

**Law No. 01/92**

Defines the nature, objectives and functions of Banco de Moçambique as the central bank of the Republic of Mozambique.

**ASSEMBLY OF THE REPUBLIC**

**Law No. 01/92 of January 3**

The current political and economic outlook of the country imposes on credit institutions new dynamics in their actions as drivers of economic development.

The implementation of the Economic and Social Rehabilitation Program and the increasingly broad relationship of the Banco de Moçambique with international financial institutions have accelerated the need for greater operability of the central bank in its role as policymaker and regulator of the monetary and credit policies and supervisor of the national financial system.

The materialization of these objectives necessarily entails the institutional separation of central bank and commercial bank functions, so as to enable the Banco de Moçambique to fully undertake the functions of central bank, and make commercial banks more competitive.

In these terms, under the provisions of Article 135.1 of the Constitution, the Assembly of the Republic hereby determines:

## **CHAPTER I**

### **Nature, Head Office, Object and Purposes**

#### **ARTICLE 1**

1. The Banco de Moçambique, hereinafter referred to as “Bank”, is a legal person governed by public law, endowed with administrative and financial autonomy, and shall be a public company.
2. The Bank shall be governed by the provisions contained in this statute and by the regulations that may be adopted for its execution.
3. The Bank shall have its head office in Maputo and set up branches or agencies, generically known as facilities, wherever the needs of the exercise of its functions so require.

#### **ARTICLE 2**

The Banco de Moçambique is the central bank of the Republic of Mozambique.

#### **ARTICLE 3**

1. The main objective of the Bank shall be to preserve the value of the national currency.
2. In light of said currency preservation, the Bank shall also undertake the following:
  - a) promote the conduct of sound monetary policy;
  - b) guide credit policy with a view to promoting the economic and social growth and development of the country;
  - c) manage foreign assets so as to maintain an adequate volume of means of payment necessary for international trade
  - d) discipline banking activity;

3. In the pursuit of the objectives set out in paragraphs 1 and 2 of this Article, the Bank shall observe Government policies.

## **CHAPTER II**

### **Own funds and other financial resources**

#### **ARTICLE 4**

1. The capital of the Bank shall be fifty billion meticaïs, subscribed in full by the State.
2. The capital of the Bank may be increased upon proposal by the Government Board of Directors.
3. The Bank shall also have funds resulting from the application of profits under the terms of Article 65 of this Diploma.

#### **ARTICLE 5**

For the financing of the operations included in its object, in addition to the use of the resources indicated in article 4, the Bank may:

- a) accept demand deposits from the State and credit institutions;
- b) use funds derived from loans granted by foreign or international natural or legal persons;
- c) use funds from compulsory deposits of credit institutions;
- d) carry out any other borrowing operations not prohibited by law.

#### **ARTICLE 6**

1. The deposits made with the Bank by credit institutions, even if they refer to compulsory deposits, may be remunerated.
2. The State guarantees the repayment of deposits made to the Bank.

## **CHAPTER III**

### **Currency issuance and foreign exchange reserves**

#### **SECTION I**

#### **Currency issuance**

##### **ARTICLE 7**

1. The Bank shall have the exclusive right and obligation to issue notes and coins in Mozambique.
2. The issue and face values shall be fixed in accordance with the interests of the national economy, with the State reserving the right to issue commemorative coins.
3. Banknotes and coins shall be legal tender throughout the country, have unlimited discharging power, and shall be exempt from stamp duty and any other taxes.
4. The characteristics and face value of the banknotes and coins to be issued by the Bank shall be decided by the Governor of the Bank, after prior approval by the President of the Republic, under the terms of Law No.1/91, of January 9.
5. The banknotes shall bear the date of general issue and shall be signed, by seal, by the Governor of the Bank.
6. The Bank shall be obliged to supply the national community, under the best conditions of security and convenience, with banknotes and coins of good quality and difficult to counterfeit.
7. The acts of the Governor of the Bank in the exercise of the powers conferred by paragraph 4 of this Article shall take the form of a notice to be published in the Bulletin of the Republic.

##### **ARTICLE 8**

1. It shall be incumbent upon the Bank to fix the period within which banknotes and coins of any type or plate to be withdrawn from circulation, which information shall be disclosed by public notice.
2. Once the time limit set under the terms of the preceding paragraph has expired, the banknotes and coins withdrawn from circulation shall lose their discharging power and legal tender throughout the national territory.

3. The banknotes collected shall be duly listed and then destroyed in a manner to be regulated by the Bank.

#### **ARTICLE 9**

The Bank shall assume responsibility for other banknotes and coins issued under the terms of Article 7.

#### **ARTICLE 10**

The Bank shall supervise numismatic activities and shall be responsible for regulating the marketing of coins and the activities of the respective agents.

#### **ARTICLE 11**

The issuance of currency, represented by banknotes and coins in circulation and other spot liabilities in national currency, shall be the subject of an annual program, with periodic reviews whenever deemed necessary, which shall foresee the evolution of such issuance and respective factors in order to coordinate the management of foreign exchange reserves and the credit to be granted by the Bank with the needs of stabilization and development of the economy.

### **SECTION II**

#### **Monetary Reserve**

#### **ARTICLE 12**

1. The foreign exchange reserves shall consist of:
  - 1<sup>st</sup>. Gold, in coins or bars;
  - 2<sup>nd</sup>. Fine silver and platinum;
  - 3<sup>rd</sup>. Special drawing rights;

4<sup>th</sup>. Foreign currency and other assets expressed in foreign currency of assured convertibility in the form of:

- a) credits payable on demand or for a maturity not exceeding one hundred and eighty days and represented by balances of accounts opened with banks of recognized credit domiciled abroad and with international monetary institutions or bodies;
- b) cheques and payment orders issued by recognized credit entities over first class banks domiciled abroad;
- c) Claims payable on demand or with a maturity not exceeding one hundred and eighty days, accepted by first class banks domiciled abroad;
- d) treasury bills or other similar obligations of foreign States, maturing or to mature within one hundred and eighty days;
- e) foreign notes and coins;

The Bank may include in the foreign exchange reserve any other kind of foreign assets it considers appropriate, in accordance with international standards and after duly authorized by the Government.

### **ARTICLE 13**

External net assets shall meet the needs of international trade.

If such foreign assets fall or are in such decline as to jeopardize their adequacy for the international transactions of the country, the Board of Directors of the Bank shall inform the Government of the position of the reserves and of the causes which have led or may lead to such a situation, with such recommendations as it may deem necessary for their coverage.

### **ARTICLE 14**

1. In the event of a change in the value of the assets or liabilities of the Bank as a result of adjustments of the national currency against other currencies, the Bank shall record such profit or loss in a special value fluctuation account.
2. If at the end of the Bank's financial year, there is a debit balance on the special account for exchange movements, the State shall settle such balance by issuing public debt

securities in favor of the Bank or in another form proposed by the Bank's Board of Directors.

3. Any credit balance in the special account for exchange movements at the end of each financial year shall be credited to a captive account in the name of the State on which the Bank may pay interest at such rate as the Board of Directors may determine.
4. The balance referred to in the preceding paragraph may only be used to settle liabilities arising out of Paragraph 2 of this Article.
5. Both the profits and the losses referred to in this Article shall not be included in the final balance of each financial year.
6. The special account for exchange movements may not be credited or debited except in the cases provided for in this Article.

## **ARTICLE 15**

The Bank's currency issuance, to the extent that it exceeds the level of foreign exchange reserves, shall be fully covered through the following amounts:

- a) claims on the state arising from the operations provided for in Articles 18 and 19
- b) securities constituting the commercial portfolio of the Bank;
- c) claims resulting from lending operations granted to credit institutions in accordance with Article 41 (b);

## **CHAPTER IV**

### **Central Bank**

#### **SECTION I**

#### **General Provisions**

## **ARTICLE 16**

1. As the central bank, the Bank shall be the banker of the State, advisor to the Government in the financial domain, guide and controller of monetary, financial and foreign exchange policies, manager of the country's foreign assets, intermediary in international monetary relations, and supervisor of financial institutions.

2. The Bank shall be responsible for centralizing and compiling the monetary, financial and foreign exchange statistics it deems necessary for the pursuit of an efficient policy in these areas.
3. It shall also be incumbent upon the Bank to monitor the activity of the money, financial and foreign exchange markets.

### **SECTION III**

#### **State Banker**

#### **ARTICLE 17**

The Bank shall be the banker of the State, both within and outside the country:

#### **ARTICLE 18**

1. The Bank may grant the State annually, interest-free credit in the form of a current account, in national currency, up to a maximum amount of ten percent of the ordinary income of the General State Budget collected in the financial year before last.
2. State withdrawals from the same account shall be made solely in representation of the budgetary revenue for the respective financial year and the credit must be settled by the last day of the economic year in which it is opened; failing this, the balance shall bear interest at the Bank's rediscount rate.

#### **ARTICLE 19**

In addition to the case provided for in the preceding paragraph, the limit on credits granted by the Bank to the State shall, each year, depend on the definition by the Government of the public borrowing requirements, which shall be adjusted to the programming referred to in Article 11.

### **SECTION III**

#### **Advisor to the Government**

#### **Financial sphere**

#### **ARTICLE 20**

As an advisor to the Government, the Bank is responsible for:

- a) providing information and advice on matters of monetary, financial and foreign exchange nature;
- b) advising in negotiations on external agreements and financing;
- c) participating in ad hoc meetings on monetary, financial and foreign exchange policy matters.

### **SECTION IV**

#### **Monetary and Financial Policy**

#### **ARTICLE 21**

1. It shall be incumbent upon the Bank, as the guideline and controller of the monetary policy, to regulate the functioning of the money market.
2. As supervisor of financial institutions, it shall also be incumbent on the Bank to regulate the functioning of the financial market and to establish a link between their activities and the directives of the monetary and financial policy.

#### **ARTICLE 22**

The Bank shall determine, in accordance with the requirements of monetary and financial policy, the qualitative and quantitative arrangements under which loans and credits may be granted to each of the financial institutions, as well as the legal formality of such operations.

### **ARTICLE 23**

1. The Bank shall fix the rediscount rate.
2. It shall be incumbent on the Bank to regulate rediscount operations by setting limits, time limits and other conditions.

### **ARTICLE 24**

The Bank may apply other rates than the normal ones to rediscount operations exceeding the established quantitative limits or qualitative rules.

### **ARTICLE 25**

1. The Bank shall fix the rates and fees applicable to other proprietary operations.
2. The Bank shall fix the system of interest rates, commission and any other forms of remuneration for operations carried out by financial institutions.

### **ARTICLE 26**

The Bank may, where necessary, issue instructions concerning the volume, structure, terms and conditions of credit to be granted by financial institutions and monitor their application.

### **ARTICLE 27**

1. The Bank shall establish for credit institutions a minimum limit of compulsory deposits to be collected by the Bank, proportionate to the amounts of current deposits, at notice and with agreed maturity, and other sight liabilities of such institutions and the minimum percentage of their cash liabilities.
2. The Bank may, for reasons related to the monetary environment, modify the minimum limit and the minimum percentage referred to in the preceding paragraph.

## **SECTION V**

### **Manager of the country's foreign assets and exchange policy**

#### **ARTICLE 28**

The Bank shall be the foreign exchange authority of the Republic of Mozambique.

#### **ARTICLE 29**

Unless expressly provided for by law, no external payments may be made without being duly authorized by the Bank.

#### **ARTICLE 30**

It is the Bank's responsibility to:

- a) define, for the defense of the national currency, the principles governing transactions in gold and foreign exchange;
- b) fix the limits of the holdings of gold and foreign currencies that may be held by entities authorized to conduct foreign exchange business;
- c) fix the foreign exchange rates and give them daily publication;
- d) license and oversee any and all activities of recovery, by chemical or mechanical means, of gold, silver and platinum, which are incorporated in metallic alloys or other products.

#### **ARTICLE 31**

The Bank may, in its own name or the State's, and for the account and by order of the latter, enter into clearing and payment agreements or any other contracts serving the same purposes with similar public or private institutions domiciled abroad.

#### **ARTICLE 32**

1. The opening of foreign currency accounts abroad by national residents shall depend on special and prior authorization by the Bank, and the terms and conditions set forth in the authorization shall be complied with for their operation.

2. The opening of accounts in national currency by non-resident entities depends on prior authorization by the Bank, which shall define the terms and conditions for the respective transactions.

### **ARTICLE 33**

It shall be incumbent upon the Bank, in coordination with the Ministry of Finance, to manage foreign debt, register it and intervene in its contracting and renegotiation in accordance with the guidelines set out by the Government.

## **SECTION VI**

### **International monetary relations**

### **ARTICLE 34**

The Bank may maintain relations with foreign and international financial institutions.

### **ARTICLE 35**

The Bank may enter into contracts and sign banking or cooperation agreements with similar public or private institutions of other countries and international organizations.

### **ARTICLE 36**

The Bank may participate in the capital of foreign or international institutions with monetary and exchange functions, and be part of their governing bodies.

**SECTION VII**  
**Supervisor of Financial Institutions**

**ARTICLE 37**

For the purposes of this Diploma, all credit institutions and other institutions empowered by law, with the exception of insurance companies, shall be deemed subordinated to the supervision of the central bank.

In order to supervise the institutions subject to it, it is incumbent on the Bank to, inter alia:

- a) consider and issue an opinion on applications for the setting up of such institutions with a view to their operation, as well as their merger, demerger or transformation, and to propose the revocation of authorizations granted, where appropriate;
- b) define the conditions for opening branches, agencies, delegations and other forms of representation of the said institutions, in the national territory or abroad, and to decide on the respective requests;
- c) assess the suitability of persons holding shares in institutions in which they represent more than ten per cent of the respective share capital, as well as the technical and professional aptitude of their directors or managers, and define the mandatory conditions for the exercise of these functions;
- d) establish directives for the performance of these institutions;
- e) ensure the centralization of information and credit risk services.

**ARTICLE 38**

1. It shall be incumbent upon the Bank to conduct inspections at the establishments of financial institutions subject to its supervision in accordance with the law.

2. The employees of the Bank in charge of inspections shall be duly accredited and shall enjoy the attributes and powers of the agents of State authority when performing their duties.

## **ARTICLE 39**

All institutions subject to supervision shall be obliged to send to the Bank, in accordance with the instructions transmitted by the latter, monthly balance sheets and other information concerning their situation and the operations they carry out.

## **CHAPTER V**

### **Treasury**

## **ARTICLE 40**

1. The Bank shall act as treasury, where it performs banking functions, paying all its expenses on behalf of the State, within the limits of the funds entrusted to its safekeeping, revenues, carrying out all its banking operations and collecting or returning all deposits for guarantee or in the custody of the State.
2. The provisions of paragraph 1 of this Article shall be extended to institutions subordinated to the State, and to local bodies of the State, under such terms as may be established.
3. For the services provided to the State under paragraph 1 of this Article, the Bank shall charge a fee to be determined by the Board of Directors.

## **CHAPTER VI**

### **Bank Operations**

## **ARTICLE 41**

The Bank may, in accordance with its credit policy, carry out such operations as are justified by its status as a central bank, and in particular the following:

- a) rediscounting and discounting, for a period not exceeding one hundred and eighty days, bills, promissory notes, invoice extracts, warrants and other securities of a

similar nature, arising from productive or commercial activities, duly guaranteed by the rediscounting entity, under the conditions to be defined by the Bank;

- b) granting credit institutions loans for a period not exceeding 180 days, in the terms and conditions deemed advisable, secured by gold, treasury bills and other foreign government securities listed on the main financial markets; securities issued by other domestic public-law entities, when they have the privileges and guarantees attributed to them, payable in the country or abroad, in domestic or foreign currency;
- c) accepting current deposits from the State and credit institutions;
- d) accepting deposits of State securities belonging to financial institutions;
- e) issuing securities for a maturity not exceeding one year, with the purpose of intervening in the money market;
- f) carrying out all transactions in respect of gold and foreign currencies;
- g) carrying out, on its own account or on behalf of others, collection, payment and transfer of funds and any other banking operations not expressly prohibited by this law.

#### **ARTICLE 42**

The Bank is prohibited from:

- a) accepting deposits from, and extend credit to, natural persons;
- b) accepting deposits from and grant credit to legal persons, except in the case of credit institutions;
- c) carrying out other operations inherent to commercial banks.

#### **ARTICLE 43**

The clearing of cheques and other negotiable instruments shall operate within the Bank under the terms to be established by specific regulation.

## **CHAPTER VII**

### **Management and Supervision of the Banco de Moçambique**

#### **SECTION I**

##### **General Provisions**

#### **ARTICLE 44**

1. The administrative and supervisory bodies of the Bank shall be the Board of Directors and the Board of Auditors.
2. The Advisory Council shall be a supporting and advisory body to the Board of Directors of the Bank.
3. The following shall not be members of the bodies mentioned in paragraph 1 of this Article:
  - a) individuals who reveal in the information sheets of the national banking system, to be defaulters in fulfilling their contractual obligations;
  - b) those who have been judicially convicted of felonies against State or private property, whatever the penalty applied;
  - c) those judicially declared responsible for irregularities in the exercise of public or private functions;
  - d) persons holding a leading position in any credit or financial institution.

#### **SECTION II**

##### **Board of Directors**

#### **ARTICLE 45**

1. The Board of Directors of the Bank shall comprise a Governor, who shall chair its sessions, a Deputy-Governor and four to six directors.
2. The Governor of the Bank may determine the participation in the Board of Directors of other persons whose presence he considers convenient.
3. The members of the Board of Directors shall serve for renewable periods of five years.

4. The Governor and Deputy-Governor of the Bank shall be appointed, dismissed and resigned by the President of the Republic in accordance with the provisions of the Constitution of the Republic.
5. The Directors of the Bank shall be appointed, dismissed and resigned by the Prime Minister, and their appointment shall include persons of recognized competence in monetary and financial, economic or legal matters.
6. Members of the Board of Directors may only be dismissed with just cause.

#### **ARTICLE 46**

The Board of Directors shall, in general, be responsible for the performance of all acts necessary for the pursuit of the purposes assigned to the Bank by this law.

It shall, in particular, be incumbent to:

- a) deliberate on the general organization of the Bank and on the establishment or closure of any branch, agency or office of the Bank and the appointment of correspondents;
- b) define the Bank's personnel management policy and approve the respective establishment plan and salaries;
- c) approve the internal regulations;
- d) approve the Bank's annual budget;
- e) prepare the management report and accounts and propose the appropriation of profits in accordance with this law;
- f) authorize the acquisition and disposal of movable and immovable property;
- g) approve the monetary program;
- h) guide and control the banking system and fix liquidity and mandatory reserves of credit institutions;
- i) approve the chart of accounts of the banking system;
- j) establish the system of fees and commissions of lending and borrowing operations and services to be provided by the banking system;
- k) decide on exchange regulations;
- l) deliver opinions or take decisions on matters entrusted to it by law or submitted to the Bank by the Government, or on which it considers it should give an opinion
- m) delegate powers to employees of the Bank when it deems necessary.

## **ARTICLE 47**

1. It shall be incumbent upon the Governor, in particular, to:
  - a) represent the Bank before the Government;
  - b) preside over the sessions of the Board of Directors;
  - c) define the portfolios and allocate them among the members of the Board of Directors;
  - d) exercise the right to suspend resolutions of the Board of Directors;
  - e) represent the Bank in all acts before domestic and foreign or international bodies;
  - f) decide on the characteristics and face value of the Metical banknotes and coins
  - g) decide on the issuance and collection of banknotes and coins;
  - h) order such inspections as it deems appropriate;
  - i) submit to the Government the matters to be submitted to it and to inform it of the situation of the Bank;
  - j) sign the official correspondence with the higher bodies of the State;
  - k) intervene in all acts that the law or regulations explicitly or implicitly assign to it and to supervise all matters related to the interests and activities of the Bank.
1. The Governor of the Bank may delegate to each member of the Board of Directors or to a senior employee of the Bank, where the convenience of the service so requires, any act within his competence, except for the powers referred to in subparagraphs c), d), f) and g) of paragraph 1 of this Article.

## **ARTICLE 48**

1. The Governor shall be replaced, in his absence or impediments, by the Deputy-Governor and, in the absence of the latter, by a board member appointed by the Governor.
2. The legal replacement of the Governor may only decide on matters falling under paragraphs c), d) and g) of Section 1 of the preceding Article, on the advice of the Board of Directors;
3. The legal substitute shall not be entitled to decide on the matters set forth in subparagraph f), paragraph 1 of Article 49.

#### **ARTICLE 49**

1. The Governor shall always have the casting vote in the meetings he/she presides over and may suspend, in accordance with paragraph d) of Article 47 of this law, the implementation of the decisions of the Board of Directors when he/she considers that they are manifestly contrary to the law, regulations or the interests of the country.
2. Resolutions suspended under the terms of the preceding paragraph shall be finally considered by the Board of Directors in subsequent sessions.

#### **ARTICLE 50**

1. The Board of Directors shall hold ordinary meetings at least once a week and extraordinary meetings whenever convened by the Governor. In order to pass resolutions, more than half of its members in office must be present.
2. Decisions of the Board of Directors shall always be recorded in the minutes and shall be taken by more than half of the votes present; abstentions shall not be permitted, except in the cases provided for in paragraph 4 of the following Article.
3. The members of the Board of Directors may include a summary of their interventions in the minutes and may also vote “against” decisions they disagree with.
4. The members of the Board of Directors shall be collectively responsible for decisions taken and individually responsible for their implementation.

#### **ARTICLE 51**

1. Board members may not be members of the management bodies of any other credit institution, nor may they cumulatively exercise any functions therein, except when representing the Bank.
2. Board members may not undertake any remunerated professional duties outside the Bank or be members of the governing bodies of any company, except with the prior authorization of the Governor of the Bank.
3. Board members may not use their capacity and position to obtain personal benefits or those of their family members.

Whenever the Board of Directors has to discuss a matter in which the commercial, financial, agricultural, industrial or any other profit-making interests of a member of the

Board of Directors, his spouse, ascendants, descendants and other first-degree relatives are involved, he shall declare that he is barred from participating.

4. In the event of a conflict of interest as referred to in the previous point, the board member in question shall abstain from voting.

### **SECTION III**

#### **Board of Auditors**

#### **ARTICLE 52**

1. The Board of Auditors shall supervise the activities of the Bank and its members may, jointly or separately, carry out such inspections as they deem necessary.
2. The Board of Auditors shall consist of four members, three of whom shall be appointed by the Minister of Finance and one elected by the employees of the Bank for a renewable period of three years.

The Chairman of the Board of Auditors shall be appointed from among the members appointed by the Minister of Finance.

3. The members of the Board of Auditors shall be chosen from among personalities of recognized competence in monetary, financial, economic or legal matters.

#### **ARTICLE 53**

1. It shall be the particular duty of the Board of Auditors to:
  - a) monitor the functioning of the Bank and compliance with the laws and regulations applicable to it;
  - b) verify, whenever it deems appropriate, the state of the treasury and the financial and economic situation of the Bank;
  - c) ensure that the diligences regarding the compulsory collection of debts owed to the Bank are carried out in accordance with the provisions of the present Diploma

- d) attend, by delegation, one of its members when deemed necessary or when convened, the meetings of the Board of Directors, being able to participate in the debates, when convened, and always without the right to vote;
  - e) give an opinion on the budget proposals, the management accounts and the reports for each year;
  - f) verify the implementation of the deliberations of the Bank's Board of Directors;
  - g) give an opinion on the matters submitted to it by the Bank's Board of Directors or by the Government;
  - h) call the attention of the Bank's Board of Directors to matters that it deems worthy of consideration;
2. The Board of Auditors may be assisted by specially designated or contracted staff or by companies specialized in auditing work.
  3. The members of the Board of Auditors shall be entitled to a monthly bonus fixed by the Government.

#### **ARTICLE 54**

1. The Board of Auditors shall meet once a month and also whenever its chairperson or the Board of Directors deem necessary and shall only be deemed as constituted to deliberate if there are at least two members.
2. All decisions taken shall be recorded in minutes.

#### **SECTION IV**

##### **Advisory Board**

#### **ARTICLE 55**

1. The Advisory Board is a broad body for consultation with the Board of Directors and is composed of members of the Board of Directors, directors of the Bank and managers of subsidiaries.

2. The Governor of the Bank may invite, to the sessions of the Advisory Board, senior managers of the Bank, representatives of economic ministries, of other credit institutions, as well as banking trade unions.

## **ARTICLE 56**

1. It shall be incumbent upon the Advisory Board to:
  - a) consider issues of relevant interest to the Bank's activities and to the national economy;
  - b) examine issues concerning the organization and functioning of the Bank;
  - c) consider matters expressly entrusted to it by the Board of Directors;
  - d) take stock of activities and plan future actions.
2. The Advisory Board shall hold ordinary meetings once a year and extraordinary meetings whenever convened by the Governor of the Bank.

## **SECTION V**

### **Staff**

## **ARTICLE 57**

1. The Bank's staff members shall have their rights and obligations determined by their own statutes, which shall take into account the rights established by the legislation in force, without prejudice to adjustments resulting from the broad labor policy guidelines defined by the Government.
2. The staff shall be organized into work collectives at all levels of management with a view to the active and constant participation of all employees in the life of the Bank.

## **ARTICLE 58**

The Bank shall maintain a permanent human resources training and development system.

## **ARTICLE 59**

1. The Bank may grant loans to its employees with a view to facilitating the acquisition of movable property and utensils and the construction, extension or improvement of permanent dwellings, under such conditions as may be laid down by the Board of Directors.
2. The Bank may acquire or construct buildings to be used as dwellings for its employees against amortization of rental income, under conditions to be established, or for purposes of a social nature.
3. The Bank shall support workers' initiatives in the social, cultural and recreational fields of recognized interest and feasibility, compatible with the nature of the institution and in accordance with regulations to be approved by the Board of Directors.

## **ARTICLE 60**

The Bank may create a special fund, with appropriate regulations, financed with resources from the participation of employees and the Bank itself, as a complement to the social security system in force or which may come into force, in order to guarantee the totality of current salaries, as well as their updating as of the retirement date.

## **CHAPTER VIII**

### **Budget and Accounting Records**

#### **Balance Sheet and Profit and Loss Account**

## **ARTICLE 61**

The Bank shall be governed by its own legislation and rules in all matters relating to the organization of its budget, the performance of its services, the payment of its expenditure and the presentation, auditing and judgment of its accounts.

## **ARTICLE 62**

1. An annual operating budget of the Bank shall be drawn up.
2. The budget for each year shall be submitted to the Minister of Finance not later than November 30 of the preceding year.

## **ARTICLE 63**

The Bank shall keep the main and auxiliary ledgers stipulated by law for credit institutions.

The ledgers and other accounting documents, as well as any files, may not leave the premises of the Bank or its premises, even if requested by any authority.

## **ARTICLE 64**

The accounts of the Bank as at December 31 of each year shall be closed and sent to the Ministry of Finance by the end of March the following year.

## **ARTICLE 65**

The net profits earned in each financial year shall be distributed in the manner approved by the Government upon proposal by the Board of Directors.

## **ARTICLE 66**

1. Whenever the value of assets becomes lower than the sum of the value of liabilities and paid-in capital, the Ministry of Finance, on a proposal by the Board of Directors of the Bank, shall issue public debt securities in favor of the Bank for the amount deemed necessary to remedy the situation.
2. The public debt securities issued under the terms of the preceding paragraph and of Article 14 shall be redeemed at the end of each financial year in a percentage to be proposed to the Minister of Finance by the Board of Directors of the Bank

and to be deducted from the net profits of the said financial year after deduction of the value of the legal reserve.

## **CHAPTER IX**

### **Miscellaneous Provisions**

#### **ARTICLE 67**

1. The Bank shall keep on file its records of main accounts, correspondence, documents evidencing operations carried out and current account books in which they are entered.
2. The archive may be microfilmed either in whole or in part, subject to the authorization of the Board of Directors; after microfilming, the originals may be destroyed after ten years.

#### **ARTICLE 68**

Certified reproductions of documents filed with the Bank shall have the same probative value as the originals, even in the case of microfilm enlargements.

#### **ARTICLE 69**

The Bank shall enjoy exemption from all contributions, taxes, fees, administrative licenses, justice tax, stamp duty and other general and special levies, under the same terms as the State.

#### **ARTICLE 70**

1. Common courts shall have jurisdiction in disputes to which the Bank is a party; the Bank may be represented by a lawyer.

2. No action brought by the Bank may be objected to on the ground of relative lack of jurisdiction, but where the actions are brought before courts territorially lacking jurisdiction, the minimum delay shall be twenty days.

#### **ARTICLE 71**

1. Acts and contracts concluded by the Bank as well as all acts entailing their revocation, rectification or amendment may be evidenced by a private document.
2. In the case of acts subject to registration, the private document shall contain authentic acknowledgement of signatures.
3. The documents by which the Bank formalizes any legal transactions or contracts shall always be enforceable against any party who proves to be a debtor to the Bank, notwithstanding any other formalities required by common law.
4. With respect to legal transactions or contracts in which it participates, the Bank's credits shall enjoy preferential credit status, regardless of the guarantees that have been established, and shall rank immediately after the State's credits.

#### **ARTICLE 72**

1. The Bank shall have a private notarial office where deeds and other acts in which it grants or is interested and which require the intervention of a notary shall be drawn up.
2. The notary and his deputies shall be appointed by the Minister of Justice upon proposal by the Governor of the Bank and their competence shall be cumulative and identical in all respects to that of officials of equivalent rank of the public notaries.
3. Documents drawn up or authenticated by the notary and his assistants shall, to all effects, be deemed authentic.
4. The charges and compensation for expenses due for acts performed in the private notarial office or for the extraction of certificates and photocopies shall be calculated in accordance with the notarial legislation in force, shall be considered as income of the Bank and shall be recorded as such.

## **ARTICLE 75**

1. Anything relating to deposits, credit operations, guarantees, relations with the outside world or any other operations carried out by the Bank shall be considered confidential and subject to banking secrecy, certificates may only be extracted or information provided in the following cases:
  - a) at the request of the holder of the referred operations;
  - b) by order of the Judge of the Court of Law after previously hearing the Governor of the Bank by letter.
2. Information on measures relating to the Bank's monetary policy and security shall also constitute a matter covered by banking secrecy; such information may only be provided exclusively by the Governor of the Bank.

## **ARTICLE 76**

The Bank may grant donations or subsidies within the limits fixed in the respective budget.

## **ARTICLE 77**

1. The Bank shall have a private security and protection system.
2. Without prejudice to the provisions of the preceding paragraph, the State shall guarantee the safety and security of the establishments and the transport of the Bank's funds and securities.

## **ARTICLE 78**

Members of the Board of Directors and employees of the Bank shall not accept, directly or indirectly, any commissions or gifts for the provision of services, whether intended for themselves or for their spouses, ascendants, descendants and other first-degree relatives.

## **ARTICLE 79**

Financial institutions that fail to comply with any of the Bank's instructions shall be subject to the fines or coercive charges established by law.

## **ARTICLE 80**

1. The Bank shall automatically and comprehensively succeed the present Banco de Moçambique and shall retain all rights and obligations of the assets it holds until this law comes into force.
2. Employees in service, pensioners and retired employees of the present Banco de Moçambique shall retain all rights and obligations acquired on the date of entry into force of this law.

## **ARTICLE 81**

### **(Duties of the Council of Ministers)**

The Council of Ministers, upon proposal by the Banco de Moçambique, shall be responsible for defining the human, material and financial resources to be allocated to the commercial bank to be established.

## **ARTICLE 82**

This law revokes Decree No. 2/75 of May 17 of the Transitional Government.

Approved by the Assembly of the Republic

The President of the Assembly of the Republic, Marcelino dos Santos.

Promulgated on January 3, 1992.

To be published.

The President of the Republic, JOAQUIM ALBERTO CHISSANO