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**Approved by**

Order of Presidium of Military People's Council  
(MFC) of the Soviet Socialist Republic (SSR)  
Commonwealth No. 11/17 dated 5 June 2014

**Representative of Presidium of MFC of the  
SSR Commonwealth**

*/signature/* D.P. LEGKOSTUPOV

SEAL: PRESIDUM OF THE MILITARY PEOPLE'S COUNCIL OF THE  
SOVIET SOCIALIST REPUBLICS COMMONWEALTH

**Representative of the competent authority for  
State Bank of USSR Affairs**

Director of Fund for Social and Economic  
Development of Regions "Kazna Tvortsa Ra"  
(The treasury of the Creator Ra)

*/signature/* A.N. PARAMONOV

SEAL: FUND FOR SOCIAL AND ECONOMIC DEVELOPMENT OF  
REGIONS "KAZNA TVORTSA RA" (THE TREASURY OF THE CREATOR  
RA)

**Articles of Association  
of STATE BANK OF  
UNION OF SOVIET SOCIALIST  
REPUBLICS**

**Moscow 2014**

## 1. General Provisions

**1. State Bank of Union of Soviet Socialist Republics**, hereinafter referred to as the “**State Bank of USSR**”, is a single bank of circulation, national economy credit bank and settlement centre for USSR.

The established State Bank of USSR is the full legal successor of the State Bank of USSR.

In accordance with state plan of social and economic development of USSR, State Bank of USSR shall manage and regulate currency circulation within the country, attract available cash assets of various enterprises, associations, organizations and institutions as well as private persons, issue short-term and long-term credits, manage settlements for national economy, perform its obligations in financing capital investments and major repair works as well as fixed assets of various enterprises, associations, organizations and institutions, perform cash execution of state budget of USSR, manage and perform (in accordance with established procedure) international transactions, credit and other operations related to external trade and other types of external economic activities of USSR as well as currency valuables transactions.

By performing its functions State Bank of USSR shall support development of social production and raise its efficiency, promote scientific and technological progress, provide better commercial accounting of enterprises, associations and organizations and lead to increment of socialist accumulation in national economy of USSR and further strengthening of Soviet ruble.

Activities of State Bank of USSR shall be focused on implementing a single state policy regarding currency circulations, credit operations, financing and accounting of national economy.

State Bank of USSR shall perform general management of state labor savings banks of USSR.

State Bank of USSR shall be liable for strengthening monetary and credit system of USSR as well as for safety of currency, valuables and property entrusted to it. State Bank of USSR shall be subordinate to the competent authority.

2. State Bank of USSR shall perform credit operations, manage financing and accounting, organizes and regulate currency circulation as forms of financial control over accomplishing goods production and sales plans as well as financial plans, managing qualitative parameters of national economy and salary payments from payroll budgets and reducing non-production expenses and losses.

3. State Bank of USSR shall perform its activities in accordance with legislation of USSR, other decisions of MFC of USSR and its Presidium, Orders and Resolutions issued by the competent authority and these Articles of Association.

4. State Bank of USSR shall secure the enforcement of laws by all of its offices as well as organizations and enterprises subordinate to it, generalize practical law application to issues falling within competence of State Bank of USSR, draws up proposals on improving such laws and introduces such proposals to the competent authority.

5. State Bank of USSR shall be considered a legal entity and shall act on the ground of commercial accounting.

6. Borrowers of State Bank of USSR shall pay interest for loans received from State Bank of USSR at the rate approved by the competent authority.

State Bank of USSR shall calculate and pay interest on deposits of the population, and in cases stipulated by the legislation of the USSR - of enterprises, associations, organizations and institutions bearing accounts with the State Bank of USSR. Interest rates shall be established by the competent authority.

7. State Bank of USSR shall not be liable for the obligations of USSR and Union republics, as well as their central and local authorities, except in cases where such liability has been imposed on it by the competent authority, or when it claims such responsibility in accordance with guarantee or acceptance.

8. Funds and valuables belonging to companies, associations, organizations and institutions affiliated to State Bank of USSR, shall be seized only upon decisions of judicial, investigative or arbitration bodies, while execution shall be levied only on the grounds of court orders, orders of arbitration bodies and other executive documents, and in cases stipulated by legislation of USSR, at the request of financial authorities, State Bank of USSR and other organizations.

9. Deposits of physical persons within State Bank of USSR shall be seized in cases as follows: on the grounds of decisions issued by courts, preliminary investigation bodies or inquiry authorities due to their pending criminal cases and cases of confiscation as prescribed by law; on the grounds of court decisions regarding production of civil cases arising from criminal cases, cases of alimony (in the absence of earnings or other property which can be foreclosed) or sharing contribution in case of joint property of the spouses.

Foreclosure on the deposits of citizens shall be drawn on the grounds of court verdict or judgment that serves as satisfaction for civil action arising out of a criminal case, or a court decision on the claim for alimony (in the absence of earnings or other property, which can be foreclosed) or sharing contribution in case of joint property of the spouses.

10. All employees of State Bank of USSR shall be obliged to keep secrecy of transactions and accounts of State Bank of USSR and its customers.

Statements regarding operations and accounts of enterprises, associations, organizations and institutions shall be issued to the clients themselves, their parent bodies, as well as judicial, investigative and financial bodies and people's control authorities in compliance with established procedure.

Certificates of deposits and transactions on citizens' deposits shall be issued to the following legal persons (excluding clients and their legal representatives):

- courts, preliminary investigation bodies and inquiry authorities processing pending criminal cases and cases of confiscation as prescribed by law;

- courts processing civil cases arising from criminal cases, cases of alimony (in the absence of earnings or other property which can foreclose) or sharing contribution in case of joint property of the spouses;

- public notary offices processing inheritance cases concerning deposits of deceased depositors.

11. State Bank of USSR and its institutions shall be exempt from state and local taxes, fees and state duties.

12. State Bank of USSR and its institutions shall have a seal with State Emblem of the USSR and its name.

## **II. Funds of State Bank of USSR**

13. State Bank of USSR shall have statutory fund, reserve fund, fixed assets fund, depreciation fund and banking development fund.

14. Statutory fund shall consist of 150 billion rubles. The increase of this fund shall be decided by MFC of USSR.

Statutory fund shall serve as a means to secure obligations of State Bank of USSR.

15. Reserve fund shall be formed by contributions from profits made by State Bank of USSR, and is intended to cover possible losses on its operations. Contributions to reserve fund shall continue until its size becomes the same as statutory fund. If reserve fund is partially or completely spent to cover losses, contributions to this fund shall resume and continue until the fund reaches specified size.

16. Fixed assets fund consists of buildings and other property related to fixed assets owned by State Bank of USSR.

17. Depreciation fund shall be formed and spent in accordance with legislation of USSR.

18. Banking development fund shall be formed by contributions from profits made by State Bank of USSR, and is intended to finance measures aimed at introduction of new technology in State Bank of USSR, construction and repair of buildings and cash storage facilities of State Bank of USSR and its subordinate enterprises and organizations.

Regulations on banking development fund shall be approved by State Bank of USSR.

19. State Bank of USSR's profit shall be distributed as follows:

a) 50 percent shall be transferred to the Union budget;

b) 5 percent shall be credited to banking development fund;

c) the rest of profit shall used for decision of the competent authority of the USSR VNS (the competent authority).

## **III. Emission operation of State Bank of USSR**

20. State Bank of USSR retains the sole right to issue tickets of State Bank of USSR on the territory of USSR. State Bank of USSR shall also issue in the management of government treasury bills and metal coins of the USSR. Currency issue shall be carried out by State Bank of USSR in the amounts determined by the authority.

21. Bills of the State Bank of USSR shall be put into circulation, backed by gold and other precious metals other assets of State Bank of USSR.

22. State Bank of USSR shall have the right to establish their institutions in reserve funds tickets State Bank of USSR, government treasury bills and metal coins of the USSR.

23. Signs of fitness for use as currency of bills of State Bank of USSR, government treasury bills and metal coins of the USSR, as well as procedure for determining their solvency shall be established by State Bank of USSR.

#### **IV. Operations of State Bank of USSR regarding Organization and Regulation of Currency**

##### **Circulation within Country and Provision of Settlement Services to National Economy**

24. State Bank of USSR shall develop and submit cash plans for approval by competent authority of State Bank of USSR, participate in the development of settlements balance between revenue and expenditure.

State Bank of USSR shall organize and regulate circulation of money in the country, provide cash services to national economy, organize a cash income of State Bank of USSR released from cash transactions, issue money to production enterprises, associations, organizations, institutions and physical person, and exert control over expenditure of cash by enterprises, associations, organizations and institutions for their intended purpose and their compliance with economy in the expenditure of funds. State Bank of USSR shall organize introduction of cashless payments for public service sector.

25. State Bank of USSR shall organize and implement collection of cash coming into the offices of enterprises, associations, organizations and institutions, as well as establish procedure and deadlines for cash transfer to State Bank of USSR, savings banks and communication companies for enterprises, associations, organizations and institutions served by State Bank of USSR.

26. State Bank of USSR shall determine in accordance with order established by legislation of USSR the residue cash limits in vaults and norms of expenditure of cash revenue for enterprises, associations, organizations and institutions served by State Bank of USSR and oversee compliance with these limits and standards as well as timely delivery of cash proceeds in State Bank of USSR.

#### **V. Short-term Lending Operations of State Bank of USSR regarding National Economy**

28. State Bank of USSR shall develop and submit to the competent authority for approval credit plans of State Bank of USSR and develop estimates of short-term and long-term loans (with the distribution of data) to the consolidated financial balance. State Bank of USSR shall perform short-term lending to enterprises, associations and organizations, consisting on business principles with its own balance sheet and endowed with its own working capital. When crediting State Bank of USSR shall provide a differentiated approach to businesses, associations and organizations, providing good working

benefits stipulated by the current legislation and applying measures of credit exposure to poorly performing enterprises, associations and organizations.

29. State Bank of USSR shall give loans in forms of direct, targeted and urgent lending to suit needs arising from implementation of production plans and objectives which are not covered by its own working capital.

Lending facilities shall be established by decisions of the authorized body or on his behalf, State Bank of USSR.

30. Loans shall be issued by State Bank of USSR for terms arising from plans of production and sales of inventory, however such term shall not exceed 12 months.

31. For enterprises, associations and organizations in arrears on previously issued by State Bank of USSR short-term loans, new short-term loans shall not be available, except in cases provided for decisions of the competent authority.

32. Forms of credit granted to enterprises, associations and organizations and procedure for issuing and redemption of loans shall be determined by State Bank of USSR with respect to distinctive features of various sectors of the economy.

33. Loans issued by State Bank of USSR shall be credited to the accounts of companies, associations and organizations, transferred to repay previously issued loans or made directly to enterprises, associations and organizations in accordance with the purpose of loans.

34. Loans shall be granted by State Bank of USSR under accrued liabilities or obligations of the borrower after the filing, and in certain cases based on loan agreements between State Bank of USSR and enterprises, associations and organizations. Loans for material assets shall be provided for by collateral of their values, and if necessary, by guarantees from superior organizations' borrowers. Loans granted by State Bank of USSR for the purchase of agricultural products, as well as seasonal production costs in agriculture, shall be provided for by agricultural products entering the pledge as procurement and product yield.

35. Procedure pledge of inventories in the State Bank of State Bank of USSR shall be determined in accordance with applicable law.

## **VI. State Bank of USSR Operations and Long-term Crediting of the Economy**

36. State Bank of USSR shall finance capital investments of state enterprises, associations and organizations of agriculture, forestry and water management, cooperative enterprises and organizations, inter-farm enterprises (organizations) in agriculture, construction of schools, hospitals and cultural institutions in rural areas, operating expenses of government enterprises, associations and organizations of agriculture, forestry and water management, as well as repair of fixed assets of enterprises, associations, organizations and institutions that have accounts with State Bank of USSR.

37. State Bank of USSR shall develop and submit to the competent authority for approval with State Bank of USSR plans for long-term lending and develop estimates of long-term loans (with distribution of data) to the consolidated financial balance.

State Bank of USSR shall provide long-term loans in form of direct, targeted, urgent and lending returns on capital investments to state enterprises, associations and organizations whose funding is the responsibility of State Bank of USSR, inter-farm enterprises (organizations) in agriculture, businesses and organizations of consumer cooperatives, housing construction cooperatives in rural areas, and provide citizens living in rural areas with long-term loans for individual housing construction, household furnishing and other purposes.

Activities, which are provided for by State Bank of USSR long-term loans, as well as terms and timing of such shall be determined by the authority.

38. For enterprises, associations and organizations in arrears on previously issued by State Bank of USSR long-term loans, new long-term loans shall not be available, except in cases provided for decisions of the competent authority.

39. During financing and long-term loans issue, State Bank of USSR shall exert control over mobilization of funds intended to finance capital investments by enterprises, associations and organizations, targeted and efficient use of own and borrowed funds, observance of norms for construction duration, provision of timely commissioning and development of new production capacity, decline in the estimated cost of construction and compliance with project estimates, planning and financial discipline, strengthening of economic calculation in the construction, prevention of forces and resources spray to numerous construction projects.

#### **VII Operations of State Bank of USSR regarding Calculations in the National Economy**

40. State Bank of USSR shall organize and perform calculations in the national economy and contribute to their acceleration.

During settlement operations, State Bank of USSR shall monitor compliance by enterprises, associations, organizations and institutions to calculation regulations and contractual discipline.

41. Cash assets of enterprises, associations, organizations and institutions, both own and loaned, shall be subject to mandatory storage at State Bank of USSR, except for amounts of revenue the expenditure of which is permitted by State Bank of USSR and prescribed amount of carryover money in their vaults. All owed payments to enterprises, associations, organizations and institutions shall proceed into their accounts at State Bank of USSR.

Free cash of all credit institutions shall be subject to mandatory storage at State Bank of USSR.

Exemption from rules provided in this paragraph shall be permitted in cases established by State Bank of USSR.

42. In order to store cash and make settlements State Bank of USSR shall open enterprises, associations, organizations and institutions, depending on the nature of their activities and sources of funding settlement, current and other accounts. When opening and closing settlement, current and other accounts of State Bank of USSR shall monitor compliance with the current legislation on the order of creation, reorganization and liquidation of enterprises, associations, organizations and institutions. The procedure for opening and closing accounts shall be established by State Bank of USSR.

43. Settlements of companies, associations, organizations and institutions shall be carried out through State Bank of USSR in the form of acceptance, letter of credit or a special account via assignments, transfers, checks and other forms of payment established by State Bank of USSR. State Bank of USSR shall organize and carry out permanent and one-time payments by mutual cancellations enterprises, associations and organizations in the same or different sectors of the economy, the application of scheduled payments, and organize payments between credit institutions. Mutual cancellations permitted by State Bank of USSR shall be made available regardless of the creditors' priority claims to participants.

44. Without the consent of companies, associations, organizations and institutions to withdraw funds kept in accounts at State Bank of USSR, such withdrawal shall be permitted only in cases provided by legislation of the USSR. When addressing the claims, State Bank of USSR shall comply with procedure established by legislation of the USSR.

45. State Bank of USSR shall take registered cash deposits repayable on demand (demand deposits) and delayed deposits for at least 6 months (time deposits) from citizens. Issuance of deposits on demand depositors shall be guaranteed by the state. Investors shall have the right to dispose of contributions and make non-cash payments in the manner prescribed by State Bank of USSR.

46. The Depositor shall be entitled to indicate persons to State Bank of USSR to whom his/her contributions should be issued in the event of his/her death, in the manner prescribed by regulations of State Bank of USSR. Contribution, on which there is no testamentary disposition, in the event of death of the depositor shall be issued to his/her heirs by State Bank of USSR in the manner prescribed by the legislation of the USSR.

47. Contributions made to State Bank of USSR and income from such shall be exempt from taxation.

#### **VIII. Operations of State Bank of USSR regarding Cash Basis of USSR State Budget**

48. State Bank of USSR shall provide cash execution of state budget of USSR. All proceeds received from the state budget of the USSR shall be concentrated in the State Bank of USSR. All expenditures from the state budget of USSR shall be made via State Bank of USSR. Procedure for cash execution of state budget by State Bank of USSR shall be established in agreement with the competent authority.

49. State Bank of USSR shall perform the following operations on the cash execution of state budget of USSR:



- a) receipt and crediting funds received by the income of the union, republican and local budgets to the accounts of respective budgets;
- b) production of a fixed amount of deductions for state income taxes and income in republican and local budgets;
- c) provision of funds to union, republican and local budgets within the amounts received on account of these budgets.

Provisions of funds to enterprises, associations, organizations and institutions at the expense of union and republican budgets of Union republics shall be carried out within open credits, or, in case of republican (ASSR) and local budgets, within the funds transferred from accounts of budgets of enterprises, associations, organizations and institutions;

- d) receipt and disbursing of extrabudgetary funds of organizations on the payroll of the State Budget of the USSR.

50. When performing cash execution of the state budget of the USSR, State Bank of USSR shall:

- a) keep track of credit opened by federal and republican budgets of the Union republics and transfer such credits from one institution to another State Bank of the USSR;
- b) keep track of income and expenses of the union and republican budgets of the Union republics and make timely reports on performance of such cash budgets relevant financial authorities; maintain records of republican funds (ASSR) and local budgets.

#### **IX. Operations of State Bank of USSR in the Field of Foreign Affairs of the USSR, as well as Currency Values**

51. State Bank of USSR shall organize and carry out in prescribed manner and lending calculations on foreign trade and other forms of foreign economic activity, accounting and settlements by providing and receiving USSR government borrowings to be provided and received by loans of State Bank of USSR, as well as other international calculations of the USSR.

State Bank of USSR shall be entitled to transfer exercise of said payment and credit transactions from credit institutions of USSR.

52. State Bank of USSR shall purchase in the prescribed manner gold, silver, platinum and other precious metals in coins, ingots, scrap and raw form both within USSR and abroad, purchase and sale of foreign currency (currency, treasury notes, coins), payment documents (checks, promissory notes, letters of credit, etc.) and stock values (stocks, bonds, etc.) in foreign currency as well as other currency valuables, and conduct sales of gold, silver, platinum and other precious metals in coins, bullion, scrap and raw form abroad.

53. Purchase and sale of currency values within the Territory of USSR shall remain an exclusive right of State Bank of USSR. Other organizations shall perform such operations on behalf of State Bank of USSR.

The effect of this paragraph shall not apply to purchases of precious metals and precious stones by enterprises of gold, platinum and diamond industry, to the USSR Ministry of Finance operations with

precious metals and precious stones, and cross-border transactions as well as cases stipulated by legislation of the USSR.

54. State Bank of USSR shall issue traveler's checks and other bank payment documents in rubles and foreign currency and establish procedure for transactions with these documents.

55. State Bank of USSR shall be entitled to receive credits and loans from foreign banks, credit institutions and organizations and provide loans to foreign banks and other organizations in prescribed manner.

56. Loans issued by State Bank of USSR for foreign trade and other forms of foreign economic activity shall be provided for by pledged export and import goods and other material assets free from mortgage, bills and title documents, precious metals, foreign exchange, securities and other financial obligations in foreign and Soviet currency.

57. Residing overseas property used as a pledge for loans issued by State Bank of USSR for foreign trade and other operations shall necessarily be insured by the customer.

58. State Bank of USSR shall, in accordance with applicable law, establish foreign exchange rates in rubles, publish these rates in print and issue bulletins on foreign exchange rates.

59. State Bank of USSR shall be entitled to take over guarantees and issue guarantees on monetary obligations of Soviet and foreign legal entities.

60. State Bank of USSR enter into agreements with foreign banks on settlement and accounting for intergovernmental trade, credit, payment and other instruments, as well as correspondent, credit and other agreements.

61. State Bank of USSR shall, in the prescribed manner, open accounts to foreign banks, foreign legal entities and individuals, international organizations, Soviet citizens and takes deposits from them in foreign currency, as well as open accounts in foreign banks and place deposits within such banks.

62. Interest rates on current accounts and term deposits in foreign currency shall be established by State Bank of USSR.

63. State Bank of USSR shall receive precious metals, securities and other valuables from companies, associations, organizations and institutions for storage.

64. State Bank of USSR shall be entitled to participate, in the prescribed manner, in the capital of joint stock and other companies abroad, as well as act as a founder of such companies.

#### **X. Rights of State Bank of USSR**

65. To ensure the operations carried out by State Bank of USSR, and perform its functions, State Bank of USSR shall be entitled to:

a) publish, on the basis of and pursuant to the current legislation, instructions and other acts required for its clientele;

b) receive accounting reports and balances with related annexes from companies, associations, organizations and institutions that have accounts with State Bank of USSR,

financial plans, as well as information on the availability, supply and implementation of inventory lending and other data necessary for lending and settlement;

c) receive from companies, associations, organizations and institutions, draft plans for capital construction and contracting, itemized lists of buildings and other materials necessary for analysis of economic efficiency of capital investments, financing and credit, as well as for financial control;

d) check and correct preparation and approval of design estimates for construction and installation, repair, commissioning and other works, acts and bills for work performed to produce control measurements of works and to control the calculations for the ready-made objects;

e) carry out checks and cash settlement documents, accounting records, accounting and operational statistical materials enterprises, associations, organizations and institutions;

f) check usage of loans issued by State Bank of USSR for its intended purpose by enterprises, associations, organizations and institutions and cash received by State Bank of USSR, as well as availability, storage and safekeeping of inventory as collateral loans of State Bank of USSR;

g) verify compliance by enterprises, associations, organizations and institutions of contractual obligations and their compliance with the rules of calculation and timeliness of submission to the bank settlement documents, their marketability, as well as the safety of unpaid goods in custody of the buyers;

h) request, where appropriate, from the heads of enterprises, associations, organizations and institutions and their parent bodies, to perform actions for improvement of economic and financial activity of enterprises, associations, organizations and institutions;

i) write off without recourse to the accounts of enterprises, associations, organizations and institutions, as well as their parent bodies (with centralized calculations) accrued accounting balances, but not made within the period depreciation expense for financing the overhaul, and equity (profit, depreciation, etc.) intended for the financing of capital construction.

66. With respect to enterprises, associations and organizations that do not fulfill their obligations to State Bank of USSR and allowed themselves to breach the financial, cash, or credit settlement discipline, State Bank of USSR shall have the right to:

a) fully or partially discontinue lending, except for the cases stipulated by the legislation of the USSR;

b) recover the loan ahead of schedule in cases of unsecured debt, use of credits not on purpose or in violation of the rules of lending, sale or expenditure without transferring gained assets to repay debt to State Bank of USSR, poor storage of material assets pledged in lieu of loans issued by State Bank of USSR, evasion from banking supervision, as well as in cases of termination of lending company, association for organization;

c) transfer enterprises, associations and organizations for lending under the guarantee of the parent organization;

d) introduce a special regime of lending in accordance with established procedure;

e) prohibit, in accordance with the current legislation, expenditure of cash proceeds by enterprises, associations and

organizations violating cash discipline.

67. State Bank of USSR in accordance with the current legislation shall be entitled to stop financing and long-term lending of construction works and perform other sanctions against enterprises, associations, construction sites, contractors and other organizations that allow mismanagement of construction, breach of financial and project estimates discipline.

68. State Bank of USSR shall be entitled to recover ahead of the court the entire debt on loans to individual borrowers, in the case of misused loans, or in case of non-payment within 6 months of regular payments, with the repossession of houses built with loans issued by State Bank of USSR, and, if necessary, of other property of borrowers.

69. In case of claims of State Bank of USSR arisen in connection with the due time or late payments, as well as in connection with the early recovery of loans to enterprises, associations and organizations. State Bank of USSR shall apply for recovery without recourse on the basis of temporary obligations, liabilities or credit agreement, and in case of special loan account, on the basis of statements of commitment.

In the presence of long overdue (more than 60 days) debt on loans secured by a pledge of inventories, State Bank of USSR shall be entitled to transfer profit made from sales of these values to budget after satisfaction of claims for wages and payments to such.

In the absence of fund on debtor account, execution shall be levied to unencumbered material assets owned by debtor, except for fixed assets and other property which, in accordance with applicable law shall not be levied.

Sale of unencumbered property of debtor shall be made through a bailiff: in case of recovery of arrears by notary writ of execution, in case of early debt collection - by writ of execution issued on ground of a court decision or by arbitration authority.

70. All money owed to debtor by State Bank of USSR on any grounds shall be eligible to be taken as full or partial repayment of his/her debt to State Bank of USSR.

71. State Bank of USSR shall be able to exercise right of set-off by debt not yet due, if the company, association or organization is facing elimination of their activities or if they stopped payments on their obligations, as well as in cases where State Bank of USSR has the right to make an early recovery of outstanding loans or collecting outstanding amounts on other grounds.

72. State Bank of the USSR shall have the following powers to supervise and regulate the activities of banks:

a) issuance of licenses to banks for banking operations and registration of their charters; refusal in cases established by the legislation in force on the territory of the USSR to issue these licenses, as well as their revocation, maintenance and publication in the press of the register of registered banks;

b) establishment of economic standards for banks, including:

- the minimum size of the authorized capital

- the maximum ratio between the size of the authorized capital of the bank and the amount of its assets;
- balance sheet liquidity characteristics;
- the minimum amount of mandatory reserves deposited with State Bank of USSR;
- the maximum amount of risk per borrower;
- restrictions on the size of currency and exchange rate risks;
- restrictions on the use of mobilized deposits for the purchase of shares of legal entities;
- c) determination of the procedure for the formation of mandatory insurance funds by banks to compensate for possible losses of customers;
- d) appointment and implementation of inspections of banks' activities in accordance with the procedure established by State Bank of USSR, assignment of such inspections to audit organizations;
- e) establishment of volumes and deadlines for banks to submit accounting and banking statistical reports, as well as other information necessary for the analysis of the state of the economy;
- f) establishment of uniform rules for accounting, bank statistical reporting, as well as cash and other transactions in banks;
- g) giving banks mandatory instructions to eliminate violations of the legislation on banks in force on the territory of the USSR and the economic standards established by State Bank of USSR;
- h) issuance of licenses to audit organizations to conduct inspections of banks' activities; registration of these audit organizations in accordance with the procedure established by State Bank of USSR.

73. The powers of State Bank of USSR to apply measures of influence to banks for violations committed:

In the event of default by the banks of the regulations of State Bank of USSR, and also in identifying their violations of economic standards and other binding acts adopted by State Bank of USSR, with the failure of banks reporting or submitting inaccurate, distorted reporting, as well as banks in summing up the results of the year with a loss and appearance in connection with this threat to the interests of depositors and borrowers of the banks upon the discovery of other systematic abuses committed by banks, State Bank of USSR shall submit to the founders (participants) and heads of banks the following requirements:

- a) to carry out measures for the financial rehabilitation of this bank;
- b) to replace the head of the bank;
- c) to reorganize or liquidate the bank.

In connection with the revealed violations, State Bank of USSR shall have the right to independently:

- a) collect a fine of one percent of the authorized capital from the bank for violations committed. The collection of the specified fine shall be carried out by State Bank of USSR in an indisputable manner from the account of the bank that committed the violation, within two months after sending a

notification stating the grounds for collecting the fine. For unjustified write-off of funds from the account, State Bank of USSR shall pay a fine to the relevant bank in the amount of five percent of the unreasonably written-off amount;

- b) increase the rate of mandatory reserves for the bank that committed a violation;
- c) appoint a temporary administration to manage the bank for the period necessary for its financial recovery;
- d) revoke the license to perform banking operations.

The procedure for applying these measures of influence shall be established by State Bank of USSR.

#### **XL Organizational Structure of State Bank of USSR**

74. State Bank of USSR with all its institutions shall be considered a single centralized system. Capital cities of Union and autonomous republics, provincial and regional centers, autonomous provinces and autonomous regions shall have offices of State Bank of USSR while regional centers, cities and other settlements shall have either offices or agencies of State Bank of USSR. State Bank of USSR shall manage activities of institutions affiliated to State Bank of USSR located within the territory of relevant union and autonomous republics, territories, regions, autonomous territories and autonomous regions.

75. The structure and number of employees of the central apparatus of State Bank of USSR shall be approved by the competent authority.

#### **XII. Management of State Bank of USSR**

76. State Bank of USSR shall form the Board consisting of the Chairman of the Board, appointed by the competent authority, the Vice Chairman and members of the Board appointed by the President in consultation with the competent authority. Board of State Bank of USSR shall be located in Moscow.

77. Chairman of State Bank of USSR shall be included to the established order of the MFC of USSR.

78. State Bank of USSR shall organize its work through a combination of collegiality and unity of command in the discussion and resolution of all questions to govern the activities of State Bank of USSR.

79. Chairman of State Bank of USSR shall direct all activities of State Bank of USSR and shall be personally responsible for implementation of the tasks of State Bank of USSR.

80. Chairman of State Bank of USSR shall:

- a) issue orders, claims and other acts of instructions on all matters of State Bank of USSR on the basis of and pursuant to the laws of the USSR, and other decisions of MFC of USSR and its Presidium, decisions and orders of the authorized body and the present Charter;
- b) approve, in coordination with the authorized body, rules of cash execution of the USSR state budget by State Bank of USSR;

- c) in accordance with applicable law, dispose of all property and assets of State Bank of USSR, grant power of attorney, establish the procedure for signing the commitment and issuing powers of attorney on behalf of State Bank of USSR, and also represent State Bank of USSR in all matters at government of the USSR and abroad;
- d) establish, reorganize and liquidate institutions of State Bank of USSR and its subordinate enterprises and organizations, transfer these enterprises and organizations on economic calculation;
- e) approve the staffing of the central apparatus of State Bank of USSR, as well as model structure and model states and institutions of State Bank of USSR subordinate enterprises and organizations;
- f) establish the number of employees and amount of payroll for State Bank of USSR and its subordinate enterprises and organizations within the limits of work plan;
- g) appoint officials of State Bank of USSR, according to the established nomenclature, and dismiss them, establish officer and personal salaries in accordance with applicable law, encourage excellent employees, impose disciplinary sanctions;
- h) approve regulations on structural units of the central apparatus of State Bank of USSR as well as the institutions of State Bank of USSR;
- i) allocate responsibilities among Deputy Chairman of the State Bank of USSR; set the degree of responsibility of his deputies and heads of departments of the central apparatus of State Bank of USSR for the state of affairs entrusted to the job site.

Chairman of the Board of State Bank of USSR shall be entitled to assign individual issues within its competence, appoint heads of structural units of the central apparatus of State Bank of USSR, as well as heads of offices and other institutions of State Bank of USSR.

81. In order to carry out tasks in State Bank of USSR, including lending, financing, payment and cash handling etc., Chairman of State Bank of USSR shall:

- a) authorize, within limits of emission results approved by cash plan for the Union republics, temporary currency issue to individual republics in excess of the planned emission results or reduction of emission established in the republic in order to withdraw money from circulation due to free cash resources of other union republics or withdraw more money from circulation within such republics;
- b) set limits for spending cash proceeds of enterprises, associations, organizations and institutions;
- c) establish procedure of execution of State Bank of USSR loan plans, approved by the Council of Ministers;
- d) establish lending practices for enterprises, associations and organizations in some sectors of economy;
- d) decide, in accordance with applicable law, to postpone repayment of the loans;
- e) permit repayments of foreign loans received by the USSR within the amounts approved by currency schedule and within the timeframe established by intergovernmental agreements;

g) submit interest rates and fees for active and passive operations of State Bank of USSR as well as interest on transactions state savings banks USSR to the competent authority for approval.

82. The Board of State Bank of USSR shall monitor compliance of institutions of State Bank of USSR with laws of the USSR, other decisions of MFC of USSR and its Presidium, regulations and orders of the authorized body, these Articles of Association, orders, instructions and other regulations of State Bank of USSR.

The Board of State Bank of USSR shall discuss at its meetings:

- basic questions on the organization of lending and accounting regulation of money circulation financing, accounting, accountability, internal controls and other issues of State Bank of USSR;
- draft loan cash plans of State Bank of USSR, plans of currency receipts and payments for operations of State Bank of USSR, as well as measures required to ensure fulfillment of these plans;
- issues related to management of institutions of State Bank of USSR, state savings banks and subordinate enterprises and organizations of State Bank of USSR;
- issues related to recruitment, training and use of personnel;
- drafts of important orders, instructions and other acts of State Bank of USSR;
- annual report and balance sheets of State Bank of USSR, consolidated annual report of the State savings banks of the USSR;
- reports of the heads of State Bank of USSR offices, heads of departments of the central apparatus of State Bank of USSR, as well as Chairman of the Board of state savings banks of USSR.

Decisions of the Board of State Bank of USSR shall be enforced, usually, by orders of the Chairman of

the Board of State Bank of USSR. In case of disagreement between President and Chairman of the Board, Chairman shall enforce his/her decision by reporting any disagreements to the competent authority.

83. National (Union republic) branch of State Bank of USSR shall form its own boards consisting of department manager (chairman of the board), his deputies and members of the board appointed by the Chairman of the Board of State Bank of USSR.

Functions of the Board of the Republican (Union republic) Department of State Bank of USSR shall be determined by the Chairman of the Board of State Bank of USSR.

84. Departments of State Bank of USSR shall be headed by managers, while agencies - by heads.

85. The procedure for appointment of department managers and heads of agencies of the State Bank of USSR shall be established by State Bank of USSR.

### **XIII. Responsibility of State Bank of USSR regarding its Operations**



86. In case of improper issuance of cash by State Bank of USSR or incorrect entry to accounts made by State Bank of USSR, the bank shall be liable for damage caused to customers within improperly issued or credited monies unless it is established that the wrong issue or crediting of funds was made by the customer.

In all other cases, the responsibility of State Bank of USSR before the client shall be limited to the fine prescribed by penalty provisions for violation of the rules for settlement operations.

#### **XIV. Accounting of State Bank of USSR and Audit of its Institutions**

87. Rules of accounting and workflow in the institutions of the State Bank of USSR shall be established by State Bank of USSR.

88. The annual report and balance sheet of State Bank of USSR shall be submitted to the competent authority for approval no later than 30<sup>th</sup> of April of the following reporting year.

89. Derecognition of bad debts, shortages and losses of inventory owned by State Bank of USSR, outdated, worn and unusable equipment and vehicles, as well as costs of discontinued and unrealized capital operations shall be performed with the permission of Chairman of the Board of State Bank of USSR, except when such derecognition shall be made only with the permission of the competent authority.

90. The audit activities of the agencies of State Bank of USSR shall be carried out by audit unit of State Bank of USSR. Organization of audit unit, its subordination, procedure and frequency of audit for institutions of State Bank of USSR shall be established by State Bank of USSR.

Responsibility for organization and state of audit work within the system of State Bank of USSR shall be held by Chief Auditor of State Bank of USSR. Chief Auditor of State Bank of USSR shall be a member of the Board of State Bank of USSR.

91. Auditors of State Bank of USSR shall be entitled to receive references and copies of documents on transactions of audited institutions of State Bank of USSR from such enterprises, associations, organizations and institutions.

**Approved by**  
Order of Presidium of Military People's Council  
(MPC) of the Soviet Socialist Republic (SSR)  
Commonwealth No. 11/17 dated 5 June 2014

**THIS COPY IS TRUE**

**APPROVED BY**

Secretary of Presidium of Military People's  
Council (MPC) of the Soviet Socialist Republic  
(SSR)

*/signature/* V.P. ZOTOV SEAL: SECRETARY OF THE  
MILITARY PEOPLE'S COUNCIL