ANNEX 15
to the Treaty on the
Eurasian Economic Union

PROTOCOL
on Measures Aimed at Coordinated Monetary Policy

I. General Provisions

1. This Protocol is developed in accordance with the Article 64 of the treaty on the Eurasian Economic Union and determines the measures taken by the member States for the purposes of conducting coordinated monetary policy.

2. The terms used in this Protocol shall determine following:

"Monetary legislation" – are the legislative acts of the member States in the sphere of monetary regulation and monetary control and normative legal acts adopted for their implementation;

"Monetary restrictions" – are the restrictions on monetary transactions denominated in its direct prohibition, limitation of volume, amount and timing of its conducting, currency of payment, and in determination of the requirements for obtaining special approvals (licenses) for its conducting, reserving a part, total amount or an amount which is multiple to full amount of monetary transactions as well as limitations associated with opening and maintaining accounts in the territories of the member States, and requirements for mandatory sale of foreign currency established by the international agreements and acts constituting the legislation of the EAEU or monetary legislation of the member States;

"Integrated monetarymarket" – is a set of the domestic monetary markets of the member States united by common principles of functioning and government regulation;

"Liberalization measures" – are the actions aimed at decrease or elimination of monetary restrictions regarding the monetary transactions between the residents of the member States as well as with respect to the transactions with the residents of the Third Countries;

"Resident of a member State" – is a person who is a resident of one of the member States in accordance with the monetary legislation of this member State;

"Resident of a Third Country" – is a person who is not a resident of any of the member States;

"Authorized organizations" – are juridical persons, which shall be the residents of the member States and have the powers for conducting the banking transactions in foreign currency in accordance with the legislation of the State of its institution;

"Competent currency control authorities" – are the executive bodies and other governmental agencies of the member States having the powers for currency control and national (central) banks of the member States.

The member States shall apply the concept of "non-resident" when regulating the monetary relations in accordance with the national monetary legislation.

II. Measures Aimed at Conducting Coordinated Monetary Policy

3. To conduct coordinated monetary policy the member States shall take the following measures:

1) coordinating the exchange rate policy of national currencies (hereinafter - exchange rate policy) to ensure widening the use of national currencies of the member States in their mutual settlements of the residents of the member States, including the organization of conducting mutual consultations for the purposes of developing and coordinating the exchange rate policy;

2) ensuring the convertibility of national currencies on current and capital balances of payments figure without limitations by creating conditions for the possibility of buying and selling foreign currency by the residents of the member States through the banks of the member States without restrictions;

3) creating conditions for mutual direct quotations of national currencies of the member States;

4) providing mutual settlements between the residents of the member States in national currencies of the member States;

5) improving the mechanism for payment and settlement relations between the member States on the basis of widening the use of national currencies in mutual settlements between the residents of member States;

6) avoiding the multiplicity of official exchange rates, preventing the mutual trade between the residents of the member States;

7) establishing the official exchange rates of national currencies of the member States based on the rates, which are actual on the stock market, or on cross rates of national currencies of the member States to U.S. Dollar by the central (national) banks of the member States;

8) exchanging the information on the status and prospects of the development of currency market on a regular basis;

9) establishing the integrated currency market of the member States;

10) ensuring by each member State of admission to its domestic monetary market of banks, which shall be the residents of the member States and have the right to conduct monetary transactions for interbank conversion operations under the conditions for granting national regime in accordance with the legislation of this member State;

11) providing banks of the member States with the right for free conversion of funds owned by them in national currencies of the member States, within their correspondent accounts, into the third-country currencies;

12) creating conditions for the allocation of foreign exchange holdings of the member States in national currencies of the other member States including their public securities;

13) further developing and enhancing the liquidity of the domestic currency markets;

14) developing bidding process by the national currencies on the organized markets of the member States and ensuring an access of the participants of the monetary market of the member States to it;

15) developing the organized financial derivatives market.

4. In order to approximate the legislation of the member States regulating the currency relations and take measures of liberalization the member States shall:

1) provide a gradual elimination of monetary restrictions impeding the effective economic cooperation with respect to the monetary transactions and opening or maintaining accounts by the residents of the member States in banks located on the territories of the member States;

2) determine the agreed approaches to the procedure of opening or maintaining accounts of the residents of the Third Countries in banks located on the territories of the member States, as well as accounts of the member States' residents in banks located on the territories of the Third Countries;

3) adhere to the principle of preservation of national sovereignty with respect to the elaboration of approaches to the requirement for repatriation of funds of the member States' residents, which shall be subject to mandatory transfer to their bank accounts;

4) determine a list of monetary transactions carried out between the residents of the member States with respect to which the monetary restrictions shall not be applied;

5) determine the required scope of rights and responsibilities of the member States' residents when conducting monetary transactions, including the right for payments settlement without using bank accounts in banks located in the territory of the member States;

6) ensure the harmonization of requirements for the repatriation of funds of the member States' residents, which shall be subject to mandatory enrollment into their bank accounts;

7) ensure free movement of cash funds and monetary instruments by the residents and non-residents of the member States within the customs territory of the EAEU;

8) ensure the harmonization of the requirements for accounting and control of monetary transactions;

9) provide the harmonization of rules on liability for the breach of monetary legislation of the member States.

III. Cooperation of the Competent Authorities of Currency Control

5. Cooperation of the competent authorities of currency control shall be carried out by means of:

1) exchange of information on:

practice of the regulatory and law enforcement authorities of the member States in the field of monitoring of compliance with the monetary legislation;

measures for improving and functioning of monitoring system of compliance with monetary legislation;

issues of the organization of currency control as well as legal information including the legislation of the member States in the field of currency control and changes in the legislation of the member States in the field of currency control;

2) cooperation on the prevention, detection and restraint of the violation of the legislation of the member States by the residents of the member States when conducting the monetary transactions by them, including the exchange of information and including based on the requests of the competent currency regulation authorities and operations conducted with the violation of the monetary legislation;

3) conducting joint analytical studies on the issues affecting the mutual interests of the member States in the field of foreign exchange regulation and control;

4) providing the practical assistance on the issues arising in the process of the cooperation including the establishment of working groups, exchange of experience and staff training;

5) exchange of the statistical information on the issues of foreign exchange regulation and control including the information on:

amounts of payments and transfers of funds on monetary transactions between the residents of the member States;

number of accounts opened by the residents of one member State in the authorized organizations of another member State;

6) implementation of joint actions on the other issues of cooperation of the competent currency regulation authorities.

6. The competent authorities of currency control shall cooperate in the specific areas of currency control including the provision of information on an ongoing basis in accordance with individual protocols of cooperation between the competent authorities of currency control.

7. Practical assistance is carried out by:

organization of working visits of representatives of the competent authorities of the currency control;

conduct of seminars and consultations;

development of methodological recommendations, as well the exchange of them.

IV. Exchange of information upon request of the competent authorities currency control

8. Submission and fulfillment of request for the information shall be made in the following order:

1) a request shall be submitted in writing or through the use of technical facilities of the text transmission.

The requested competent currency regulation authority shall request the confirmation in writing when using the technical facilities of the text transmission as well as in case of any doubt with respect to the authenticity or content of the request received;

2) a request for the information as part of Legal proceedings on administrative violations shall include:

name of the requested competent authority of currency control;

brief summary of facts of case enclosing copies of confirming documents if required;

subsumption of offense in accordance with the legislation of the state of the requested competent authority of currency control;

other information needed for fulfillment of the request;

3) a request and response to it shall be made in Russian.

8. A written consent of the competent authority of currency control, which provided this information, shall be required in case of the necessity of communication of the information to the third party obtained under this Protocol.

10. A request shall be fulfilled taking into account the possibility of compliance with the procedural time limits by the requested competent authority of currency control established by the legislation of the State of the requested competent authority of currency control.

The requested competent authority of currency control shall have the right to request the additional information on a point of clarification if it is required for fulfilling the request.

11. In the event of impossibility of fulfilling the request the requested competent authority of currency control shall notify the requested competent authority of currency control of it specifying the grounds.

12. The competent authorities of currency control shall bear the costs for the exchange of information as part of the cooperation in the field of currency control.

In the case of receiving the requests that require the additional costs, the issue on its funding shall be considered by the competent authorities of currency control by mutual agreement.

V. Monetary Restrictions

13. Each of the member States (in the event that the situation cannot be resolved by other measures of economical policy) shall have the right to impose the monetary restrictions for the period of not more than 1 year in exceptional cases.

Thus, exceptional cases shall include:

occurrence of the circumstances under which the implementation of liberalization measures may lead to the deterioration of the economic and financial situation in a member State;

negative development in the balance of payments, which may result in a decrease in gold reserves of a member State below acceptable level;

occurrence of the circumstances under which the implementation of liberalization measures may be harmful for security interests of a member State and impede maintaining of the public order;

sharp fluctuations in national currency of a member State.

14. A member State, which has introduced the monetary restrictions, shall notify the other member States and the Commission not later than 15 days from the date of the introduction of such restrictions.