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30.12.2016

## Regulation on the performance of transactions on the interbank foreign exchange market of the Republic of Moldova, approved by the DCA of the NBM no.8 of January 24, 2013

Note: The translation is unofficial, for information purpose only

*Published in the Official Monitor of the Republic of Moldova no.36-40 of February 22, 2013, Art.234*

### COUNCIL OF ADMINISTRATION OF THE NATIONAL BANK OF MOLDOVA

DECISION no.8  
of January 24, 2013

on the approval of the Regulation on the performance  
of transactions on the interbank foreign exchange market of the Republic of Moldova

Pursuant to Art.4, Art.5 item a), Art.11, Art.16 item b) and d), Art.26 item c) and Art.51 item a) of the Law no.548-XIII of July 21, 1995 on the National Bank of Moldova (Official Monitor of the Republic of Moldova, 1995, no.56-57, Art.624), with further amendments and completions, Art.35 paragraph (3) of the Law no.62-XVI of March 21, 2008 on Foreign Exchange Regulation (Official Monitor of the Republic of Moldova, 2008, no.127-130, Art.496), with further amendments and completions, and in order to implement the objectives of the Strategic Plan of the National Bank of Moldova for 2013-2017, approved by the Decision of the Council of Administration of the National Bank of Moldova no.209 of September 13, 2012, the Council of Administration of the National Bank of Moldova

DECIDED:

1. To approve the Regulation on the performance of transactions on the interbank foreign exchange market of the Republic of Moldova (see attached).
2. This decision shall enter into force on March 1, 2013.

Chairman  
of the Council of Administration

Dorin DRĂGUȚANU

Attachment  
to the Decision of the Council of Administration  
of the National Bank of Moldova  
no.8 of January 24, 2013

REGULATION  
on the performance of transactions on

the interbank foreign exchange market of the Republic of Moldova  
(compiled version including amendments and completions as in accordance with the list\*)

Amended and supplemented by:

DCA of the NBM no.346 of 15 December 2016

DCA of the NBM, no.48 of March 10, 2014, Official Monitor of the Republic of Moldova no.60-65 of March 14, 2014

Chapter I.  
General provisions

1. This Regulation shall use the notions defined in the Law no.62-XVI of March 21, 2008 on Foreign Exchange Regulation (Official Monitor of the Republic of Moldova, 2008, no.127-130, Art.496), with further amendments and completions (hereinafter - Law no.62-XVI of 21.03.2008). Also, for the purpose of this Regulation, the following notions shall be used:

- a) firm quotation* - the bid (ask) exchange rate, which is mandatory for the participant providing the quotation (announcing the respective exchange rate) while performing an interbank foreign exchange transaction, in the event when another participant decided to purchase/sell a foreign currency;
- b) indicative (informative) quotation* - the bid (ask) exchange rate, which is not mandatory for performing an interbank foreign exchange transaction and is used by the participant providing the quotation (announcing the respective exchange rate) in order to inform another participant;
- c) transaction date* - the date (day) when an interbank foreign exchange transaction shall be concluded;
- d) value date* - the date, on which the settlements on the interbank foreign exchange transactions shall be made, and which could be only in working days;
- e) interbank foreign exchange auction (auction)* - auction for the sale/purchase of foreign currency on the interbank foreign exchange market, initiated and carried out by the National Bank of Moldova as seller (buyer) of foreign currency, when the licensed banks submit, within the prescribed time, bids on purchase (bids on sale) of foreign currency, which shall be satisfied by the National Bank of Moldova according to the rules set out in this Regulation;
- f) interbank foreign exchange transaction* - any transaction between two participants of the interbank foreign exchange market performed through direct negotiations or within a foreign exchange auction, which consists in sale /purchase of foreign currency against national currency or against other foreign currency, the respective amounts being delivered by the participants in the transaction on the negotiated value date and at the determined exchange rate;
- g) bilateral interbank foreign exchange transaction* - any interbank foreign exchange transaction performed outside the interbank foreign exchange auction, on a bilateral basis through direct negotiations;
- h) option* - the right, but not the obligation of the option holder, to buy (call option) or to sell (put option) during the specified period a certain amount of one currency in exchange for a certain amount in another currency at a specified exchange rate;
- i) interbank foreign exchange market of the Republic of Moldova (interbank foreign exchange market)* - the market in which the interbank foreign exchange transactions are performed between licensed banks, as well as between licensed banks and the National Bank of Moldova;
- j) unique trading platform* - the electronic platform provided by Bloomberg Finance LP that allows performing monetary and foreign exchange transactions on the interbank market;
- k) forward transaction* - the operation of purchase /sale of foreign currency against national currency or against another foreign currency, according to which the settlement between the participants in the transaction shall be carried out after more than two working days from the transaction date, at the exchange rate agreed between the participants (forward exchange rate);
- l) spot transaction* - the operation of purchase /sale of foreign currency against national currency or against another foreign currency, according to which the settlement between the participants in the transaction shall be carried out on the second working day following the transaction date (T+2), at the exchange rate agreed between the participants (spot exchange rate). Also, as agreed so between the participants, the spot transaction can be carried out on the value date before the second working after the transaction date, namely: on the value

date which coincides with the transaction date (T+0, “today” transaction) and on the value date of the next working day after the transaction date (T+1, “tomorrow” transaction);

*m) foreign exchange swap transaction (swap transaction)* – a foreign exchange transaction that involves simultaneously two exchange operations between the same two participants in the transaction, namely the transaction of purchase (sale) and at the same time the transaction of sale (purchase) of the identical amounts of a certain foreign currency against national currency or against other foreign currency with different value dates and by applying different exchange rates (the difference being expressed in swap points) that shall be determined at the swap transaction date.

*(item 1 amended by the Decision of the NBM no.48 of 10.03.2014)*

2. This Regulation establishes:

a) the general principles for performing transactions on the interbank foreign exchange market of the Republic of Moldova;

b) the rules of carrying out of interbank foreign exchange auctions;

c) the peculiarities of publishing the information on banks’ quotations, interbank foreign exchange transactions and of the access to such information;

d) conditions of performing foreign exchange swap transactions by the National Bank of Moldova on the interbank foreign exchange market.

*(item 2 completed by the Decision of the NBM no.48 of 10.03.2014)*

3. The participants on the interbank foreign exchange market of the Republic of Moldova shall be the National Bank of Moldova and the licensed banks, which signed the Agreement on the Interbank Foreign Exchange Market of the Republic of Moldova and participate in the automated interbank payment system.

4. The licensed bank that has lost the right to perform foreign exchange transactions covered by this Regulation, due to the sanctions and/or remedial measures applied by the National Bank of Moldova, shall be obliged to inform other participants on the impossibility to perform these transactions, in the event when it is requested to perform interbank foreign exchange transactions.

5. Interbank foreign exchange transactions shall include spot, forward, swap transactions and options.

6. Operations of purchase/sale of foreign currency against national currency shall be performed on the interbank foreign exchange market of the Republic of Moldova exclusively through the unique trading platform.

7. Operations of purchase/sale of foreign currency against other currencies shall be performed on the interbank foreign exchange market of the Republic of Moldova, as a rule, through the unique trading platform. These operations may be performed using other means (telephone or other specialized technical/electronic devices, provided their acceptance by the participants in the transaction), upon the obligation to register such transactions through the unique trading platform on the day when such transactions are concluded.

8. The National Bank of Moldova and the licensed banks shall participate on the interbank foreign exchange market of the Republic of Moldova in the following ways:

a) bilateral interbank foreign exchange transactions;

b) interbank foreign exchange auctions.

9. The National Bank of Moldova shall use the interbank foreign exchange transactions as an instrument of the monetary policy, as well as for other purposes in accordance with the acting legislation, that are performed without prejudice to the achievement of the inflation target.

*(item 9 amended by the Decision of the NBM no.48 of 10.03.2014)*

9<sup>1</sup>. The National Bank of Moldova shall perform interbank foreign exchange transactions in the form of direct interventions on the internal foreign exchange market, reversible operations (foreign exchange swap transactions), as well as other foreign currency purchase /sale operations aimed at ensuring the exercise of the tasks of the National Bank of Moldova.

*(item 9<sup>1</sup> introduced by the Decision of the NBM no.48 of 10.03.2014)*

10. Within the interbank foreign exchange transactions, the National Bank of Moldova shall trade the foreign currency against the national currency.

*(item 10 in wording of the Decision of the NBM no.48 of 10.03.2014)*

*(items 11 and 12 excluded by the Decision of the NBM no.48 of 10.03.2014)*

13. The aspects related to performing the interbank foreign exchange transactions that are not covered by this Regulation and other normative acts of the National Bank of Moldova shall be governed by the Agreement on the Interbank Foreign Exchange Market of the Republic of Moldova, signed by the licensed banks and the National Bank of Moldova.

## Chapter II.

### Peculiarities of bilateral interbank foreign exchange transactions

14. The bilateral interbank foreign exchange transactions shall cover spot, forward, swap transactions and options.

15. All bilateral interbank foreign exchange transactions concluded between participants shall be final and their modification /cancelation shall be possible only with the consent of both participants.

16. The modification or cancellation of the bilateral interbank foreign exchange transaction shall be registered in the unique trading platform. The respective records shall be made by both participants in the bilateral interbank foreign exchange transaction on the day when such modifications or cancellations occur.

*(item 17 excluded by the Decision of the NBM no.346 of 15.12.2016)*

## Chapter II<sup>1</sup>.

### Conditions of performing foreign exchange swap transactions by the National Bank of Moldova on the interbank foreign exchange market

17<sup>1</sup>. The operational features of the foreign exchange swap transactions that are performed by the National Bank of Moldova on the interbank foreign exchange market shall be as follows:

- 1) they shall be used as an instrument of the monetary policy;
- 2) they can take the form of liquidity-providing or liquidity-absorbing operations;
- 3) their frequency is not standardized;
- 4) their maturities shall be aligned with the maturities applied to instruments of the monetary policy of the National Bank of Moldova, and namely:
  - a) overnight deposits (hereinafter – overnight maturity);
  - b) certificates of the National Bank of Moldova (according to the Schedule on the monetary policy operations to be conducted by the National Bank of Moldova in the respective year);
- 5) they shall be performed on the bilateral basis through direct negotiations with licensed banks;
- 6) U.S. dollars and euro shall be traded against the national currency;
- 7) the minimum volume of the foreign exchange swap transaction shall be 100 000 units of the traded foreign currency.

17<sup>2</sup>. The National Bank of Moldova shall perform both sale /purchase foreign exchange swap transactions and purchase /sale foreign exchange swap transactions on the interbank foreign exchange market.

17<sup>3</sup>. While concluding foreign exchange swap transaction, at least the following elements of the transaction shall be determined:

- a) traded foreign currency;
- b) volume of the traded foreign currency;

- c) exchange rate for the first operation within the foreign exchange swap transaction (hereinafter – first operation);
- d) swap points;
- e) exchange rate for the second operation within the foreign exchange swap transaction (hereinafter – second operation), that shall be determined by summing up the exchange rate for the first operation and swap points;
- f) settlement data of the foreign exchange swap transaction, set on the transaction date.

17<sup>4</sup>. Exchange rate for the first operation within the foreign exchange swap transaction shall be determined taking into account the foreign exchange market conditions.

17<sup>5</sup>. Exchange rate for the second operation within the foreign exchange swap transaction shall be calculated by summing up the exchange rate for the first operation and swap points. Swap points shall be calculated in accordance with the following formula:

$$SWAP\_points = exchange\_rate\_for\_the\_first\_operation * \left[ \frac{1 + \left( \frac{R_{mdl} * Z}{100 * 365} \right)}{1 + \left( \frac{R_{vs} * Z}{100 * YS} \right)} - 1 \right]$$

<i>SWAP points</i>	- swap points, rounded to 4 decimals;
<i>exchange rate for the first operation</i>	- exchange rate for the first operation within the foreign exchange swap transaction, rounded to 4 decimals;
<i>Rmdl</i>	<p>- in case of foreign exchange swap transaction with the overnight maturity – it shall be applied the interest rate (valid on the transaction date) at which the National Bank of Moldova accepts overnight deposits from the licensed banks and which is established by the National Bank of Moldova in accordance with the provisions of the Regulation on overnight deposits accepted from banks by the National Bank of Moldova (approved by the Decision of the Council of Administration of the National Bank of Moldova no.65 of 27.03.2003), with further modifications and completions;</p> <p>- in case of foreign exchange swap transaction concluded with the maturity of the instrument indicated in item b) sub-item 4) item 17<sup>1</sup> – it shall be applied the basic rate of the National Bank of Moldova valid on the transaction date, which is interest rate applied to the main short-term monetary policy operations, approved by the Decision of the Council of Administration of the National Bank of Moldova;</p>
<i>Rvs</i>	<p>- in case of foreign exchange swap transaction with the overnight maturity – it shall be applied the LIBOR rate valid on the transaction date;</p> <p>- in case of foreign exchange swap transaction concluded with the maturity of the instrument indicated in item b) sub-item 4) item 17<sup>1</sup> – it shall be applied the LIBOR rate (valid on the transaction date) for the term equal to the maturity of the instrument indicated in item b) sub-item 4) item 17<sup>1</sup>. In the event when the maturity of the instrument indicated in item b) sub-item 4) item 17<sup>1</sup> is between two periods for which the LIBOR rates are established, the LIBOR rate for the longer period shall be applied;</p>
<i>Z</i>	- the term of the foreign exchange swap transaction (number of days);
<i>YS</i>	- number of days in the year for calculations related to foreign currency (for example, 360 in case of U.S. dollar).

17<sup>6</sup>. The swap points are the premium, if the exchange rate for the second operation is higher than the exchange rate for the first operation within the foreign exchange swap transaction. The swap points are the discount, if the exchange rate for the second operation is lower than the exchange rate for the first operation.

17<sup>7</sup>. The foreign exchange swap transaction whose maturity was extended shall be considered as a new foreign exchange swap transaction and towards this transaction the respective provisions of this regulation shall be applied.

17<sup>8</sup>. In the event when the licensed bank applies to the National Bank of Moldova for conclusion of foreign exchange swap transaction, the National Bank of Moldova shall make decision maximum within 2 working days from the date of receiving the request on conclusion of foreign exchange swap transaction, except for the foreign exchange swap transaction with overnight maturity, decision on which the National Bank of Moldova shall make maximum within 2 hours from the hour of receiving the respective request.

*(Chapter II<sup>1</sup> introduced by the Decision of the NBM no.48 of 10.03.2014)*

### Chapter III.

#### Interbank foreign exchange auctions

18. The interbank foreign exchange auctions shall be carried out exclusively through the unique trading platform.

19. The interbank foreign exchange auctions cover spot and forward transactions.

20. The minimum amount of the bid on purchase (bid on sale) submitted by the licensed bank in order to participate at the interbank foreign exchange auction shall be 100000 units of the traded foreign currency.

21. The National Bank of Moldova shall notify the licensed banks on the carrying out of the interbank foreign exchange auction by an announcement message, which shall be sent through the unique trading platform at the latest 30 minutes before the start of the auction.

*(item 21 amended by the Decision of the NBM no.48 of 10.03.2014)*

22. The announcement message on the carrying out of the interbank foreign exchange auction shall contain at least the following information:

- a) the reference number of the auction;
- b) the auction date;
- c) the start time of receiving the bids on purchase (bids on sale) from licensed banks by the National Bank of Moldova (hereinafter - the start time of receiving the bids);
- d) the time limit of receiving the bids on purchase (bids on sale) from licensed banks by the National Bank of Moldova (hereinafter - the time limit of receiving the bids), which shall coincide with the start time of the auction;
- e) the auction type (auction for purchase or for sale);
- f) the foreign currency and its amount proposed by the National Bank of Moldova for selling /buying;
- g) the value date.

23. On the auction day, from the start time of receiving the bids until the time limit of receiving the bids specified in the announcement message, the licensed banks shall submit, through the unique trading platform, their bids on purchase (bids on sale) of foreign currency, which shall include the amounts to be traded and the exchange rates that the banks offer to the National Bank of Moldova in order to purchase/sell the foreign currency. The exchange rates shall be indicated with four decimal digits.

24. Each licensed bank shall participate in the auction with a single bid on purchase (bid on sale).

25. Until the time limit of receiving the bids specified in the announcement message, the licensed banks may introduce changes in the bids on purchase (bids on sale) or may withdraw them.

26. After the time limit of receiving the bids specified in the announcement message, the bids on purchase (bids on sale) submitted by the licensed banks shall become irrevocable and the exchange rates specified in the bids on purchase (bids on sale) shall be considered as firm quotations.
27. The bids on purchase (bids on sale) of foreign currency submitted by the licensed banks until the start time of receiving the bids and after the time limit of receiving the bids shall be rejected by the unique trading platform.
28. After the time limit of receiving the bids, the National Bank of Moldova shall immediately determine (within maximum 15 minutes) the results of the interbank foreign exchange auction, using the unique trading platform.
29. The National Bank of Moldova shall reserve the right not to admit for allotment (for satisfaction) the bids on purchase /bids on sale of the licensed banks, in the event when they may jeopardize the achievement of the objectives of the monetary and foreign exchange policy promoted by the National Bank of Moldova. In this case, the respective bids shall be excluded from the allotment procedures.
30. In the case specified in item 29, in the day of the auction, the National Bank of Moldova shall inform the respective licensed banks, through the unique trading platform, about the non-admission for allotment (for satisfaction) their bids on purchase /bids on sale, indicating the reason for non-admission.
31. The National Bank of Moldova shall allot the volume of foreign currency traded within the auction by using the multiple rate method, which presumes the satisfaction of each winning bid on purchase (bid on sale), within the limit of the volume announced by the National Bank of Moldova, according to the exchange rate as indicated by the licensed bank (participating in the auction) in its bid.
32. The National Bank of Moldova shall allot the volume of foreign currency, offered by it for sale within the auction, depending on the level of exchange rate specified in the bids on purchase of the licensed banks, starting with the maximum exchange rate in the direction of the successively lower quotations, until the volume of foreign currency offered for sale by the National Bank of Moldova is reached.
33. The National Bank of Moldova shall allot the volume of foreign currency, requested by it for purchase within the auction, depending on the level of exchange rate specified in the bids on sale of the licensed banks, starting with the minimum exchange rate in the direction of the successively higher quotations, until the volume of foreign currency requested for purchase by the National Bank of Moldova is reached.
34. In the event when the bid on purchase (bid on sale) of the licensed bank can not be fully satisfied, the National Bank of Moldova shall perform allotment within the limit of the remaining volume of its offer for sale (request for purchase) proposed within the interbank foreign exchange auction.
35. In the event when two or more licensed banks submitted bids on purchase with the same quotations, and the remaining volume of the offer for sale of the National Bank of Moldova is insufficient to satisfy these bids, the given bids shall be satisfied in proportion to the volume of foreign currency requested by each of these banks.
36. In the event when two or more licensed banks submitted bids on sale with the same quotations, and the remaining volume of the request for purchase of the National Bank of Moldova is insufficient to satisfy these bids, the given offers shall be satisfied in proportion to the volume of foreign currency offered by each of these banks.
37. The amounts allotted to each licensed bank shall be indicated with two decimal digits.
38. Within an interbank foreign exchange auction, the transaction shall be considered as concluded at the moment when the procedures of allotment of the foreign currency volume offered for sale/requested for purchase by the National Bank are completed. In this regard, immediately after completion of the allotment procedures, each licensed bank, whose bid on purchase /bid on sale is satisfied, shall receipt through the unique trading platform a notice about the allotment of the funds to the given bank.

39. Within an hour after the completion of the allotment procedures, the National Bank of Moldova shall submit, through the unique trading platform, to participants in the respective auction an announcement message on the interbank foreign exchange auction results that shall contain the following information:

- a) the reference number of the auction;
- b) the auction date;
- c) the auction type (auction for purchase or for sale);
- d) the value date;
- e) the amount of foreign currency sold /purchased by licensed banks;
- f) the weighted average exchange rate following the interbank foreign exchange auction results.

#### Chapter IV.

##### Publication of the information on quotations of the licensed banks, interbank foreign exchange transactions and access to such information

40. All licensed banks shall publish every working day on the special page within unique trading platform their informative quotations (for the transactions against national currency) at least for the U.S. dollars, Euros and Russian rubles. The publication shall be made at least once a day.

41. The National Bank of Moldova shall have the right of access through the unique trading platform to the information on bilateral interbank foreign exchange transactions concluded between licensed banks.

42. The licensed banks shall have the right of access through the unique trading platform:

- a) to the information on own interbank foreign exchange transactions;
- b) to the information on the interbank foreign exchange transactions (within which the U.S. dollars are traded against the national currency) of other licensed banks, that is shown in the form of indices in the Informational System Bloomberg, MDRR page (for example, the exchange rate of the last transaction, the amount of the last transaction, total volume of transactions in the current day, weighted average exchange rate);
- c) to the information on the interbank foreign exchange transactions (within which the U.S. dollars are traded against the national currency) of other licensed banks (such as volume of transaction, exchange rate of transaction, time of transaction), except for the information on the name of the licensed banks, whose transactions are reflected in the unique trading platform.

*(item 42 in the wording of the Decision of the NBM no.48 of 10.03.2014)*

43. The National Bank of Moldova shall publish monthly on its official website the aggregate information on transactions performed by participants on the interbank foreign exchange market of the Republic of Moldova, including the information on its own interbank foreign exchange transactions.

#### Chapter IV<sup>1</sup>.

##### Reporting

43<sup>1</sup>. The licensed banks shall submit information on the demand/supply of the bank's foreign currency on the current working day and shall report the amounts of cash purchased/sold in USD, EUR and RUB by the bank's foreign exchange bureaus on the previous working day/days (holiday and rest days, which were working days for the licensed banks) in the Bloomberg Information System until 10:00 AM on the current working day.

43<sup>2</sup>. In the event the provided demand/supply changes during the current working day, the bank shall update the data until 5:00 PM on the current working day.

43<sup>3</sup>. The licensed banks shall be responsible for the veracity and accuracy of the information provided in the Bloomberg Information System.

*(Chapter IV<sup>1</sup> introduced by the Decision of the NBM no.346 of 15.12.2016)*



## Chapter V.

### Other provisions

44. In the event when the unique trading platform fails, the operations of purchase/sale of foreign currency against national currency can be performed on the interbank foreign exchange market through other means (telephone or other specialized technical/ electronic devices, provided their acceptance by the participants in the transaction), upon the obligation to register such transactions through the unique trading platform simultaneously with the removal of deficiencies in the operation of this platform.

45. In case of the transactions specified in item 44, the licensed bank shall be obliged to inform the National Bank of Moldova by a letter, at the latest the next working day, about the existence of such transactions and the reason of performing them outside the unique trading platform.

46. In the event when the licensed bank does not meet its obligations related to the transactions concluded with the National Bank of Moldova, the National Bank of Moldova shall apply the penalties for the late payment to the respective bank.

\*The list of normative acts  
that amended or completed this Regulation

- Decision of the CA of the NBM no.346 of December 15, 2016 (in force – 01.01.2017), Official Monitor of the Republic of Moldova no.478-490 of 30.12.2016, Art.2325.
- Decision of the CA of the NBM no.48 of March 10, 2014 (in force – 14.03.2014), Official Monitor of the Republic of Moldova no.60-65 of 14.03.2014, Art.350.

See also

#### Tags

[interbank foreign exchange market](#) <sup>[1]</sup>

[quotation of Moldovan Leu](#) <sup>[2]</sup>

[forward](#) <sup>[3]</sup>

[spot](#) <sup>[4]</sup>

[swap](#) <sup>[5]</sup>

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