Iceland: IMF Comments on Central Banking Legislation¹

February 12, 2009

This note contains a brief summary of international practice regarding central banking legislation, with a focus on governance frameworks, namely the nomination and dismissal procedures for the Governor, the structure of management, and issues concerning Monetary Policy Committees. The note also briefly reviews several technical issues in existing CBI legislation that may need to be addressed at some point.

Disclaimer: These comments should be considered preliminary: the IMF staff have not had a full opportunity to discuss them with the authorities.

I. THE GOVERNANCE FRAMEWORK²

(i) International Practice: Nomination, appointment, and dismissal of the governor.

- The disqualification and removal conditions for the governor should be clearly stipulated. Central bank legislation typically includes provisions to ensure the integrity of the Governor (non-eligibility, i.e., in case of conviction of an offence or disqualification from practicing a profession); the specific grounds for dismissal (i.e., inability to perform the functions of the office because of illness); a dismissal procedure (identifying the dismissing authority and involving the Supervisory Board); and due process (allowing the Governor to be heard and giving him recourse to court).
- Qualification requirements are typically not specified as specific educational requirements, but as "recognized knowledge or experience".

(ii) International practice: the structure of management.

• The Governor of a central bank is typically assisted by one or two deputy governors. The appointment procedure for these deputy governors, as well as disqualification and removal conditions, should be similar to those for the Governor.

3. International practice: monetary policy committees (MPCs)

• The term of office for MPC members is typically not less than that of the individual or body appointing them. That is, if a person or body has the ability to appoint and reappoint

¹ Prepared at the request of the authorities.

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² The discussion in the text covers selective aspects of frameworks. See Appendix I, Tables 1 and 2, for a more complete accounting of frameworks in the Czech Republic, Denmark, Norway, Poland, Sweden, Switzerland, Turkey, and the U.K. The sample reflects advanced economies within Europe, but outside of the Euro area.

- all MPC members, their ability to offer an independent view suffers. Many countries employ a rotating retirement framework.
- When central bank executives are part of the MPC, it is good practice to identify how they would be chosen (e.g. specifying the deputy governors).
- Central bank legislation should clearly stipulate eligibility criteria for external members. For example, in international practice, government representatives and persons with conflicts of interest (e.g. due to their professional and financial interests) are generally excluded. Restrictions on employment for MPC members do not need to be blanket (for example, in other countries some MPC members are part-time employees and retain other academic work), but they should be aimed at eliminating the scope for conflicts of interest. Finally, disqualification and removal conditions for external members should also be provided in the law.
- Best practice in transparency would have the law stipulate that minutes of the MPC meetings and decisions will be published after a specified (short) time lag.

II. SOME ISSUES REGARDING THE EXISTING CBI ACT

- According to the articles of the CBI Act: (i) authority over the CBI is vested in the Prime Minister; and (ii) the Supervisory Board is elected by each new parliament and has the authority to "approve" or "confirm" decisions of the Governors. These two clauses might be at odds with the independence of the CBI established at the outset in Article 1 of the Act. It would be useful to clarify the powers of the PM and Supervisory Board in exercising their statutory authority and supervision, respectively, over the CBI.
- The CBI Act does not explicitly prohibit government officials from becoming members of the Supervisory Board.
- The Act is not explicit in mandating external audit by an independent external auditor.
- The appointment terms of the Chief Auditor are not explicitly spelled out in the Act.
- The Act is silent on qualification requirements and integrity criteria regarding the Supervisory Board and the Chief Auditor. It also lacks grounds for dismissal and procedures for early dismissal of these officials.
- The Act does not include provisions on CBI capital and the coverage of a shortfall in capital. Moreover, although the Act specifies profit distribution arrangements, it is silent about the treatment of unrealized revaluation gains.

• Fees the CBI may charge the Treasury for its services and interest obligations on the Treasury's deposits are not discussed in the Act. In practice, however, government deposits and CBI's services are remunerated.

	Norway (Norges Bank)	UK (BOE)	Sweden (Riksbank)	Switzerland (SNB)
Governing bodies	Supervisory Council and	Court of Directors and	General Council and	General Meeting of
	Executive Board	Monetary Policy	Executive Board	Shareholders, the Bank
		Committee		Council, the Governing
				Board and the Audit Board
1. Governor	Governor and Deputy	Governor and two Deputy	Chairman of the Executive	The Governing Board (3
	Governor. The Governor is	Governors.	Board is the Governor of	members) is the supreme
	in charge of the Bank's		the Riksbank, and at least	management and
	administration and the		one Vice-Chairman, who	executive body.
	implementation of the		shall serve, when required,	
	decisions.		in the absence or	
			incapacity of the Governor.	
1.1 Appointment and	Governor and Deputy	Governor and Deputy	The General Council	Members of the Governing
terms of the Governor and	Governor are appointed by	Governors are appointed	appoints the Governor	Board and their deputies
Deputy Governors	the King for the term of 6	by the Queen for the term	(Chairman of the Executive	are appointed by the
	years.	of 5 years.	Board).	Federal Council upon
				recommendation of the
				Bank Council for the term
				of 6 years.
1.2 Education and	Not specified.	Not specified.	Not specified.	The members of the
professional requirements				Governing Board are
of the Governor and				required to hold Swiss
Deputy Governors 1/				citizenship and be resident
				of Switzerland and have a
				recognized knowledge of
				monetary, banking and
				financial issues.
1.3 Other qualification,	The following persons may	If a member of the court	A member of the Executive	They may not exercise any
disqualification and	not serve as members of	(including the Governor	Board (including the	other business activity nor
removal of the Governor	the EB (including the	and Deputies) has any	Governor and Deputies)	hold a federal or cantonal
and Deputy Governors	Governor and Deputies):	direct or indirect interest in	may not be a cabinet	office. A member of the

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	Norway (Norges Bank)	UK (BOE)	Sweden (Riksbank)	Switzerland (SNB)
	government ministers;	any dealing or business	minister, a member of the	Governing Board can be
	state secretaries and other	with the Bank, he shall	Riksdag, employed at the	removed from office by the
	political staff in the	disclose his interest to the	Government Offices,	Federal Council following a
	ministries; ministry officials,	court, and shall have no	employed by the central	proposal by the Bank
	staff employed by the	vote in relation to the	administration of a political	Council if the person no
	Ministry of Finance or the	dealing or business, unless	party, a member or deputy	longer fulfils the
	Office of the Prime	the court has resolved that	of a board of directors of a	requirements for exercising
	Minister; members of the	the interest does not give	bank or any other company	the office or has committed
	Storting; other political staff	rise to a conflict of interest.	subject to supervision by	a grave offense.
	at the Storting; committee	A person is disqualified if	the FSA, or hold any other	
	secretaries at the Storting;	he is a Minister or serving	employment or assignment	
	staff at the Bank; and	in a government	which makes him	
	persons closely associated	department in employment	unsuitable as a member of	
	with the persons	in respect of which	the Executive Board. Nor	
	mentioned above. The	remuneration is payable	may a member be a minor,	
	King may issue regulations	out of money provided by	a declared bankrupt, or be	
	with regard to the	the Parliament; or a	subject to a prohibition	
	members' relationship to	servant of the Bank.	against carrying on a	
	other credit institutions and	Governor, Deputy	business. The Riksdag	
	enterprises.	Governor and director of	considers whether the	
		the Bank can be removed	members of the Executive	
		with the consent of the	Board shall be granted	
		Chancellor if he has been	discharge of responsibility.	
		absent from meeting for	The General Council may	
		more than 3 months	remove a member of the	
		without the court consent;	Executive Board from	
		has become bankrupt or	office only if he no longer	
		unable and unfit to	fulfills the requirement laid	
		discharge his functions.	down for performing his	
			duties or if he has been	
			guilty of gross negligence.	
2. Oversight and/or	The Supervisory Council	Court of Directors	The General Council	The Bank Council.
administrative body				
2.1 Responsibilities of the	Supervises the Bank's	Manage the bank's affairs	Decides the Rules of	Oversees and controls the

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	Norway (Norges Bank)	UK (BOE)	Sweden (Riksbank)	Switzerland (SNB)
oversight and administrative body	activities and ensures that the rules governing the operations of the Bank are observed.	other than the formulation of monetary policy. It keeps the procedures followed by the MPC under review and ensure the effective discharge of the Bank's functions	Procedure for the Riksbank.	conduct of business by the SNB
2.2 Appointment and terms of the members of the oversight body	Fifteen members elected by the Storting (parliament) for 4-year terms. Every other year, sevenalternately eight-members retire. From among the members, the Storting elects the Chairman and Deputy Chairman for the terms of 2 years.	The Governor, two Deputy Governors and 16 non-executive directors appointed by the Queen. Terms of appointment of external members are for 3 years, except that initially some appointments may be for shorter and different periods so as to secure that appointments expire at different times.	Eleven members, appointed by the Riksdag (parliament).	Eleven members—six, including the President and Vice President, are appointed by the Federal Council, and five by the Shareholders' meeting.
2.3 Qualification, disqualification and removal of the members of the oversight body	The following persons may not serve as members of the Supervisory Council: government ministers; state secretaries and other political staff in the ministries; ministry officials, staff employed by the Ministry of Finance or the Office of the Prime Minister; members of the Storting; other political staff at the Storting; committee secretaries at the Storting;	If a member of the court has any direct or indirect interest in any dealing or business with the Bank, he shall disclose his interest to the court, and shall have no vote in relation to the dealing or business, unless the court has resolved that the interest does not give rise to a conflict of interest. A person is disqualified if he is a Minister or serving in a government	A member of the General Council may not be a cabinet minister, a member of the Riksbank's Executive Board, a member or deputy of a board of directors of a bank or any other company subject to supervision by the FSA, or hold any other employment or assignment which makes him unsuitable as a member of the General Council. No	The members are required to hold Swiss citizenship and be resident of Switzerland and have a recognized knowledge in the fields of banking and financial services, business administration, economic policy or in an academic field. A member of Bank Council can be removed from office by the Federal Council following a proposal if the person no

<u> </u>	Namura (Namura Damla)	LIK (DOE)	Consider (Dilaberal)	Construction of (CNID)
	Norway (Norges Bank)	UK (BOE)	Sweden (Riksbank)	Switzerland (SNB)
	staff at the Bank; and	department in employment	may a member be a minor,	longer fulfils the
	persons closely associated	in respect of which	a declared bankrupt, or be	requirements for exercising
	with the persons	remuneration is payable	subject to a prohibition	the office or has committed
	mentioned above.	out of money provided by the Parliament; or a servant of the Bank. Governor, Deputy Governor and director of the Bank can be removed with the consent of the Chancellor if he has been absent from meeting for more than 3 months without the court consent; has become bankrupt or unable and unfit to discharge his functions.	against carrying on a business.	a grave offense.
3. Body that conduct	Executive Board (EB) has	Monetary Policy	Executive Board	The Governing Board
monetary policy	executive and advisory	Committee (MPC)		
	authority, and is in charge			
	of the Bank's operations			
	and manages its			
	resources.			
3.1 Appointment and terms	Seven members,	Nine members—five from	Six members of the	Members of the Governing
of the members of the	appointed by the King in	the Bank of England and	Executive Board are	Board and their deputies
body that conduct	Council. The Central Bank	four external members	appointed for a period of	are appointed by the
monetary policy	Governor and Deputy	appointed by the	five or six years according	Federal Council upon
_	Governor serve as	Chancellor. It is chaired by	to a rolling schedule.	recommendation of the
	chairman and deputy	the Governor of the Bank	Usually, one member of	Bank Council for the term
	chairman for a term of 6	of England. The five	the Board will be re-elected	of 6 years.
	years. Other five members	members from the Bank	or a new member elected	
	are appointed for 4 years	are the Governor, Deputy	each year. One of the	
	terms. Every other year,	Governors, a person who	Board members is	

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	two or three members	has executive	appointed Governor of the	
	retire.	responsibility within the	Riksbank.	
		Bank for monetary policy		
		analysis and a person who		
		has executive		
		responsibility for monetary		
		policy operations. Terms of		
		appointment of external		
		members are for 3 years,		
		except that initially some		
		appointments may be for		
		shorter and different		
		periods so as to secure		
		that appointments expire at		
		different times.		
3.2 Qualification,	The following persons may	The Chancellor shall only	A member of the Executive	The members of the
	not serve as members of	appoint external members	Board may not be a	Governing Board are
removal of the members of	the EB: government	if he is satisfied that the	cabinet minister, a member	required to hold Swiss
	ministers; state secretaries	person has knowledge or	of the Riksdag, employed	citizenship and be resident
monetary policy	and other political staff in	experience which is likely	at the Government Offices,	of Switzerland and have a
	the ministries; ministry	to be relevant to the MPC's	employed by the central	recognized knowledge of
	officials, staff employed by	functions. A person is	administration of a political	monetary, banking and
	the Ministry of Finance or	disqualified if he is a	party, a member or deputy	financial issues. They may
	the Office of the Prime	Minister or serving in a	of a board of directors of a	not exercise any other
	Minister; members of the	government department in	bank or any other company	business activity nor hold a
	Storting; other political staff	employment in respect of	subject to supervision by	federal or cantonal office.
	at the Storting; committee	which remuneration is	the FSA, or hold any other	A member of the
	secretaries at the Storting;	payable out of money	employment or assignment	Governing Board can be
	staff at the Bank; and	provided by the	which makes him	removed from office by the
	persons closely associated	Parliament; or a member of	unsuitable as a member of	Federal Council following a
I	with the persons	the Bank's Court of	the Executive Board. Nor	proposal by the Bank
	mentioned above. The	Directors. Members can be	may a member be a minor,	Council if the person no
	King may issue regulations	removed with the consent	· · · · · · · · · · · · · · · · · · ·	longer fulfils the

UK (BOE)

Sweden (Riksbank)

Switzerland (SNB)

Norway (Norges Bank)

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Appendix Table 2. Governance Framework in the Czech Republic, Poland, Denmark and Turkey

UK (BOE)

of the Chancellor if he has

been absent from meeting

without the MPC consent: has become bankrupt or

for more than 3 months

discharge his functions.

unable and unfit to

Sweden (Riksbank)

subject to a prohibition

business. The Riksdag

considers whether the

Board shall be granted

members of the Executive

discharge of responsibility. The General Council may remove a member of the **Executive Board from** office only if he no longer fulfills the requirement laid down for performing his duties or if he has been guilty of gross negligence.

against carrying on a

Switzerland (SNB)

a grave offense.

requirements for exercising

the office or has committed

Norway (Norges Bank)

members' relationship to

other credit institutions and

with regard to the

enterprises.

	Czech Rep (CNB)	Poland (NBP)	Denmark (DN)	Turkey (CBT)
Governing bodies	The Bank Board is the supreme governing body of the CNB.	The President of the NBP, the Monetary Policy Council and the Management Board of the NBP	Board of Directors, Committee of Directors and Board of Governors	General Assembly, Board, Monetary Policy Committee, Audit Committee, Office of the Governor and Executive Committee
1. Governor	Governor and four Vice Governors. The Governor shall represent the CNB externally. In his absence, a Vice-Governor nominated by him shall act on his behalf.	The President of the NBP. In the absence of the President, his duties shall be performed by the Vice President who is First Deputy.	Chairman of the Board of Governors (three Governors make up the Board of Governors).	Governor and four Vice Governors.

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	Czech Rep (CNB)	Poland (NBP)	Denmark (DN)	Turkey (CBT)
1.1 Appointment and	The Governor and Vice	The President of the NBP	The Chairman of the Board	The Governor is appointed
terms of the Governor and	Governors are appointed	is appointed by the Sejm	of Governors is nominated	for a term of 5 years by a
Deputy Governors	by the President of the	(lower house) at the	by the King and the other	decree of the Council of
	Republic for a term of 6	request of the President of	Governors appointed by	Ministers. Vice Governors
	years.	the Polish Republic for a	the Board of Directors on	are appointed by a joint
		term of 6 years.	the recommendation of the	decree for a period of 5
			Committee of Directors.	years on the
				recommendation of the
				Governor.
1.2 Education and	Same as the requirements	Not specified.	The Governors shall be of	The Governor is required
professional requirements	for members of the Bank		age, enjoy the reputation	to have received a higher
of the Governor and	Board: Any citizen of the		and confidence	education and to have
Deputy Governors 1/	Czech Republic who is		prerequisite to the offices.	acquired knowledge and
	fully competent to perform			experience in banking or in
	legal acts; has completed			the fields of economics
	university education; is of			and finance. Vice
	integrity (has not been			Governors are required to
	lawfully convicted of a			have received a bachelors
	criminal offense); is a			and a masters degree and
	person of recognized			acquired adequate
	standing and professional			knowledge and experience
	experience in monetary			in one of the fields of law,
	and banking matters.			finance, economics,
				business administration
				and banking, and have
				worked in their professions
				for at least 10 years.
1.3 Other qualification,	Membership of the Board	The President's term	The Governors shall reside	The duties of the Governor
disqualification and	(including the Governor	expires following a period	in Copenhagen or in	may not be reconcilable
removal of the Governor	and the Deputies) is	of 6 years, in the event of	places closely connected	with any other duty outside
and Deputy Governors	incompatible with the	his death, resignation or	with Copenhagen. They	the Bank whether of
	position of member of a	recall. The President may	shall not have a seat in the	legislative, official or
	legislative body, member	be recalled if he has been	management of trade	private nature unless
	of the Government and	unable to fulfill his duties	organizations or	otherwise permitted by

	Czech Rep (CNB)	Poland (NBP)	Denmark (DN)	Turkey (CBT)
	membership of the	due to prolonged illness,	companies nor carry on or	special law. Furthermore,
	governing, supervisory or	convicted of a criminal	take part in the working of	the Governor shall not be
	inspection bodies of other	offense or the Tribunal of	private trading activities.	allowed to engage in trade,
	banks or commercial	State has prohibited him		nor shall he become a
	undertakings, and the	from occupying managerial		shareholder in banks or
	performance of any	positions in state		companies.
	independent gainful	institutions.		
	occupation, except for			
	scientific, literary,			
	journalistic, artistic and			
	pedagogical activities, and			
	except for management of			
	own assets. Members of			
	the Board shall be			
	incompatible with any			
	activity which might cause			
	any conflict of interest			
	between the performance			
	of this activity and			
	membership of the Bank			
	Board. The President of			
	the Republic shall relieve a			
	member of the Board if the			
	member fails to perform			
	his duties for a period			
	exceeding 6 months; in a			
	breach of integrity			
	qualification; or			
	incompetent to perform			
	legal acts.			
2. Oversight and/or	The Bank Board (policy,	The Management Board	Board of Directors and	General Assembly, Board,
administrative body	administrative, oversight,	(administrative, oversight	Committee of Directors	and Executive Committee
0.15	and execution of policies)	and execution of policies)		
2.1 Responsibilities of the	Besides setting the	The Management Board	Have administrative and	Monetary policy execution.

	Czech Rep (CNB)	Poland (NBP)	Denmark (DN)	Turkey (CBT)
oversight and	monetary policy, the Bank	shall establish, reorganize	organizational competence	Have administrative and
administrative body	Board shall set forth	and wind up organization	and must approve the	organizational competence
	principles for the activities	units at the NBP, and	Annual Accounts of	and must approve the
	and transactions of the	specify the scope of	Danmarks Nationalbank.	Annual Accounts
	CNB , and organization	responsibilities and		
	structure, and approve	organizational structure. It		
	budget of the CNB.	also implements		
		resolutions of the MPC,		
		adopt the NBP plan and		
		budget, and perform other		
		administrative functions.		
2.2 Appointment and terms	Seven members	The Management Board is	The Board of Directors	General Assembly is
of the members of the	comprising the Governor,	composed of the President	shall consist of 25	composed of the
oversight body	two Vice Governors and	of the NBP as	members. All members are	shareholders. The Board is
	four other members. The	Chairperson, and from 6-8	appointed for the term of 5	composed of the Governor
	members are appointed	other Board members, of	years. Committee of	and 6 members to be
	and relieved from office by	which two shall be Vice	Directors have 7 members	elected by the General
	the President of the	Presidents of the NBP.	(a subset of the Board of	Assembly. Board members
	Republic. The appointment		Directors). Two members	are appointed for the term
	term is six years.		are economist and lawyer,	of 3 years. Executive
			and the rest elected for 1	Committee is chaired by
			year at a time.	the Governor and is
				composed of Vice
				Governors.
2.3 Qualification,	Any citizen of the Czech	Members of the	The Directors shall be of	Members of the Board are
disqualification and	Republic who is fully	Management Board	age, enjoy the reputation	required to have received
removal of the members of	competent to perform legal	members shall not hold	and confidence	a higher education and to
the oversight body	acts; has completed	other positions or engage	prerequisite to the offices.	have acquired knowledge
	university education; is of	in gainful or public activity	Eight members with a seat	and experience in banking
	integrity (has not been	other than academic work,	in the Rigsdag	or in the fields of
	lawfully convicted of a	teaching or writing.	(parliament). These are to	economics and finance.
	criminal offense); is a	Membership of a political	be elected. Two members	Members shall neither
	person of recognized	party or trade union is not	of which one shall be an	participate in discussions
	standing and professional	allowed.	economist and another a	nor cast votes on credit

Czecl	h Rep (CNB)	Poland (NBP)	Denmark (DN)	Turkey (CBT)
exper	rience in monetary		lawyer. These members	issues concerning
and b	panking matters.		must not be members of	themselves or persons
Memi	bership of the Board		Rigsdag, are appointed by	with whom they have a link
is inco	ompatible with the		the Minister of Trade,	of interest or kinship. The
position	ion of member of a		Industry and Shipping.	duties of the members may
legisla	ative body, member		Fifteen members with	not be reconcilable with
of the	e Government and		thorough knowledge of	any other duty outside the
meml	bership of the		trade, who must not be	Bank whether of
gover	rning, supervisory or		members of the Rigsdag,	legislative, official or
inspe	ection bodies of other		shall be elected by the	private nature unless
banks	s or commercial		entire Board of Directors,	otherwise permitted by
under	rtakings, and the		so that 3 members retire	special law. Furthermore,
perfor	rmance of any		every year. Due regards	the members shall not be
indep	pendent gainful		shall be paid to establish a	allowed to engage in trade,
occup	pation, except for		comprehensive	nor shall he become a
scien	tific, literary,		representation of trade,	shareholder in banks or
journa	alistic, artistic and		workers and geographical	companies.
pedag	gogical activities, and		representation.	
excep	pt for management of			
own a	assets. Members of			
	oard shall be			
incom	npatible with any			
activit	ty which might cause			
1	conflict of interest			
	een the performance			
	s activity and			
	bership of the Bank			
II I	d. The President of			
II I	Republic shall relieve a			
	ber of the Board if the			
l l	ber fails to perform			
	uties for a period			
	eding 6 months; in a			
bread	ch of integrity			

	Czech Rep (CNB)	Poland (NBP)	Denmark (DN)	Turkey (CBT)
	qualification; or	. ,	, ,	
	incompetent to perform			
	legal acts.			
3. Body that conduct	The Bank Board is the	Monetary Policy Council	Board of Governors	Monetary Policy
monetary policy	supreme governing body	(MPC)	· ·	Committee (MPC)
	of the CNB and sets	,		, ,
	monetary policy and the			
	instruments for			
	implementing the policy.			
3.1 Appointment and terms	Seven members	The MPC is chaired by the	See above in the Governor	The Governor is the
of the members of the	comprising the Governor,	President of the NBP and	section.	Chairman of the MPC. It is
body that conduct	two Vice Governors and	includes nine other		composed of Vice
monetary policy	four other members. The	members, appointed in		Governors, a member to
	members are appointed	equal numbers by the		be elected by and from
	and relieved from office by	President of the Republic		among the Board
	the President of the	of Poland, the Sejm and		members, and a member
	Republic. The appointment	the Senate. The MPC term		to be appointed by a joint
	term is six years.	is six years.		decree on the
	-	-		recommendation of the
				Governor for a term of 5
				years.
3.2 Qualification,	Any citizen of the Czech	Members can be recalled	See above in the Governor	The members appointed
disqualification and	Republic who is fully	in the event of their	section.	by a joint decree are
removal of the members of	competent to perform legal	resignation, illness which		required to have studied in
the body that conduct	acts; has completed	permanently prevents		monetary policy matters
monetary policy	university education; is of	them from performing their		and an academic degree in
	integrity (has not been	responsibilities, a		one of the fields of
	lawfully convicted of a	conviction for a criminal		economics, business
	criminal offense); is a	offense or a membership		administration, banking
	person of recognized	of a political party or trade		and finance and shall have
	standing and professional	union. During the term,		worked in his field for at
	experience in monetary	members cannot hold		least 10 years, and shall
	and banking matters.	other positions or engage		be required to have
	Membership of the Board	in gainful or public activity		adequate experience and

Czech Rep (CNB)	Poland (NBP)	Denmark (DN)	Turkey (CBT)
is incompatible with the	other than academic work,	-	knowledge. The duties of
position of member of a	teaching or writing.		the members may not be
legislative body, member			reconcilable with any other
of the Government and			duty outside the Bank
membership of the			whether of legislative,
governing, supervisory or			official or private nature
inspection bodies of other			unless otherwise permitted
banks or commercial			by special law.
undertakings, and the			Furthermore, the members
performance of any			shall not be allowed to
independent gainful			engage in trade, nor shall
occupation, except for			he become a shareholder
scientific, literary,			in banks or companies.
journalistic, artistic and			However, members can
pedagogical activities, and			hold academic posts in
except for management of			universities.
own assets. Members of			
the Board shall be			
incompatible with any			
activity which might cause			
any conflict of interest			
between the performance			
of this activity and			
membership of the Bank			
Board. The President of			
the Republic shall relieve a			
member of the Board if the			
member fails to perform			
his duties for a period			
exceeding 6 months; in a			
breach of integrity			
qualification; or			
incompetent to perform			
legal acts.			

1/ The ECB act requires the President, the Vice-President and other members of the Executive Board to be appointed from among persons of recognized standing and professional experience in monetary or banking matters. The Federal Reserve Act does not specify professional requirements for members of the Board of Governors, except that appointments should be made with a due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country.

Reference:

The Act on the National Bank of Poland of August 1997

Act No. 6/1993 Coll. Of 17 December 1992 on the Czech National Bank

Act of 24 May 1985 relating to Norges Bank and the Monetary System etc.

Bank of England Act 1998

Federal Act on the Swiss National Bank (National Bank Act, NBA) of 3 October 2003 (as at 1 January 2008)

The Law on the Central Bank of the Republic of Turkey

The National Bank of Denmark Act

The Sveriges Riksbank Act as from 1 July 2008

IMF, Central bank legislation database.