System of Central Banks (ESCB) and shall act in accordance with the guidelines and instructions of the European Central Bank (ECB).*