

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 (hereinafter: BSCEE) was founded in Budapest in 1991 by six separate banking supervisory authorities. Founders, sponsors and organizers of BSCEE were the Republic of Bulgaria, the Czech Republic*, Hungary, the Republic of Poland, Romania, the Slovak Republic* and the Russian Federation.

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

With the acceptance of this Agreement, the Member Institutions – according to the recommendation of the Basel Committee on Banking Supervision (hereinafter: 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 authorities from Central and Eastern European Countries can enter into the group anytime, in accordance with the procedure laid down in this 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, the BSCEE may declare its intention to carry on its activity in an institutionalized form, whenever required by the Member Institutions.

This Agreement stipulates organizational and governing rules of the BSCEE.

* At that time part of the Czech and Slovak Federative Republic

1. Status

- 1.1** This Agreement shall stipulate the organization and the governing rules of the Group of Banking Supervisors 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 authority from the Central and Eastern European geographical area, accepting the purposes and the governing rules of the BSCEE as provided for in this Agreement.
- 1.3** Member Institutions 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-party 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, at the request of Member Institutions in accordance with this Agreement.
- 1.5** The BSCEE can be dissolved at any time following the consensus of the Member Institutions.

2. Member Institutions and their representatives

- 2.1** The Member Institutions of the BSCEE include banking supervisory authorities from the Republic of Albania, the Republic of Armenia, the Republic of Austria, the Republic of Belarus, Bosnia and Herzegovina (the Federation of Bosnia and Herzegovina, Republika Srpska), the Republic of Bulgaria, the Republic of Croatia, the Czech Republic, the Republic of Estonia, Georgia, Hungary, the Republic of Kazakhstan, the Republic of Latvia, the Republic of Lithuania, the Republic of Moldova, Montenegro, the Republic of North Macedonia, the Republic of Poland, Romania, the Republic of Serbia, the Slovak Republic, the Republic of Slovenia, Türkiye and Ukraine.
- 2.2** Each Member Institution appoints its representative to the BSCEE, usually the highest executive officer or the deputy, who shall be entitled to cast a vote.
- 2.3** New membership of the BSCEE shall be decided by the Members' Conference in accordance with this Agreement. The concerned prospective Member Institution shall not take part in the vote.
- 2.4** The Member Institution which intends to terminate its membership in the BSCEE must notify the Secretariat in writing at least two months in advance. The notification shall be without delay disseminated to all Member Institutions by the Secretariat and subsequently duly noted by the Members' Conference.
- 2.5** One-third of the total number of Member Institutions can initiate the termination of membership of another Member Institution by addressing a request with justification of this move to the Secretariat. The matter shall be decided by the Members' Conference in accordance with this

Agreement. The concerned Member Institution whose membership termination is subject of that matter shall not take part in the vote.

2.6 Member Institutions of the BSCEE hereby declare their intention to have a fast and effective communication with the other BSCEE members. Member Institutions also declare their intention to keep the deadlines given by the BSCEE. For these purposes, Member Institutions are required to designate 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 supervisory functions of its Member Institutions,
- to promote and maintain close cooperation and communication among the Central and Eastern European banking supervisory authorities,
- to facilitate the Central and Eastern European banking supervisory authorities 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 all Member Institutions.

4.2.2 The BSCEE shall hold at least one Members' Conference each year hosted by the chairing Member Institution. Member's Conference shall be held in-person, virtually via electronic means or in hybrid mode.

4.2.3 In the year when there is an International Conference of Banking Supervisors (ICBS), a consideration should be given to whether a meeting of the Member Institutions (other than Members' Conference) could take place at the location of the ICBS.

4.2.4 The place for the next Members' Conference is selected and voted on at the end of the Member's Conference according to point 4.2.5. Member's Conferences could also be convened on an *ad hoc* basis, with at least 10 working days prior notice.

4.2.5 The Members' Conference shall adopt resolutions – except in questions listed in point 4.2.6 and point 4.2.7 – by simple majority of votes of the total number of Member Institutions.

Each Member Institution has one vote. A failure to vote shall be considered a vote against the proposal. In case of equality of votes, the vote of the Chairman shall prevail.

4.2.6 A majority of two-thirds of votes of the total number of Member Institutions shall be required for adoption of the Members' Conference resolutions on:

- the acceptance, modification of and amendments to this Agreement,
- the designation of the Member Institution which runs the Secretariat,
- the acceptance of a new Member Institution, according to point 2.3,
- the termination of membership, according to point 2.5.

4.2.7 Consensus of all Member Institutions shall be required for adoption of the Members' Conference resolutions on:

- the decisions relating to the BSCEE budget and the Member Institutions' contributions,
- the transformation of the BSCEE to a registered, associated form according to point 1.4,
- the dissolution of the BSCEE according to point 1.5.

4.2.8 Resolution of Members' Conference may also be adopted by written procedure. A written procedure is initiated by the Chairman or may be requested by any Member Institution and shall require at least 10 working days for consideration by every Member Institution. Once the written procedure is completed, the Secretariat prepares the outcome of voting and distributes it to the Member Institutions.

4.2.9 A representative of the BCBS shall be invited to 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.

4.2.10 Agenda of Members' Conference, documents to be discussed and related questions as well as information on deliberations and decisions to be made by the Members' Conference are distributed to Member Institutions sufficiently in advance, not later than 10 working days before the date of the Members' Conference.

4.2.11 Agenda of Members' Conference is provided by the Chairman.

4.3 The Chairman

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

4.3.2 The Chairman is the highest executive officer or his deputy of the Member Institution which is chairing the BSCEE. 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 by the Members' Conference, by simple majority of votes of the total number of

Member Institutions. At the end of the mandate, the Chairman shall notify the new Chairman in writing.

4.3.4 The Chairman's duties shall be:

- 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 authorities,
- in cooperation with the Secretariat to provide Member Institutions with relevant BSCEE-related information,
- to chair the Members' Conference and, if needed, other BSCEE meetings and events.

4.4 The Secretariat

4.4.1 The Secretariat is a technical-administrative body that supports the continuous operation of the BSCEE.

4.4.2 The BSCEE has a permanent Secretariat.

4.4.3 The Secretariat is located on the premises of one of the BSCEE Member Institutions. The location of the Secretariat is determined upon the resolution of the Members' Conference, in accordance with point 4.2.6, for a period of 5 years, with the possibility of re-election.

4.4.4 The Member Institutions are responsible for the operational costs of the Secretariat in equal parts. The Secretariat submits the following to the Members' Conference for approval:

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

4.4.5 The Secretariat's duties shall be:

- to cooperate in organising of the Members' Conference,
- to prepare minutes after each Members' Conference,
- to render administrative services to the Chairman in his work within the BSCEE,
- to complete, amend or modify the text of this Agreement and other documents, according to the resolutions of the Members' Conference,
- to provide organizational and technical support for the BSCEE meetings,
- to inform the Member Institutions on the BSCEE meetings and events,
- to maintain ongoing 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,
- to maintain the BSCEE bank account, including the possible establishment of term deposits with the bank that maintains the BSCEE bank account.
- to suggest changes to the amount of Member Institutions' annual contribution, according to point 6.3.

5. Official language

The official language of the BSCEE is English.

6. Budget and costs

- 6.1** The BSCEE Member Institutions contribute to the BSCEE budget in equal parts.
- 6.2** 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 Member Institutions 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 Member Institutions' annual contribution shall be determined and approved by the Members' Conference in conformity with point 4.2.7. The Secretariat may suggest changes to the amount of the Member Institutions' contribution. Any changes must be approved by the Members' Conference in accordance with this Agreement.
- 6.4** Costs of the Secretariat are covered from the BSCEE budget.
- 6.5** The Member Institution that is holding the permanent Secretariat is exempt from the annual contribution in order to cover its operational costs.
- 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 Members' Conference up to the amount of EUR 8,000 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) or other BSCEE meeting and event, except for the Members' Conference, up to the amount of EUR 4,000 from the BSCEE budget.

7. Final provisions

- 7.1** Member Institutions – with the assistance of the Secretariat – can hold other meetings and workshops of the BSCEE.
- 7.2** All provisions of this Agreement enter into effect after this Agreement is adopted by the Member Institutions according to point 4.2.6.

Amendments to this Agreement shall apply one month after the Members' Conference resolution.

- 7.3** The Member Institutions of the BSCEE hereby authorize the Secretariat to complete, amend or modify the text of this Agreement according to the resolutions adopted by Members' Conference.

Done in Budapest, 4 July 2024