

CHRONICLE OF 2002

1 January

Twelve members of the EU (Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) introduced euro banknotes and coins as their common currency. In addition to the EU members, the euro became an official currency also in Andorra, Monaco, San Marino and Vatican.

The Financial Supervision Authority – an autonomous unified supervision agency of the financial sector – was launched at Eesti Pank.

The Securities Market Act entered into force.

2 January

The Eesti Pank Museum opened an exhibition of euro coins and banknotes and the euro area legacy currencies.

10 January

Decree of the Governor of Eesti Pank endorsed the basic documentation of the payment systems of Eesti Pank.

18 January

President of the Republic of Estonia nominated Siim Kallas as candidate for the post of Prime Minister and asked him to form the Government of the Republic.

21 January

Eesti Pank launched a new interbank settlement system that fully complies with international requirements.

22 January

Decree of the Governor of Eesti Pank endorsed the rules on calculating and reporting capital adequacy and risk concentration of credit institutions. A test period was introduced until 30 June 2002.

23 January

Tallinn hosted a seminar on the relationships of the real exchange rate and competitiveness in the Baltic countries.

25 January

Bankruptcy proceedings of INKO Balti Pank were terminated.

27 January

President of the Republic of Estonia appointed the new Government under Prime Minister Siim Kallas.

2 February

Lithuania pegged the national currency litas to the euro. The exchange rate of the Estonian kroon and the Lithuanian litas is fixed at 4.53158:1.

8 February

The Estonian and Finnish financial supervision authorities signed a memorandum of cooperation in the field of securities supervision.

13 February

The Financial Supervision Authority issued an operating licence to Nordea Kindlustuse AS.

20 February

The Financial Supervision Authority registered the Estonian representative office of the International Bank of St Petersburg.

25 February

The Board of Eesti Pank went on a working visit to Ireland, at the invitation of the Irish central bank.

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The Financial Supervision Authority issued licences for providing cross-border investment services in Estonia to **Credit Suisse First Boston (Europe) Ltd, Evli Bank Plc, Nordea Securities Oy and Mandatum Stockbrokers Ltd.**

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The Tallinn Stock Exchange started to trade in the HEX (Helsinki Exchange Group) trading system.

1 March

Decree of the Governor of Eesti Pank approved **new rules of fixing the daily exchange rates of the Estonian kroon.**

6 March

The decision of the Financial Supervision Authority to issue a cross-border investment services licence to **Sofi Pankkiiriliike Oy** entered into force.

14 March

Decree of the Governor of Eesti Pank endorsed the **procedure for exchange transactions between Eesti Pank and credit institutions operating in Estonia.** Australian dollar, British pound sterling, Canadian dollar, Danish krone, the euro, Japanese yen, Norwegian krone, Swedish krona, Swiss franc and US dollar are bought and sold for Estonian kroons.

18 March

Eesti Pank began publishing **Estonia's monthly balance of payments.**

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The Financial Supervision Authority signed a memorandum of cooperation with the **German insurance supervision agency and the financial supervision agency.**

21 March

The Board of Eesti Pank decided to release **Andres Penjam** from the duties of Chief Accountant as of 22 March by agreement of the parties, and to appoint **Kairi Rätsepp** as the new Chief Accountant.

25 March

The Financial Supervision Authority issued the licence of managing the mandatory pension fund to **Seesam Varahalduse AS.**

27 March

The Financial Supervision Authority issued the licence of managing the mandatory pension fund to **LHV Varahalduse AS.**

28 March

The Ministry of Finance endorsed the **rules of reporting by investment firms.**

3 April

The Financial Supervision Authority issued the licence of managing the mandatory pension fund to **Sampo Varahalduse AS.**

4 April

The Financial Supervision Authority issued the licence of managing the stock exchange to **Tallinna Väärtpaberibörsi AS.**

5 April

The Financial Supervision Authority issued the licence of managing the mandatory pension fund to **Hansa Investeeringute AS** and the licence of providing investment services to **AS Kawe Kapital.**

8 April

A delegation from the International Monetary Fund, led by the Head of the mission **Richard Haas**, arrived in Estonia.

10 April

The Financial Supervision Authority issued the licence of managing the mandatory pension fund to **Ühispanga Varahalduse AS.**

22 April

The Financial Supervision Authority issued the licence of managing the mandatory pension fund to **ERGO Varahalduse AS.**

26 April

Eesti Pank issued the 10kroon commemorative coin dedicated to the University of Tartu.

3 May

Academician **Uno Mereste** received the certificate of the pension of merits of Eesti Pank.

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The Eesti Pank Museum opened an exhibition '2000 years of money in Estonia'.

4 May

Eesti Pank had its second open-doors day.

8 May

The ninth seminar of the Baltic central banks opened at Palanga, Lithuania.

12 May

The Financial Supervision Authority imposed a special regime on Nordika Elukindlustuse AS for three months.

21 May

The Financial Supervision Authority presented its first comprehensive overview of the financial sector.

24 May

The **Act of Issuing Government Bonds in 2002** entered into force.

4 June

Riigikogu approved the **2001 annual report of Eesti Pank**.

10 June

Eesti Pank issued the commemorative 100kroon golden coin dedicated to the 10th anniversary of the reintroduction of the Estonian kroon.

11 June

Tallinn hosted an international conference 'Alternative Exchange Rate Regimes in the Globalised World', dedicated to the 10th anniversary of the reintroduction of the Estonian kroon.

16 June

The Financial Supervision Authority registered the **Estonian representative office of Akciju komercbanka 'Baltikums'**.

18 June

Decree of the Governor of Eesti Pank endorsed **credit institutions' reports on deposits guaranteed by the Guarantee Fund and on quarterly contributions paid to the Guarantee Fund**.

19 June

The Board of Eesti Pank **amended the Statute of Eesti Pank** due to transforming the Internal Control Department into the Internal Audit Department.

20 June

Open-air forum 'Introduction of the kroon and the following years – forecasts and reality' in Tallinn, Harjumägi Park; where

Eesti Pank presented the book *Banknotes and Coins of the Republic of Estonia 1992–2002*.

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Decree of the Governor of Eesti Pank approved the **procedure for submitting information on deposits and depositors to the Guarantee Fund**.

21 June

Eesti Pank issued 25kroon banknotes with new design elements.

30 June

The **2002 Supplementary State Budget Act** entered into force, in which additional income and expenditure amounted to **410,743,000 kroons**.

1 July

The **Guarantee Fund Act** entered into force, as well as amendments in ten legal acts (the Accounting Act, the Investment Funds Act, the Credit Institutions Act, the Estonian Central Register of Securities Act, the Public Procurement Act, the Financial Supervision Authority Act, the Funded Pensions Act, the Securities Market Act, the Income Tax Act and the State Fees Act). The **Statutes of the Guarantee Fund** also entered into force.

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The **Law of Obligations Act**, the **General Part of the Civil Code Act** and the **Private International Law Act** entered into force.

2 July

Due to the end of the testing period of capital adequacy and risk concentration reporting, Eesti Pank issued a decree on the **prudential ratios of credit institutions**.

11 July

The Governor of Eesti Pank's Decree endorsed **off-balance sheet transactions reporting by credit institutions**.

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The Financial Supervision Authority revoked the operating licences of Nordika Elukindlustuse AS as of 12 July. The insurance portfolio of Nordika was transferred to ERGO Elukindlustuse As.

20 July

The **Amendment Act of the State Budget Act** entered into force.

29 July

The **Amendment Act of the Commercial Code** entered into force.

1 August

The **Amendment Act of the Courts Act, the Bank of Estonia Act, the Peace-Time National Defence Act, the Riigikogu Internal Rules Act and the State Audit Office Act** entered into force. Article 1 of the Bank of Estonia Act was amended with a section on the registration of the Bank of Estonia and its divisions.

18 August

The Financial Supervision Authority signed a memorandum of cooperation with the **Danish financial supervision agency**.

26 August

Jaanus Kroon was appointed Head of Eesti Pank's Statistics Department.

27 August

The Financial Supervision Authority extended the fund management licence issued to **AS Trigon Funds**.

1 September

The Financial Supervision Authority presumed control over the legitimacy of takeover bids aimed at shareholders of companies quoted and traded at the Tallinn Stock Exchange.

9 September

A joint course of Eesti Pank and the IMF Institute 'Financial Markets and New Financial Instruments' started in Tallinn.

12 September

The Ministry of Finance issued a decree on **calculating the net own funds of investment firms and the procedure of setting the minimum size of net own funds**.

13 September

The 10th joint seminar of Eesti Pank and Suomen Pankki was opened at Kalvi Manor.

16 September

Eesti Pank began publishing consolidated data on leasing companies on its web site.

17 September

The rating agency FitchRatings decided to affirm Estonia's long-term foreign currency rating at A-, the long-term local currency rating at A+ and the short-term foreign currency rating at F1. The rating outlook remains positive.

19 September

The Governor of Eesti Pank's Decree changed **the rules of compiling the public disclosure reports of credit institutions**.

20 September

The Governor of Eesti Pank's Decree endorsed **formatting requirements of electronic reports submitted by credit institutions to the Financial Supervision Authority and Eesti Pank**.

25 September

The Government approved the **programme of state investments for 2003–2006**.

26 September

President of the European Central Bank (ECB) **Willem F. Duisenberg** sent a letter to Eesti Pank and the central banks of other EU candidate countries, informing them that **ECB and the European System of Central Banks is ready to involve candidate countries as observers in the work of the ECB General Council and the ESCB committees after the signing of the accession treaty**. The status of a non-voting observer will expire upon the entry into force of the accession treaty.

4 October

Eesti Pank attended the third investment fair Money Compass held at the National Library in Tallinn.

7 October

The annual meeting of the CEEC Cooperation Group of the Basel Committee on Banking Supervision in Bratislava elected Estonia as the presiding country for 2003.

8 October

Riigikogu appointed auditors Veiko Hintsov and Villu Vaino from AS Deloitte & Touche Audit to audit the activities of Eesti Pank in 2002 and to confirm the central bank's annual report.

9 October

The European Commission published progress reports on Estonia and other EU candidate countries and proposed concluding accession talks with ten candidates by the end of the year. Besides **Estonia**, the ten countries include **Cyprus, the Czech Republic, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia and Slovenia**.

23 October

Riigikogu approved the **2001 state budget report**.

The Ministry of Economic Affairs and the Ministry of Transport and Communications were merged into the **Ministry of Economic Affairs and Communications**.

24 October

The two-day meeting of the European Council in Brussels confirmed that **ten EU candidates, including Estonia, are capable of meeting all their membership commitments.**

The **2002 Second Supplementary Budget Act** entered into force, with additional income and expenditure planned at **788,000,000 kroons.**

The Financial Supervision Authority removed OÜ Kindlustusjuht Kindlustusmaakler from the list of insurance intermediaries.

29 October

The Centre for Strategic Initiatives organised a conference for opinion leaders 'Foresight Estonia'.

31 October

The Board of Eesti Pank decided on **remunerations paid for credit institutions' funds kept on accounts at Eesti Pank** and on the **reserve requirements of credit institutions.**

The Governor of Eesti Pank's Decrees made changes in the **rules and regulations of the expert council of payment systems** and on approving documents on **balance of payments related reporting by credit institutions.**

1 November

The **Ministry of Finance, Eesti Pank and the Financial Supervision Authority signed a cooperation agreement** defining underlying principles for joint activities in the exchange of financial information, legislation, financial sector safety net, international and public relations and training.

11 November

The first issue of Eesti Pank's economic quarterly *Kroon & Economy* was published.

12 November

The rating agency **Moody's Investors Service upgraded Estonia's long-term foreign currency rating from Baa1 to A1.** The decision derived from the agency's change of policy towards the EU candidates and, as a result, their long-term foreign currency ratings were raised to the level of local currency ratings. Estonia's rating outlook remains stable.

18 November

The Governor of Eesti Pank's Decree approved **documents for additional balance sheet reporting by credit institutions.**

21 November

NATO Summit was opened in Prague where **Estonia, Bulgaria, Lithuania, Latvia, Romania, Slovakia and Slovenia** received an invitation to start accession negotiations.

Eesti Pank presented a collection of articles *Alternative Monetary Regimes in Entry to EMU* by several internationally renowned financial and economic researchers. The collection is dedicated to the 10th anniversary of the reintroduction of the Estonian kroon.

25 November

Delegation from the National Bank of Ukraine, led by Deputy Governor **Volodymyr Krotiuk**, started a two-day visit to Eesti Pank.

26 November

Eesti Pank and Sampo Pank terminated the risk assets realisation contract concluded in June 2000 when the shares of the Optiva Pank were sold to Sampo Pank.

The team of Võru Kesklinna Secondary School won the quiz 'Central Bank and Money' organised on the Eesti Pank web site.

3 December

The Board of Eesti Pank approved the **2003 budget of the central bank** at 198.6 million kroons.

The Government raised the **minimum hourly wage from 10.95 to 12.90 kroons as of 1 January 2003** and increased the **minimum monthly wage of full-time workers from 1,850 kroons to 2,160 kroons.**

5 December

The fourth annual **EU enlargement seminar of the European Central Bank** began in Genval, Belgium, with top executives of the central banks of EU members and candidate countries attending.

The Ministry of Finance established the **rate of share of supervision fee calculated on the basis of assets in the 2003 budget of the Financial Supervision Authority.**

9 December

Martti Randveer was appointed Head of Eesti Pank's Research Department.

11 December

Riigikogu passed the **2003 State Budget Act**, where income is planned at 38,434,017,600 kroons and expenditure at 38,758,141,200 kroons.

12 December

Two-day EU Summit started in Copenhagen, where a formal invitation to join the EU was extended to ten candidate countries, including Estonia. The accession treaty will be signed in Athens on 16 April 2003 and it will enter into force on 1 May 2004.

13 December

Eesti Pank confirmed the **list of currencies against which Eesti Pank fixes the daily exchange rate of the Estonian kroon.** The list was complemented with the Bulgarian lev, the Chinese yuan, the Cyprus pound, the Maltese lira, the Romanian leu, the Slovakian koruna and the Turkish lira. The Kazakhstan tenge, the Moldovian leu and the Uzbekistan sum were excluded from the list.

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The Cash and Security Department of Eesti Pank was granted the **international quality certificate ISO 9001:2000** for managing, handling and safeguarding cash reserves.

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The Financial Supervision Authority revoked the operating licence of the investment firm AS BB-Invest.

16 December

The Governor of Eesti Pank's Decree established the **procedure of declaring international payments and providing data required for the balance of payments statistics.**

17 December

A book '15 Years of New Estonian Banking' by Villu Zirnask was published, sponsored by the Swedish foundation Estfond, Eesti Pank and the Estonian Banking Association.

19 December

The Board of Eesti Pank took notice of the **Strategic Development Plan of Eesti Pank for 2003–2005.**

30 December

The Governor of Eesti Pank's Decree made changes in the **rules of calculating capital adequacy of credit institutions on solo and consolidated basis.**