

## RULES

### **Amending Central Bank of Iceland Rules no. 490/2016 on special reserve requirements for new foreign currency inflows, with subsequent amendments**

#### Article 1

The following amendments shall be made to Article 2 of the Rules:

- a. Article 2, Item 2 shall read as follows:  
Domestic currency deposits with deposit institutions in Iceland, other than those deriving from capital that:
  - a) is eligible for reinvestment according to Article 13(e) of the Foreign Exchange Act;
  - b) falls under Article 13(l) or Article 13(m) of the Foreign Exchange Act; or
  - c) bears annual interest of less than 3.00% and is not used, directly or indirectly, to invest in bonds or bills issued in domestic currency and electronically registered pursuant to the Act on Electronic Registration of Title to Securities; or in unit shares in funds that invest in bonds or bills issued in domestic currency and electronically registered pursuant to the Act on Electronic Registration of Title to Securities or that hold deposits in domestic currency with deposit institutions in Iceland if cash and deposits bearing annual interest of 3.00% or more constitute 10% or more of the fund's assets; or in the equity of a company that is invested directly or indirectly in the aforementioned investments.
- b. The following shall be inserted after the words "for investments in unit share certificates of funds" in Item 5: that invest in bonds or bills issued in domestic currency and electronically registered in accordance with the Act on Electronic Registration of Title to Securities, or that hold deposits in domestic currency with deposit institutions in Iceland

#### Article 2

The following amendments shall be made to Article 3 of the Rules:

- a. The following shall be inserted after the words "Items 1," in Item 1: 2,
- b. The phrase Items 3-5 in Item 3 is replaced by: Items 2-5.
- c. The words "30,000,000 kr. until 1 January 2017 without incurring a special reserve requirement in accordance to these Rules. From 1 January 2017 onwards, the maximum provided for in the first sentence shall be increased to" in Paragraph 2 shall be deleted.

#### Article 3

The following amendments shall be made to Article 4 of the Rules:

- a. The following shall be inserted after the words "Items 1," in Item 1: 2,
- b. The phrase Items 3-5 in Item 3 is replaced by: Items 2-5.

#### Article 4

The following amendments shall be made to Article 5 of the Rules:

- a. The word "or" in Paragraph 1 shall be replaced by: ,
- b. The following shall be inserted after the words "Article 13(m), Paragraph 6 of the Foreign Exchange Act have taken place" in Paragraph 1: , or investments have been made in accordance with Article 2 of these Rules

Article 5

*Ministerial approval*

These Rules have been approved by the Minister of Finance and Economic Affairs, and the approval is published as an attachment to these Rules.

Article 6

*Entry into force, etc.*

These Rules, which are set in accordance with the authorisation contained in Temporary Provision III of the Foreign Exchange Act, no. 87/1992, shall take effect immediately.

Reykjavík, 12 March 2016

*Central Bank of Iceland*

**Már Guðmundsson**

Governor of the Central Bank  
Surveillance Unit

**Guðmundur Sigbergsson**

Acting Director, Capital Controls

**Attachment**

**Ministerial approval**

With reference to Temporary Provision III of the Foreign Exchange Act, no. 87/1992, cf. Article 2, Paragraph 1 of Act no. 42/2016, the Minister of Finance and Economic Affairs has approved the Central Bank of Iceland Rules Amending Rules no. 490/2016 on special reserve requirements for new foreign currency inflows.

*Ministry of Finance and Economic Affairs, 12 March 2017*

**Benedikt Jóhannesson**

Minister of Finance and Economic Affairs