

# **Act relating to Norges Bank and the Monetary System, etc. (Central Bank Act)**

Enters into force on 1 January 2020 pursuant to Resolution of 21 June 2019 No. 804.

For information purposes only. Legal authenticity remains with the official Norwegian version as published in Norsk Lovtidend.

## **Chapter 1 General provisions**

### **Section 1-1. *The central bank of Norway***

- (1) Norges Bank is the central bank of Norway.
- (2) Norges Bank is a separate legal entity with the capacity to be a party to legal proceedings, and is owned by the central government.

### **Section 1-2. *Purpose of the central banking activities***

- (1) The purpose of the central banking activities is to maintain monetary stability and to promote the stability of the financial system and an efficient and secure payment system.
- (2) The central bank shall contribute to high and stable output and employment.

### **Section 1-3. *The central banking activities***

- (1) Norges Bank shall be the executive and advisory monetary policy authority.
- (2) Norges Bank shall be an executive and advisory financial stability authority.
- (3) Norges Bank shall issue banknotes and coins, facilitate the central settlement system and oversee the payment system.
- (4) Norges Bank may accept deposits from, and extend credit to, banks and other financial undertakings. The Bank may trade in financial markets and provide all forms of financial services.
- (5) Norges Bank owns the official foreign exchange reserves of Norway, and shall ensure the efficient and sound management of such reserves.
- (6) Norges Bank may also take such measures as are customary or appropriate for a central bank.

### **Section 1-4. *Independence of the central bank***

(1) The King in Council may adopt resolutions on the objectives of Norges Bank, cf. Section 1-2 and Section 1-3. The Bank shall be invited to offer its opinion prior to the adoption of any such resolution. The Storting shall be notified of such resolutions.

(2) Norges Bank shall not be instructed in the performance of its activities under the Act, cf. Section 1-3, except in extraordinary circumstances. Any resolution instructing the Bank shall be adopted by the King in Council. The Bank shall be given the opportunity to express its opinion prior to the adoption of any such resolution. The Storting shall be notified of such resolutions as soon as possible.

### ***Section 1-5. Advisory role of Norges Bank***

(1) Norges Bank shall offer its opinion on issues presented to it by the Ministry.

(2) Norges Bank shall advise the Ministry when measures need to be taken by any other party than the Bank to fulfil the purpose of the central banking activities.

### ***Section 1-6. Duty to inform the Ministry***

Norges Bank shall inform the Ministry of any matters of importance.

### ***Section 1-7. Information to the public***

(1) Norges Bank shall inform the public of the basis for its decisions and of the activities falling within the scope of its purpose under Section 1-2.

(2) Norges Bank shall ensure that indicative Norwegian krone exchange rates are available to the public.

### ***Section 1-8. Reporting to the Storting***

(1) The Ministry shall at least once a year report to the Storting on the activities of Norges Bank. The Supervisory Council shall report to the Storting on the supervision of the Bank pursuant to Section 4-1, Sub-section 4.

(2) The Office of the Auditor General of Norway shall pursuant to Act of 7 May 2004 No. 21 relating to the Office of the Auditor General and instructions laid down by the Storting, monitor the Minister's exercise of powers.

### ***Section 1-9. Monetary unit***

The Norwegian monetary unit is the krone. The krone is divided into one hundred øre.

### ***Section 1-10. Other duties***

The King in Council may assign to Norges Bank specific duties that are in conformity with the purpose of the central banking activities under Section 1-2, Sub-section 1. The

Bank shall be invited to offer its opinion prior to the adoption of any such resolution. The Storting shall be notified of such resolutions.

### ***Section 1-11. Management of the Government Pension Fund Global***

Norges Bank shall manage the Government Pension Fund Global, cf. Section 2, Sub-section 2, and Section 10 of Act of 21 December 2005 No. 123 relating to the Government Pension Fund.

### ***Section 1-12. Scope of the Act***

(1) The Act governs the activities of Norges Bank in and outside Norway.

(2) The provisions in Sections 3-5 and 3-6 shall apply in Svalbard, cf. Section 3 of Act of 17 July 1925 No. 11 relating to Svalbard.

(3) The King shall determine the extent to which the Act shall otherwise apply in the Norwegian economic zone, as well as in Svalbard, Jan Mayen and the Norwegian dependencies.

## **Chapter 2 Organisation of Norges Bank**

### ***I. Introductory provisions***

#### ***Section 2-1. Governing bodies of Norges Bank***

Norges Bank shall have an Executive Board, a Monetary Policy and Financial Stability Committee and a Supervisory Council.

#### ***Section 2-2. Governor and Deputy Governors***

(1) Norges Bank shall have a Governor and two Deputy Governors.

(2) The Governor is the chair of the Executive Board, the chair of the Monetary Policy and Financial Stability Committee and the general manager of Norges Bank.

### ***II. Executive Board***

#### ***Section 2-3. Composition of the Executive Board***

(1) The Executive Board shall consist of the Governor, the two Deputy Governors and six external board members. The external board members shall be appointed by the King in Council for a term of four years. They may be reappointed for a total period of twelve years. If an external member resigns from the Executive Board during the appointment period, a new member may be appointed for the remainder of such period.

(2) In addition, two board members shall be appointed by and from the employees to participate in the deliberation of administrative matters. The method of appointment of these representatives shall be agreed between the Executive Board and the employees. The Supervisory Council shall determine the method of appointment in the absence of agreement.

(3) The Governor is the chair of the Executive Board. The King in Council shall appoint the Deputy Governors as first deputy chair and second deputy chair, respectively, of the Board.

(4) The following persons shall not serve as members of the Executive Board:

- a) members of the Monetary Policy and Financial Stability Committee, with the exception of the Governor and the Deputy Governors;
- b) Norges Bank staff, with the exception of the employee representatives;
- c) government ministers;
- d) political ministry staff;
- e) ministry staff;
- f) staff of the Office of the Prime Minister and the Ministry of Finance;
- g) members of the Storting;
- h) political staff of the Storting;
- i) committee secretaries of the Storting;
- j) close associates of persons listed in a, b, c, d, f, g, h and i. Relatives in an ascending or descending line, spouses, registered partners and persons with whom any listed person co-habits in a marriage-like relationship shall be considered close associates. The children, stepchildren and parents of persons listed in the preceding sentence shall also be considered close associates.

- (5) The Ministry may lay down provisions on members' relationship with other undertakings.
- (6) The Ministry shall determine the remuneration of the external board members.

#### ***Section 2-4. Duties of the Executive Board***

- (1) The management and operation of Norges Bank are vested in the Executive Board, with the exception of matters that are assigned to the Monetary Policy and Financial Stability Committee in or pursuant to the Act. The Executive Board is responsible for Norges Bank's management of the Government Pension Fund Global. The Executive Board shall ensure sound, effective and efficient organisation of the Bank.
- (2) The Executive Board shall adopt plans and guidelines for the activities of Norges Bank. The Executive Board shall each year prepare a budget proposal for the next financial year, cf. Section 4-2.
- (3) The Executive Board shall ensure that the activities, financial reporting and asset management of Norges Bank are properly managed and monitored, and shall supervise day-to-day management and the activities in general. The Executive Board shall not supervise the Committee's exercise of its discretionary powers.
- (4) The Executive Board shall lay down instructions on the day-to-day management of central banking activities and Norges Bank's management of the Government Pension Fund Global.
- (5) The Executive Board shall have an audit committee. The members of the audit committee shall be appointed by and from among the external members of the Executive Board. The Ministry may lay down provisions relating to the audit committee.
- (6) The Executive Board may appoint preparatory committees from among the members of the Executive Board. When a preparatory committee discusses administrative matters, the employees shall be represented on such a committee, cf. Section 2-3, Sub-section 2.
- (7) The Executive Board may decide that commercial activities falling within the scope of the Act and activities forming part of the management of the Government Pension Fund Global shall be carried out by companies that are fully or partly owned by Norges Bank. The Executive Board represents the Bank as owner of such companies.
- (8) The Executive Board is responsible for the contingency plans of Norges Bank. The Monetary Policy and Financial Stability Committee shall be invited to offer its opinion prior to the adoption of financial crisis contingency plans.

#### ***Section 2-5. Proceedings of the Executive Board***

- (1) The proceedings of the Executive Board shall be conducted at meetings. The Governor, as chair of the Executive Board, may nonetheless decide that a matter may be deliberated in writing or in another adequate manner, unless any board member

requires such matter to be deliberated at a meeting. Annual financial statements and annual reports shall always be deliberated at a meeting. The chair of the Executive Board shall arrange for the deliberation of relevant matters within the remit of the Executive Board. Any board member or the general manager of Norges Bank's management of the Government Pension Fund Global may require the Executive Board to deliberate a matter.

(2) The Executive Board is quorate when no less than five board members participate in the proceedings of the Board. A decision by the Executive Board shall require more than half of the board members who participated in the deliberation of the matter to have voted in favour of the decision.

(3) The Executive Board shall keep minutes.

(4) The Governor shall prepare matters for the Executive Board. The general manager of Norges Bank's management of the Government Pension Fund Global shall prepare matters pertaining to the management of the Government Pension Fund Global, and shall be entitled and obliged to attend the Executive Board's deliberation of matters pertaining to such management and to speak thereon. This shall not apply if otherwise decided by the Executive Board in special cases or in case of the excused absence of the general manager of Norges Bank's management of the Government Pension Fund Global.

(5) The Monetary Policy and Financial Stability Committee shall be invited to offer its opinion prior to the Executive Board's deliberation of matters pertaining to the duties and responsibilities of the Committee.

### **III. Monetary Policy and Financial Stability Committee**

#### ***Section 2-6. Composition of the Monetary Policy and Financial Stability Committee***

(1) The Monetary Policy and Financial Stability Committee shall consist of the Governor, the two Deputy Governors and two external members. The external committee members shall be appointed by the King in Council for a term of four years. These may be reappointed for a total period of eight years. If an external member resigns from the Committee during the appointment period, a new member may be appointed for the remainder of such period. A new member may be appointed on an interim basis in case of long-term absence.

(2) The Governor is the chair of the Committee. The King in Council shall appoint the Deputy Governors as first deputy chair and second deputy chair, respectively, of the Committee.

(3) The following persons shall not serve as committee members:

- a) members of the Executive Board, with the exception of the Governor and the Deputy Governors;

- b) Norges Bank staff;
- c) government ministers;
- d) political ministry staff;
- e) ministry staff;
- f) staff in the Office of the Prime Minister and in the Ministry of Finance;
- g) members of the Storting;
- h) political staff of the Storting;
- i) committee secretaries of the Storting;
- j) close associates of persons listed in a, b, c, d, f, g, h and i. Relatives in an ascending or descending line, spouses, registered partners and persons with whom any listed person co-habits in a marriage-like relationship shall be considered close associates. The children, stepchildren and parents of persons listed in the preceding sentence shall also be considered close associates.

(4) The Ministry may lay down provisions on members' relationship with other undertakings.

(5) The Ministry shall determine remuneration for the two external committee members.

### ***Section 2-7. Duties of the Monetary Policy and Financial Stability Committee***

(1) The Committee is responsible for Norges Bank's role as the executive and advisory monetary policy authority and is responsible for the use of policy instruments to attain the monetary policy objectives.

(2) The Committee shall contribute to the promotion of financial stability by providing advice and using the policy instruments at its disposal.

(3) The Committee may in order to execute its duties under Sub-sections 1 and 2 in special cases deviate from decisions of, or guidelines laid down by, the Executive Board. The Executive Board shall to the extent possible be invited to offer its opinion before such decisions are made.

(4) The Committee shall inform the public of decisions made by the Committee and the basis for such decisions.

(5) Norges Bank shall inform the Ministry of the delineation of the Committee's responsibilities and duties. The Ministry may lay down supplementary provisions on such delineation.

### ***Section 2-8. Proceedings of the Monetary Policy and Financial Stability Committee***

(1) The proceedings of the Committee shall be conducted at meetings. The Governor may nonetheless in special cases decide that a matter may be deliberated in writing or in another adequate manner, unless a member requires such matter to be deliberated at a meeting.

(2) The Committee is quorate when no less than three committee members participate in the proceedings of the Committee. A decision by the Committee shall require more than half of the committee members who participated in the deliberation of the matter to have voted in favour of the decision.

(3) The Committee may specifically authorise the Governor to decide matters within the remit of the Committee. The Governor may also decide a matter when it is necessary for a decision to be made swiftly, and it would be impracticable or too time-consuming to convene the Committee. The Governor shall inform the Committee in writing of the decision as soon as possible.

(4) The Committee shall keep minutes.

(5) The Governor shall prepare matters for the Committee.

## **IV. Management and employees**

### ***Section 2-9. Appointment of the Governor and the Deputy Governors***

The Governor and the Deputy Governors shall be appointed by the King in Council for a fixed term of six years. The fixed-term appointment may be extended for a further term of up to six years.

### ***Section 2-10. Salary and pension***

The Ministry shall determine the salary and pension arrangements of the Governor and the Deputy Governors.



### ***Section 2-11. Duties of the Governor as general manager***

(1) The Governor is responsible for the day-to-day management of Norges Bank's activities and shall adhere to guidelines and instructions from the Executive Board. Day-to-day management shall not include matters that are of an unusual nature or major importance in the context of the activities of the central bank. Nor shall day-to-day management include matters relating exclusively to the day-to-day management of Norges Bank's management of the Government Pension Fund Global. The Executive Board shall determine the detailed delineation of the responsibilities referred to in the third sentence.

(2) The Governor may also decide a matter by the authority of the Executive Board, or when it is necessary for a decision to be made swiftly, and time and opportunity do not allow the matter to be presented to the Executive Board. The Governor shall inform the Executive Board in writing of the decision as soon as possible.

### ***Section 2-12. Conditions for dismissal, etc.***

The Governor, the Deputy Governors and the external members of the Monetary Policy and Financial Stability Committee may only be dismissed or deselected if the person in question:

- a) is permanently unable to properly perform his or her duties because of illness;
- b) has shown gross misjudgement in the performance of duties;
- c) has acted in gross dereliction of duties;
- d) has repeatedly acted in dereliction of duties despite written warning;
- e) has through improper conduct in or outside the performance of duties proven to be unfit for office or unworthy of the respect or trust necessary to hold such office.

### ***Section 2-13. Day-to-day management of Norges Bank's management of the Government Pension Fund Global***

(1) The Executive Board shall appoint a general manager of Norges Bank's management of the Government Pension Fund Global for a fixed term of five years. The fixed-term appointment may be extended for a further term of up to five years.

(2) The general manager is responsible for the day-to-day management of Norges Bank's management of the Government Pension Fund Global and shall adhere to guidelines and instructions from the Executive Board. Day-to-day management shall not include matters that are of an unusual nature or major importance in the context of Norges Bank's management of the Government Pension Fund Global.

(3) The general manager may also decide a matter by the authority of the Executive Board, or when it is necessary for a decision to be made swiftly, and time and opportunity do not allow the matter to be presented to the Executive Board. The general manager shall inform the Executive Board in writing of the decision as soon as possible.

#### ***Section 2-14. External representation, etc.***

(1) The Executive Board represents Norges Bank externally and is authorised to sign on its behalf.

(2) The Executive Board may authorise board members and named employees to sign on behalf of Norges Bank. The authority to sign on behalf of the Bank may be revoked at any given time.

(3) The Governor represents Norges Bank externally in matters falling within the scope of the Governor's powers under Section 2-11.

(4) The general manager of Norges Bank's management of the Government Pension Fund Global represents Norges Bank externally in matters falling within the scope of his or her powers under Section 2-13.

(5) If anyone representing Norges Bank externally has in acting on behalf of Norges Bank exceeded his or her powers, the act shall not be binding on Norges Bank if the other contracting party realised or ought to have realised that such powers had been exceeded and it would therefore be contrary to honesty and good faith to invoke a right on the basis of such act.

#### ***Section 2-15. Norges Bank's employees, etc.***

(1) The Executive Board may decide that Norges Bank shall join an employers' association that may, within its mandate, make decisions that will be binding on the Bank.

(2) The Executive Board may lay down provisions on employees' relations with other financial institutions and undertakings.

(3) The Executive Board may decide that anyone who shall perform work or services for Norges Bank, or perform work for any provider of services to the Bank or otherwise have unaccompanied access to any buildings of the Bank, shall submit a full criminal record certificate pursuant to Section 41, No. 1, of the Police Records Act, or a corresponding non-Norwegian criminal record certificate, if justified by security considerations. The same applies upon any subsequent changes to the position or duties of an employee. The Ministry may lay down regulations on the application of the provisions in the first and second sentence, including on which offences shall be recorded on the criminal record certificate and on the processing of criminal record certificates submitted to the Bank.

(4) The Executive Board may decide that credit details shall be gathered on anyone who shall perform work or services for Norges Bank, or perform work for any provider of services to the Bank or otherwise have unaccompanied access to any buildings of the Bank, if justified by security considerations. The Ministry may in regulations stipulate that the Bank shall have the right to gather data in connection with the vetting of individuals if justified by security considerations.

## **V. Supervisory Council**

### ***Section 2-16. Appointment and composition of the Supervisory Council***

- (1) The Supervisory Council shall consist of fifteen members to be appointed by the Storting for a term of four years. If a member resigns during the appointment period, the Storting may appoint a new member for the remainder of such appointment period.
- (2) Seven – alternately eight – members shall resign from the Supervisory Council every other year. The Storting shall from the members appoint the chair and the deputy chair for a term of two years. Reappointment of members may take place for a total period of eight years.
- (3) Persons listed in Section 2-3, Sub-section 4, and members of the Executive Board or their close associates shall not be appointed members of the Supervisory Council.
- (4) The remuneration of members shall be determined by the Storting.
- (5) The Supervisory Council shall have a secretariat. In matters pertaining to the employees of the secretariat, the Supervisory Council shall represent Norges Bank as employer.
- (6) The Supervisory Council may delegate decision-making in matters within the remit of the Supervisory Council to the chair of the Supervisory Council when desirable because of special considerations. The Supervisory Council may from its members appoint committees to prepare matters for deliberation by the Supervisory Council.

### ***Section 2-17. Duties of the Supervisory Council***

The Supervisory Council shall supervise in accordance with Section 4-1, approve budgets pursuant to Section 4-2, adopt financial statements pursuant to Section 4-3, appoint the auditor pursuant to Section 4-4 and determine the method of appointment, if applicable, of employee representatives on the Executive Board pursuant to Section 2-3, Sub-section 2, third sentence.

### ***Section 2-18. Proceedings of the Supervisory Council***

- (1) The chair of the Supervisory Council shall convene meetings of the Supervisory Council as often as deemed desirable, or when requested by no less than five members or the Executive Board. A valid decision shall require more than half of those entitled to

cast votes to have voted in favour of the decision. Minutes of the proceedings shall be kept.

(2) Unless otherwise decided by the Supervisory Council in each case, the members of the Executive Board may attend and speak in meetings of the Supervisory Council. The employees' representatives on the Executive Board may attend and speak in meetings during the deliberation of administrative matters. The Governor and the Deputy Governors shall attend, unless otherwise decided by the Supervisory Council or in case of excused absence.

## **Chapter 3 Duties and policy instruments of Norges Bank**

### ***Section 3-1. Credit to and deposits from banks, etc.***

(1) Norges Bank may in order to attain the purpose of the central banking activities:

- a) accept deposits from and extend credit to banks and other financial sector undertakings;
- b) purchase, sell and distribute foreign exchange and financial instruments;
- c) issue and deal in own financial instruments.

(2) The deposit and credit terms shall be stipulated by Norges Bank.

(3) Norges Bank may in order to attain the purpose of the central banking activities make deposits from undertakings that hold accounts with the Bank subject to minimum requirements.

(4) Norges Bank may extend credit on special terms when merited by special circumstances.

(5) Norges Bank shall require adequate collateral to be pledged in respect of any credit. The Bank may lay down regulations on the pledging collateral.

(6) The requirement for specific consent from the borrower pursuant to Section 45 of the Financial Contracts Act shall not apply upon the assignment or granting of a security interest in loan receivables to Norges Bank upon the extension of credit or other measures under this section, or upon the Bank's subsequent assignment of such loan receivables.

### ***Section 3-2. The official foreign exchange reserves***

Norges Bank shall determine the amount of the official foreign exchange reserves, and how these shall be invested. The reserves shall be available for fulfilling the purpose of the central banking activities and for meeting international obligations.

### ***Section 3-3. Payment and settlement***

(1) Norges Bank shall facilitate a stable and efficient system for payment, clearing and settlement between undertakings that hold accounts with the Bank.

(2) Norges Bank shall oversee the payment system and other financial infrastructure and contribute to contingency arrangements.

(3) Norges Bank may lay down regulations to implement Sub-section 1.

### ***Section 3-4. Issuance of banknotes and coins***

(1) Norges Bank has the sole right to issue Norwegian banknotes and coins. The Bank shall determine the denomination and design of the banknotes and coins.

(2) Norges Bank may outsource the production of banknotes and coins.

### ***Section 3-5. Legal tender***

(1) Norges Bank's notes and coins are legal tender in Norway. No one is obliged to accept more than 25 coins of each denomination in any one payment.

(2) Severely damaged banknotes and coins are not legal tender. Norges Bank may lay down regulations on the delineation of what constitutes legal tender and on the replacement of lost, burnt or damaged banknotes and coins, including on charges.

### ***Section 3-6. Withdrawal of banknotes and coins***

Norges Bank may in regulations stipulate that banknotes of a specific series and denomination or a specific coin design shall cease to be legal tender from a specific date. Such regulations shall be announced no less than one year prior to the withdrawal date. The Bank may redeem banknotes and coins that are no longer legal tender. The Bank may lay down regulations on how redemption shall be implemented, including redemption charges.

### ***Section 3-7. Banker to the central government***

Norges Bank shall provide services relating to sovereign debt issuance and debt management, and the treasury single account system. The Bank shall also, to the extent stipulated by the Ministry, provide financial services to the central government as well as to separate legal entities that are wholly owned by the central government.

### ***Section 3-8. Credit to the central government***

Norges Bank shall not extend credit directly to the central government. The Bank may nonetheless extend credit to the central government that falls due for payment within one calendar day.

### ***Section 3-9. Protective measures***

The Ministry may in the form of individual decisions or regulations introduce special measures if capital flows to and from other countries may cause major balance of payment problems or material financial system disturbances. Norges Bank shall be invited to offer its opinion prior to the introduction of any such measure.

### ***Section 3-10. International agreements***

(1) Norges Bank shall administer the rights and obligations incumbent on Norway as a consequence of its membership of the International Monetary Fund.

(2) Norges Bank may in order to fulfil the purpose of the central banking activities conclude agreements on deposit, credit and guarantee arrangements with foreign central banks and with international organisations and institutions, provided that the claims are satisfactorily secured. Such agreements shall require the approval of the Ministry.

(3) The King in Council may in extraordinary circumstances order Norges Bank to participate in credit agreements with other states and international organisations.

### ***Section 3-11. Norges Bank's equity and allocation of profit***

(1) Norges Bank shall have sufficient equity to fulfil the Bank's purpose.

(2) The King in Council shall lay down guidelines on reserves and on the allocation of Norges Bank's profit. The Bank shall be invited to offer its opinion prior to the adoption of such guidelines. The guidelines shall be communicated to the Storting.

## **Chapter 4 Supervision and control**

### ***Section 4-1. Supervision, etc.***

(1) The Supervisory Council shall supervise the operation of Norges Bank and monitor its compliance with the provisions governing its activities. The Supervisory Council shall ensure that the Executive Board's governance and control of the Bank's management and activities are adequate, and that appropriate procedures have been established to ensure that the Bank's activities are conducted in accordance with statutes, agreements, decisions and other regulatory provisions. Its supervision shall not extend to the exercise of discretionary powers by the Executive Board or the Monetary Policy and Financial Stability Committee.

(2) The Supervisory Council shall be entitled to access all information relating to the affairs of Norges Bank and may conduct such enquiries as it deems necessary for the performance of its duties under the Act.

(3) The Supervisory Council shall supervise companies that are fully or partly owned by Norges Bank. The Supervisory Council shall be entitled to request such information from the general manager of the company, the Executive Board and the appointed auditor as is necessary for its supervision. To the extent necessary, the Supervisory Council may conduct its own enquiries into the company.

(4) The Supervisory Council shall at least once a year submit to the Storting its statement on the supervision of Norges Bank. A copy of said statement shall be sent to the Ministry. The statement on the supervision of the Bank shall include, at a minimum, the following:

- a) an account of how the supervision of the Bank has been organised;
- b) an account of completed supervisory activities and the Supervisory Council's priorities for its upcoming supervisory activities;
- c) an account of the supervision of the Bank's investment management activities;
- d) the Supervisory Council's assessment of the Executive Board's governance and control of the Bank's management and activities;
- e) an account of the Supervisory Council's efforts in relation to approval of the Bank's budget and adoption of its financial statements;
- f) any particular comments merited by its supervision.

#### **Section 4-2. Budget**

The Supervisory Council shall adopt Norges Bank's budget on the basis of a proposal from the Executive Board. The approved budget shall be communicated to the Ministry.

#### **Section 4-3. Annual reports, annual financial statements and minutes**

(1) Norges Bank is a reporting entity within the meaning of the Accounting Act and a bookkeeping entity within the meaning of the Bookkeeping Act. The Ministry may lay down special provisions on annual financial statements, annual reports and bookkeeping for the Bank to supplement or derogate from the provisions applicable under or pursuant to the Accounting Act and the Bookkeeping Act.

(2) The Executive Board shall each year prepare annual reports and annual financial statements. Adoption of the annual financial statements shall require the approval of the Supervisory Council, and shall together with annual reports and auditor's reports be sent to the Ministry and communicated to the Storting.

(3) The minutes of the Executive Board and the Committee shall be sent to the Supervisory Council and the Ministry.

#### ***Section 4-4. Audit***

(1) Norges Bank's annual financial statements shall be audited by an auditor approved under the provisions of the Auditors Act. The Supervisory Council shall appoint the auditor and determine the auditor's remuneration.

(2) The Ministry may lay down special provisions on auditing of Norges Bank to supplement or derogate from the provisions of the Auditors Act.

#### ***Section 4-5. Internal audit unit***

(1) Norges Bank shall have an internal audit unit, which shall report to the Executive Board.

(2) The internal audit unit shall assess Norges Bank's internal controls, procedures and other factors of significance to the Bank's activities.

(3) The Ministry may lay down provisions on the Bank's internal controls.

### **Chapter 5 Relationship to other legislation, duty of confidentiality, sanctions, etc.**

#### ***Section 5-1. Relationship to the Public Administration Act and the Freedom of Information Act***

(1) Norges Bank's decisions in matters under Section 3-1 and in dismissal matters shall not be subject to administrative appeal.

(2) Preparatory documents exchanged between Norges Bank and the Ministry of Finance and Norges Bank and Finanstilsynet, respectively, may be exempted from access under the Freedom of Information Act when necessary to ensure sound internal decision-making processes.

(3) The King may in regulations lay down provisions to supplement the provisions in Sub-sections 1 and 2.

#### ***Section 5-2. Duty of confidentiality***

(1) Anyone performing services or work for Norges Bank shall be obliged to prevent unauthorised persons from gaining access to or knowledge of any information that



comes to his or her knowledge in the performance of his or her duties with regard to the business affairs of the Bank or others or the personal affairs of anyone.

(2) The duty of confidentiality under Sub-section 1 shall also apply to anyone performing services or work for the Ministry of Finance, the Council on Ethics for the Government Pension Fund Global and Finanstilsynet whenever the Ministry of Finance, the Council on Ethics or Finanstilsynet holds any information as referred to in Sub-section 1.

(3) The Executive Board, or anyone authorised to do so by the Executive Board, may irrespective of the duty of confidentiality disclose information on the business affairs of Norges Bank. This shall apply correspondingly to the Monetary Policy and Financial Stability Committee within its mandate and to the Supervisory Council in those matters under the remit of the Supervisory Council that do not pertain to the responsibilities of the Executive Board or the Committee.

(4) The duty of confidentiality under Sub-sections 1 and 2 and the provisions of the Public Administration Act shall not apply in relation to:

- a) the Ministry of Finance;
- b) the Council on Ethics for the Government Pension Fund Global;
- c) Finanstilsynet;
- d) international organisations of which Norges Bank is a member, or with which it collaborates, provided that the information is subjected to a corresponding duty of confidentiality on the part of the organisation to which such information is disclosed;
- e) the central banks or financial supervisory authorities of other EEA states, including the European Central Bank, the European Banking Authority, the European Securities and Markets Authority, the European Insurance and Occupational Pensions Authority, the European Systemic Risk Board and the EFTA Surveillance Authority;
- f) the National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) upon the reporting of information pursuant to Section 26 of the Anti-Money Laundering Act;
- g) the tax authorities upon the reporting of information pursuant to Section 10-5, Sub-section 1, of the Tax Administration Act;

- h) government bodies upon information exchange (coordination) as intended under the Act relating to the Register of Reporting Obligations of Enterprises;
- i) the Norwegian Banks' Guarantee Fund.

(5) Section 13, Sub-sections 2 and 3, and Section 13 a to Section 13 e of the Public Administration Act shall supplement the provisions of this section.

### ***Section 5-3. Duty of disclosure***

(1) The Ministry may in the form of regulations or individual decisions order financial sector undertakings to disclose to Norges Bank information which is necessary to attain the purpose of the central banking activities, or for the performance of duties assigned to the Bank under other statutes, or to comply with Norway's obligations to another state or an international organisation. A corresponding duty of disclosure may also be imposed on other institutions, undertakings and individuals that are involved in securities markets or engaged in payment services or that provide services to the financial sector. The Ministry may also impose such a duty of disclosure on other undertakings registered in the Register of Business Enterprises. No compensation may be claimed for costs incurred in complying with the duty of disclosure under this sub-section.

(2) The Ministry may in the form of regulations or individual decisions grant Norges Bank the right to require the disclosure of information from:

- a) the Tax Administration;
- b) the Register of Company Accounts and the Register of Bankruptcies;
- c) the Labour and Welfare Administration (NAV);

when necessary to fulfil the purpose of the central banking activities, or for the performance of duties assigned to the Bank under other statutes, or to comply with Norway's obligations to another state or an international organisation. Information from the Labour and Welfare Administration shall be limited to information from the Register of Employers and Employees and information on registered unemployment.

(3) Information requested pursuant to Sub-sections 1 and 2 may be disclosed irrespective of any statutory duty of confidentiality under the Financial Institutions Act, the Estate Agency Act, Act of 17 December 1999 No. 95 relating to Payment Systems, etc., the Securities Trading Act, the Central Securities Depository Act, the Tax

Administration Act, the Accounting Act, the Bankruptcy Act and the Labour and Welfare Administration Act. Such information may only be used for the purposes stipulated in Sub-section 1 or 2.

(4) The Ministry may in regulations lay down provisions to supplement this section, including provisions stipulating how the information shall be disclosed and what documentation it shall be accompanied by.

#### ***Section 5-4. Coercive fines***

(1) In order to ensure compliance with the duty of disclosure, Norges Bank may in the form of an individual decision impose a coercive fine upon contravention of the duty of disclosure under Section 5-3, Sub-section 1.

(2) The King may in regulations lay down provisions on coercive fines in accordance with this section.

#### ***Section 5-5. Criminal penalties***

A fine may be imposed on anyone who intentionally or negligently violates any provisions or decisions made pursuant to Section 3-9 or Section 5-3.

### **Chapter 6 Entry into force and transitional provisions. Amendments to other statutes**

#### ***Section 6-1. Entry into force and transitional provisions***

The Act shall enter into force on the date<sup>1</sup> decided by the King. The King may bring into force the various provisions of the Act on different dates. The King may lay down transitional provisions.

(...)