

Agreement
**on the organisation and governing rules of the Group of Banking Supervisors from
Central and Eastern European Countries**

Preamble

The Group of Banking Supervisors from Central and Eastern European Countries (hereafter: BSCEE) was founded in Budapest in 1991 by six separate banking supervisory units. Founders, sponsors and organizers of BSCEE were Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovak Republic and Russia.

The purpose of this Agreement is to govern the relation and the cooperation between the BSCEE Member Institutions.

With the acceptance of the guidelines on the BSCEE, the Member Institutions – according to the recommendation of the Basel Committee on Banking Supervision (BCBS) – declare their intention to cooperate within the operational and functional framework referred to in this Agreement.

The BSCEE is an open organization. Therefore, further banking supervisory units from Central and Eastern European Countries can enter into the group anytime, by the acceptance of the present Agreement. After joining the BSCEE, the Member Institutions can freely take part in other banking supervisory organizations and establish further bi- or multilateral agreements with each other or with third banking supervisory organizations.

The BSCEE is presently operating as a non-registered organization, for an indefinite period of time. However, BSCEE may declare its intention to carry its activity in an institutionalized form, whenever required by the Member Institutions.

The BSCEE hereby declares its organizational and governing rules.

1. Status

- 1.1** This Agreement shall regulate the organization and the governing rules of the Group of Banking Supervisor from Central and Eastern Europe. The short name of the group is BSCEE.
- 1.2** The BSCEE shall operate as an open organization, its members could be any banking supervisory unit from the Central and Eastern European geographical area, which accepts the purposes and the governing rules of the BSCEE. Acceptance of new membership must be approved by the Members' Conference.
- 1.3** Members of the BSCEE can freely take part in other international or regional banking supervisory organizations and establish further bi- or multilateral agreements with each other or with third banking supervisory organizations.
- 1.4** The duration of the BSCEE and its governing rules shall be indefinite. The BSCEE is a non-registered organization, without legal status. The BSCEE may transform from its operational form to an internationally registered association, whenever required by Member Institutions.
- 1.5** The BSCEE can be dissolved at any time following the consensus of the Member Institutions.

2. Members and their representatives

- 2.1** The members of the BSCEE comprise banking supervisory units from Albania, Armenia, Austria, the Republic of Belarus, Bosnia and Herzegovina (Federation of Bosnia and Herzegovina, Republika Srpska), Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, Moldova, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovak Republic, Slovenia, Turkey and Ukraine.
- 2.2** The representative of the BSCEE Member Institution shall be the highest executive officer or the deputy, who shall be entitled to cast a vote.
- 2.3** New membership of the BSCEE must be voted by two-thirds majority of the Members' Conference. The concerned member should not take part in the vote.

Termination of membership in the BSCEE must be announced in writing by the leaving member to the Secretariat at least two months before and must be duly noted by the Members' Conference.

- 2.4** Members of the BSCEE hereby declare their intention to have a fast and effective communication with the other BSCEE members. Members also declare their intention to keep the deadlines given by the BSCEE. For these purposes, members are required to assign a suitable contact person.

3. Purpose

The purposes of the BSCEE shall be:

- to encourage and help research, training and educational programs and in general, all activities related to the functions of its members,

- to promote and maintain close cooperation and communication among the Central and Eastern European banking supervisory units,
- to facilitate the Central and Eastern European banking supervisory units for a better performance of their supervisory functions,
- to serve as a high-level forum for technical discussions and conferences,
- to provide possibility for exchange of supervisory techniques, experiences, information and know-how,
- to help with the integration to the European banking supervisory system,
- the representation in the BCBS.

4. Organizational structure

4.1 The organizational structure of the BSCEE comprises the Members' Conference, the Chairman and the Secretariat.

4.2 Members' Conference

4.2.1 The Members' Conference is the supreme body of the BSCEE, which consists of the totality of the BSCEE Member Institutions.

4.2.2 The BSCEE shall hold at least one Members' Conference each year hosted by the chairing Member Institution.

4.2.3 In the year when there is an International Conference of Banking Supervisors (ICBS), a BSCEE members' meeting takes place at the location of ICBS.

4.2.4 The place for the next BSCEE Members' Conference is selected and voted on at the end of the Member's Conference according to point 4.2.2.

4.2.5 The Members' Conference shall adopt resolutions – except in questions listed in point 4.2.7 and point 4.2.8 – by simple majority of votes. Each member country has one vote. In case of equality of votes, the vote of the Chairman shall prevail.

4.2.6 The Members' Conference shall proceed regardless of number of countries represented.

4.2.7 A majority of two-thirds of cast votes of the Member's Conference shall be required for:

- the acceptance, amendment and modification of the present Agreement,
- the assignment of Member Institution which runs the Secretariat,
- the approval of a new member.

4.2.8 Consensus of the Members' Conference is required for:

- the decisions relating to the BSCEE budget and the members' contributions,
- the transformation of the BSCEE to a registered, associated form,
- the dissolution of the BSCEE.

4.2.9 A representative of the BCBS shall be invited for each BSCEE Members' Conference. Other institutions and representatives (e.g. IMF, OECD, World Bank) may also be invited by the BSCEE to meetings and other events.

4.3 The Chairman

4.3.1 The Chairman is the representative of the BSCEE Group and shall act as the host of the Members' Conference.

4.3.2 The Chairman is automatically the highest executive officer or his deputy of the Member Institution, which is chairing the BSCEE Group. The chairmanship of the BSCEE is to be held by the Member Institutions on a rotational basis.

4.3.3 The Chairman is to hold his position for a period of one year, until December 15th of the year, and the mandate of the new Chairman enters into effect on the next day. The election of the new BSCEE Chairman shall be made on recommendation of the current Chairman and shall be approved at the Members' Conference, with the majority of votes of the present members. At the end of the mandate, the Chairman shall notice the new Chairman in written form.

4.3.4 The Chairman's duty is:

- to represent the BSCEE,
- to organize the Members' Conference of the BSCEE,
- to take part in the meetings organized by the BCBS for executive officers of regional banking supervisory units,
- in cooperation with the Secretariat to inform the members and observers on the updated issues and programs of the BSCEE,
- to chair the Members' Conference and, if needed, other events of the BSCEE.

4.4 The Secretariat

4.4.1 The Secretariat is a technical-administrative office of the BSCEE.

4.4.2 The BSCEE has a permanent Secretariat.

4.4.3 The Secretariat is located in the premises of one of the BSCEE Member Institutions. The location of the Secretariat is determined upon the results of the BSCEE members' voting, in accordance with point 4.2.7, for a period of 5 years, with the possibility of re-election.

4.4.4 The BSCEE members in equal parts are responsible for the operational costs of the Secretariat. The Secretariat submits to the acceptance of the Members' Conference the following:

- an annual report on its operational costs,
- its annual operational budget.

4.4.5 The Secretariat's duty is:

- to cooperate in the organization of the BSCEE Members' Conferences,
- to prepare minutes after each BSCEE Members' Conference,
- to render administrative services to the Chairman in his work within the BSCEE,
- to complete, amend or modify the text of the Agreement and other documents, according to the resolutions of the BSCEE,
- to provide organizational and technical support for the BSCEE meetings,
- to inform the members on the BSCEE events,

- to keep updated contact with the BCBS and, if necessary, with other international institutions and organizations in the sphere of banking supervision,
- to manage the official BSCEE website.

5. Official language

The official language of the Members' Conference, meetings and workshops is English.

6. Budget and costs

- 6.1** The BSCEE members contribute in equal parts to the BSCEE budget.
- 6.2** Starting from calendar year 2022, the annual contribution is EUR 500. In the event that the BSCEE bank account balance falls to EUR 50,000 or below, the Secretariat shall notify members in writing about this fact. In the calendar year following the notification referred to above, the annual contribution shall be set at EUR 1,000.
- 6.3** The amount of the members' annual contribution shall be determined and approved by the Member's Conference in conformity with point 4.2.8. The Secretariat may suggest changes in the amount of the members' contribution. Any changes must be approved by the Members' Conference.
- 6.4** Costs of the Secretariat are covered from the BSCEE budget.
- 6.5** The member that is holding the permanent Secretariat is exempt from the annual contribution in order to cover its operational costs.
Costs of the Secretariat are covered from the BSCEE budget.
- 6.6** The Member Institution in charge of holding BSCEE meeting is responsible for its total costs, except the cost of travel and accommodation of the participants.
- 6.7** The Secretariat shall reimburse the costs covered by the Member Institution hosting a BSCEE Members' Conference up to the amount of EUR 8000 from the BSCEE budget.
- 6.8** The Secretariat shall reimburse the costs covered by the Member Institution hosting a BSCEE workshop (e.g. FSI – BSCEE seminar) up to the amount of EUR 4000 from the BSCEE budget.

7. Other provisions

- 7.1** Member Institutions – with the assistance of the Secretariat – can hold other meetings and workshops of the Group.
- 7.2** All provisions of the Agreement enter into effect after the Agreement is signed by all the Member Institutions.
- 7.3** The Member Institutions of the BSCEE hereby authorize the Secretariat to complete, amend or modify the text of the present Agreement according to the resolutions accepted by Members' Conference.

Done in Tbilisi, 24 March 2022