

Main features and functions of Eesti Pank

Eesti Pank is the central bank of the Republic of Estonia and a member of the European System of Central Banks.

The primary objective of Eesti Pank is to maintain price stability. Eesti Pank also supports the achievement of other economic policy objectives in accordance with the Treaty on the Functioning of the European Union.

The functions of Eesti Pank are:¹

- to help to define the monetary policy of the European Community and to implement the monetary policy determined by the Governing Council of the European Central Bank;
- to hold and manage the official foreign exchange reserves;
- to promote the smooth operation of the payment systems and the stability of the financial system;
- to participate in the development of the payment systems and the financial system;
- to regulate currency circulation, contribute to the issuance of euro banknotes and issue of euro coins;
- to compile the balance of payments of Estonia;
- to collect and release statistics necessary for the performance of its functions;
- other functions of Eesti Pank arising from the law.

Eesti Pank is an independent constitutional institution and it is not subordinated to the Government or any other executive state agency. Eesti Pank is not held liable for the financial liabilities of the state, nor is the state held liable for the financial liabilities of the Bank. The highest organisational body of the Bank is the Supervisory Board which may not comprise members of the government. This gives the central bank the best opportunities to maintain monetary and financial stability.

¹ § 2 of the Eesti Pank Act – http://www.eestipank.ee/pub/en/dokumendid/dokumendid/oigusaktid/seadused/epact_2011.html.