

APPROVED
by Decision of the Board
of the National Bank of Ukraine
No. 330 dated 14 May 2020

Regulation On the Money and Foreign Exchange Market Indicators
Oversight Committee

*(title of the Regulation as amended by Decisions
of the Board of the National Bank of Ukraine
No. 428 dated 25 June 2020,
No. 606 dated 25 September 2020)*

*as amended by NBU Board Decisions
No. 428 dated 25 June 2020,
No. 606 dated 25 September 2020)*

I. General Provisions

1. This Regulation provides the legal basis for organizing the activities of the Money and Foreign Exchange Market Indicators Oversight Committee (hereinafter – the Committee), the procedure for its establishment, main tasks, powers, and formation of the Committee, as well as the rights, duties, and responsibilities of its members.

*(Section I paragraph 1 as amended by Decisions
of the Board of the National Bank of Ukraine
No. 428 dated 25 June 2020,
No. 606 dated 25 September 2020)*

2. In its activities, the Committee shall abide by the Constitution of Ukraine, the Law of Ukraine *On the National Bank of Ukraine*, regulations and administrative acts of the National Bank of Ukraine (hereinafter - the NBU), and this Regulation.

3. The Committee is an advisory body established to share information and opinions on the definition, calculation, and publication of the Ukrainian money and foreign exchange market indicators, the oversight of which is carried out by the National Bank (hereinafter - the indicators). The Committee is accountable to and controlled by the NBU Board.

(Section I paragraph 3 as amended by Decisions

*of the Board of the National Bank of Ukraine
No. 428 dated 25 June 2020,
No. 606 dated 25 September 2020)*

4. The Committee shall be established and liquidated by an NBU Board decision and shall operate on the basis of this Regulation.

5. The Committee shall inform the NBU Board about its activities by providing relevant materials, minutes of the meetings, and other information on the Committee's operation at the request of NBU Board members, as well as by releasing this information on the NBU Committees portal (hereinafter – the Committees portal).

6. The Committee's task is to resolve and discuss issues related to the definition, calculation, and publication of indicators.

*(Section I paragraph 6 as amended by Decisions
of the Board of the National Bank of Ukraine
No. 428 dated 25 June 2020,
No. 606 dated 25 September 2020)*

7. The Committee shall organize its work in accordance with the following principles:

- 1) reliable and uninterrupted activity;
- 2) prevention of corruption and abuse;
- 3) interaction of the Committee with the adjacent NBU committee in accordance with Section VI of this Regulation.

8. The Committee's management information shall be documented in accordance with the NBU administrative acts.

9. The Committee shall not consider materials containing classified information at its meetings.

II. Authority of the Committee

10. In order to carry out its task, the Committee shall address issues related to:

- 1) the analysis of the Ukrainian money and foreign exchange market to determine the indicator representativeness;

(Section II paragraph 10 subparagraph 1 as amended by Decision of the Board of the National Bank of Ukraine No. 606 dated 25 September 2020)

2) the introduction and adjustment of the methodology for indicator calculation;
(Section II paragraph 10 subparagraph 2 as amended by Decisions of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

3) the supervision of the system of internal control over the indicator definition, calculation, and publication;
(Section II paragraph 10 subparagraph 3 as amended by Decisions of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

4) the results of the audit of the indicator definition, calculation and publication;
(Section II paragraph 10 subparagraph 4 as amended by Decisions of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

5) compliance of the process of indicator definition, calculation and publication with the IOSCO Principles;
(Section II paragraph 10 subparagraph 5 as amended by Decisions of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

6) the supervision over quality control of the data on the money and foreign exchange market transactions used for calculating indicators, over procedures for receiving input information on transactions on the money and foreign exchange market and suspicions of violations of such procedures;
(Section II paragraph 10 subparagraph 6 as amended by Decision of the Board of the National Bank of Ukraine No. 606 dated 25 September 2020)

7) the analysis of how often errors during the indicator calculation and publication are committed and corrected, as well as how the NBU structural units responsible for the indicator calculation and publication respond thereto;

(Section II paragraph 10 subparagraph 7 as amended by Decisions of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

8) the development, implementation, and changes of the policies and procedures to prevent conflicts of interest during the indicator definition, calculation, and publication;

(Section II paragraph 10 subparagraph 8 as amended by Decisions of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

9) the claims, complaints, and proposals on the indicator definition, calculation, and publication, as well as justification of the response of the relevant NBU structural units when responding thereto.

(Section II paragraph 10 subparagraph 9 as amended by Decisions of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

11. In order to exercise its powers, the Committee shall have the right to:

1) receive information, documents, explanations, and analytical materials from the NBU structural units on issues within its purview;

2) hold consultative discussions on issues within its purview;

3) initiate before the NBU authorized officials provision of instructions to the NBU structural units on issues within its purview;

4) establish cooperation with other committees on issues within related areas of responsibility;

5) invite the NBU employees or experts on issues under the Committee's consideration to participate in the work of the Committee.

12. In order to exercise its powers, the Committee must ensure:

1) interaction with the adjacent NBU committee (if necessary);

2) organization and compliance with the requirements of the internal control system specified in this Regulation.

III. Composition of the Committee

13. The Committee consists of the Head, Deputy Head, and members of the Committee.

14. The Committee consists of seven persons:

(1) four NBU officials (ex officio):

Head of the Financial and Operational Risks Office (Head of the Committee);

Director of the Financial Stability Department (Deputy Head of the Committee);

Deputy Governor of the NBU in charge of market operations;

Director of the Analytics and SupTech Department;

2) three external members (with their consent).

15. External members shall be appointed by the NBU Governor order for a term of two years, based on recommendations of the Money and Foreign Exchange Markets Contact Group (hereinafter – the Contact Group), which are published after a respective meeting of the Contact Group in *Discussion Summary*, on the Contact Group page, Financial Markets Section, of NBU official web-site.

IV. Organizational Framework for Operation of the Committee

16. The Committee shall organize its work by holding meetings. A process map of the work of the Money and Foreign Exchange Market Indicators Oversight Committee is set out in Annex 1 to this Regulation.

*(Section IV paragraph 16 as amended by Decisions
of the Board of the National Bank of Ukraine
No. 428 dated 25 June 2020,
No. 606 dated 25 September 2020)*

17. The Committee shall hold meetings at least once every four months.

18. The Head (the Deputy Head, in his/her absence) of the Committee shall have the right to convene a meeting of the Committee. The Head (the Deputy Head, in his/her absence) of the Committee shall be obliged to convene a meeting of the Committee at the request of at least three members, as notified to the Secretary of the Committee.

19. The meeting of the Committee is chaired by the Head of the Committee, and in his absence – by the Deputy Head of the Committee (hereinafter - the Chairman of

the Committee). If both the Head and the Deputy Head of the Committee are absent, the meeting shall not be held.

20. A meeting of the Committee shall be valid if at least four of its members are present, of which at least one is an external member.

21. The Committee membership must not constitute a conflict of interest. Any person shall be prohibited from influencing the Committee's members in the exercise of their powers in the Committee.

A conflict of interest statement and information on non-participation of the Committee's member with a conflict of interest shall be noted in the minutes of the Committee meeting. In the event of a conflict of interest, the member of the Committee or the invited persons shall inform the other members thereof and shall not participate in the work of the Committee or the discussion of relevant issues, as noted in the minutes of the Committee meeting.

22. The Head of the Committee, the Deputy Head, members of the Committee, the Secretary of the Committee, heads of NBU structural units involved in the indicator definition, calculation, and publication, speakers on the agenda, and other invited participants (with the consent of the Chairman of the Committee) shall have the right to participate in the Committee meeting. Members of the NBU Board, non-members of the Committee, shall have the right to participate in the Committee meeting of their own accord. The minutes of the Committee meeting shall contain the information on those present at the Committee meeting.

*(Section IV paragraph 22 as amended by Decisions
Board of the National Bank of Ukraine
No. 428 dated 25 June 2020,
No. 606 dated 25 September 2020)*

23. Meetings of the Committee shall be held in the NBU premises. The Chairman of the Committee shall have the right to make a decision to hold a Committee meeting remotely by means of audio and visual communication.

24. The Open Market Operations Department shall be responsible for organizing the Committee's activity.

25. The Head of Analytical Office of the Open Market Operations Department shall be the Committee's Secretary. In his/her absence, he/she shall be replaced by the Chief of the Money Market Analysis and Forecasting Division of the Analytical Office of the Open Market Operations Department.

The Secretary of the Committee and the person replacing him/her shall not be members of the Committee.

26. The Secretary of the Committee and the person replacing him/her shall get the necessary cryptographic keys to enable the affixing of a qualified electronic signature in ASKOD.

27. The Secretary of the Committee shall prepare the agenda of the Committee meeting taking into account the proposals of the Committee members, NBU structural units involved in the process of the indicator definition, calculation, and publication, and shall coordinate it with the Chairman of the Committee.

(Section IV paragraph 27 as amended by Decision of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

28. The speakers on the agenda shall submit the materials for consideration by the Committee in accordance with the Committee's agenda to the Secretary of the Committee by e-mail no later than two business days before the date of the Committee meeting.

28¹. Documents brought for consideration of the Committee should contain conclusions of the NBU units, if such documents report on identified risks resulting from the respective NBU Board decision.

At the hearing of his/her motion the speaker shall arrange for the authorized representative of the NBU unit to be present at the meeting and present the conclusions on identified risks resulting from the respective decision of the NBU Board.

(Section IV shall be supplemented with paragraph 28¹ by Decision of the Board of the National Bank of Ukraine No. 606 dated 25 September 2020)

29. The Secretary of the Committee must send the agenda and relevant materials for the Committee meeting to members of the Committee by e-mail no later than one business day before the Committee meeting, indicating the date, time, place, and/or details of access to Webex service in case of a remote meeting by means of audio and visual communication.

30. Committee meetings shall be held in line with the agenda. Any person present at the Committee meeting shall be given the opportunity to express their opinion.

31. The Secretary of the Committee shall reproduce the results of the Committee meeting in the form of minutes. The minutes of the Committee meeting shall be drawn

up taking into account the requirements specified in the Collection of unified forms of organizational and administrative documents and forms of the National Bank of Ukraine, approved by NBU order No.1155 dated 7 December 2018 (as amended).

32. The members of the Committee shall seek consensus (agreed position) on each issue on the agenda. If this is not possible, the minutes of the Committee meeting shall reflect the individual opinions of the members of the Committee.

33. The Secretary of the Committee shall prepare the draft minutes of the Committee meeting within five business days after the Committee meeting and shall send it by e-mail to the members of the Committee for approval.

Where the Head of the Committee, the Deputy Head or members of the Committee provide no response/comment within five business days from the date the draft minutes were sent by e-mail, the latter shall be deemed preliminary approved.

34. After preliminary approval, the draft minutes shall be sent for approval to:

1) external members of the Committee present at the relevant Committee meeting, by applying a qualified electronic signature on the official website of the accredited key certification center at the link <http://canbu.bank.gov.ua>, <http://id.gov.ua>, <http://czo.gov.ua> or a handwritten signature in paper form (if necessary);

(Section IV paragraph 34 subparagraph 1 as amended by Decision of the Board of the National Bank of Ukraine No. 606 dated 25 September 2020)

2) NBU members of the Committee present at the relevant Committee meeting, by applying a qualified electronic signature in accordance with the technological procedure established in ASKOD or a handwritten signature in paper form (if necessary).

35. The minutes of the Committee meeting shall be signed by the Head and the Secretary of the Committee (after approval of the minutes in accordance with Section IV paragraph 34 of this Regulation) by applying a qualified electronic signature in accordance with the technological procedure established in ASKOD or a handwritten signature in paper form (if necessary).

36. The minutes of the Committee meeting shall be signed no later than 15 business days from the date of the Committee meeting.

37. In some cases, the period of approval/signing of the minutes may be extended. Such cases shall include absence of the Head and/or other members of the Committee, the Secretary of the Committee in connection with business trips,

vacations, sick leaves or other cases of their absence. The period of signing the minutes shall be extended for the period of their absence.

38. The minutes of the Committee meeting shall take legal effect from the date of their signing under established procedure and their registration in the ASKOD.

39. After signing, the minutes of the Committee meeting shall be sent:

1) by means of ASKOD to members of the Committee who are the NBU officials, the NBU officials, heads of NBU structural units involved in the process of the indicator definition, calculation, and publication, as well as other NBU structural units/collegial bodies, which may be affected by the issues considered at the Committee meeting;

*(Section IV paragraph 39 subparagraph 1 as amended by Decisions
Board of the National Bank of Ukraine
No. 428 dated 25 June 2020,
No. 606 dated 25 September 2020)*

2) by e-mail to external members of the Committee.

40. The minutes shall be posted on the Committees portal no later than the next day after their signing.

41. All electronic documents in relation to the Committee's activities, which are registered in ASKOD and systematized in accordance with the consolidated nomenclature of the NBU cases, shall be stored in ASKOD until the NBU's electronic archive is set up.

V. Rights, Duties, and Responsibilities

42. The Chairman of the Committee shall have the right to:

1) convene the Committee meeting

2) agree on the agenda of the Committee meeting

3) request from the NBU structural units to provide the information specified in Section II paragraph 11 subparagraph 1 of this Regulation

4) invite heads of the NBU structural units and other NBU employees, as well as experts to the Committee meetings.

43. Members of the Committee shall have the right to:

- 1) suggest issues within the competence of the Committee to be addressed at the Committee meeting;
- 2) review the materials of the Committee meetings the day before the meetings;
- 3) participate in the discussion of issues, express their own opinions (suggestions, comments, recommendations), receive information;
- 4) recommend to the Chairman of the Committee candidates to be invited to the Committee meeting;
- 5) provide comments on the minutes of the Committee meeting.

44. The Secretary of the Committee (or a person replacing him/her) shall have the right to:

- 1) submit to the Chairman of the Committee proposals on the agenda of the Committee meeting, date, time, and place of the Committee meeting;
- 2) present problematic issues and suggestions on how to improve the work of the Committee for consideration at the Committee meeting;
- 3) participate in the development of the draft order of the NBU authorized officials following the Committee meeting;
- 4) inform the Head of the Committee, the Deputy Head of the Committee, and the heads of the relevant NBU structural units about the untimely submission to the Secretary of the Committee of the materials for consideration of the Committee and/or of their improper preparation.

45. The Chairman of the Committee shall be obliged to:

- 1) ensure the fulfillment of tasks and exercise of powers assigned to the Committee, organize its work in accordance with this Regulation;
- 2) hold Committee meetings, adhere to the agenda of the Committee meeting;
- 3) sign the minutes of the Committee meetings;
- 4) ensure resolving any conflicts of interests that have come to their attention.

46. Committee members shall be obliged to:

- 1) participate in the meetings and work of the Committee;
- 2) comply with the agenda and provisions of this Regulation, Ukrainian laws, NBU regulations and administrative acts within the Committee's purview;
- 3) express opinions on issues of the agenda of the Committee meetings for their objective and comprehensive discussion;
- 4) inform the Head of the Committee about the conflict of interests that have come to their attention;
- 5) inform (if necessary) the Committee on issues considered by an adjacent committee and related to the activities of the Committee (in case they are members of that committee).

47. The Secretary of the Committee shall be obliged to:

- 1) ensure the Committee meeting is timely convened and prepared for, and organize and timely inform the Committee members on the format and modalities of a remote Committee meeting (if it is the case);
- 2) develop draft agendas of the Committee meetings on the proposals of the Head of the Committee, Committee members and heads of the NBU structural units involved in the process of the indicator definition, calculation, and publication;
(Section V paragraph 47 subparagraph 2 as amended by Decisions of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)
- 3) ensure the minutes of the Committee meeting are in compliance with the requirements of this Regulation and the agenda;
- 4) organize and support the process of approval and signing of the minutes of the Committee meetings, ensure their registration and storage;
- 5) timely send the minutes of the Committee meetings to the Committee members and participants of the meetings.

48. The Open Market Operations Department, which is responsible for organizing the Committee's activities, shall be obliged to:

1) provide organizational, information and analytical support of the Committee's activities;

2) ensure other functions established by the Committee's internal control system are fulfilled.

VI. Cooperation with Collegial Body

49. The Monetary Policy Committee shall be the NBU's adjacent committee: in matters of using the indicators to determine the operational target of the NBU's interest rate policy.

(Section VI paragraph 49 as amended by Decision of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

50. Cooperation with the NBU's adjacent committee may be ensured through:

1) presence of a representative from the unit responsible for the activities of the NBU's adjacent committee at the Committee meeting (if necessary);

2) keeping informed of the Committee's activities by providing the Secretary and members of the Monetary Policy Committee with access to the materials of the Committee meetings posted on the Committees portal.

VII. Internal Control System

51. The Committee shall perform the following general control functions:

1) risk prevention and risk management within its purview;

2) control over the level of internal and external risks which the Committee may be exposed to;

3) control over the timely and complete fulfillment of the Committee's tasks;

4) prevention of conflict of interests and conditions under which it occurs;

5) control over the reliability, credibility, and quality of materials submitted to the Committee;

6) compliance with the requirements of Ukrainian laws and NBU regulations and administrative acts;

7) ensuring the Committee's cooperation with other NBU committees in adjacent areas of responsibility;

8) ensuring the development of corporate culture as regards the control environment development.

52. Description of the internal control system of the Money and Foreign Exchange Market Indicators Oversight Committee is set out in Annex 2 to this Regulation.

(Section VII paragraph 52 as amended by Decision of the Board of the National Bank of Ukraine No. 428 dated 25 June 2020, No. 606 dated 25 September 2020)

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APPROVED
Deputy Governor
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(signature)
_____ 2020
(date)