

of individuals or institutions declared insolvent, unless the loan has previously been repaid, together with all accrued interest, charges and fines.

Article 57.

The Bank shall at all times make public the minimum rate at which it is prepared to discount or re-discount bills.

PART XII.

COVER FOR CURRENT LIABILITIES.

Article 58.

The Bank shall maintain a Reserve of not less than 40 per cent. of the amount of its notes in circulation and demand liabilities.

Article 59.

The term „Reserve“ in the above Article shall include only: —

- (a) gold coin and bullion owned by the Bank, either in the custody of the Bank or deposited in other Central Banks and ear-marked for the Eesti Pank's account, or in any mint, or in transit to or from the Eesti Pank;
- (b) foreign exchange in the unrestricted ownership of the Eesti Pank, provided that in practice and in fact such exchange shall at all times be convertible on demand into exportable gold at the centre where the exchange is held.

For the purposes of this Article, and subject always to the preceding paragraph (b), the term „foreign exchange“ shall be taken to mean: —

- (1) net balances standing to the credit of the Eesti Pank at the Central Note Issuing Bank or other bank of a foreign country,
- (2) bills of exchange payable in a foreign currency, maturing within not more than three months, and bearing at least two good signatures,
- (3) Treasury Bills, Treasury Certificates of indebtedness, or similar obligations of a foreign Government of a maturity not exceeding six months, less any liabilities in such foreign exchange.

Article 60.

At the request of the Bank, the Government may suspend the operation of Article 58, subject to the payment by the Bank to the Government of a progressive tax.

The suspension may be granted for a period of not more than 30 days in the first instance, and may be renewed for further periods not exceeding fifteen days at a time.

The tax shall be levied on the amount by which the note circulation and demand liabilities of the Bank exceeds the maximum sum which would be admissible under Article 58.

The tax shall be calculated and paid daily at the following rates: —

- 1½ % per annum above the published minimum current discount rate of the Eesti Pank for 3 months' bills if the Reserve, while less than 40 per cent., is not less than 35 per cent.