

**By-Laws of the INSTITUTO DE GESTÃO DA TESOURARIA E DO CRÉDITO PÚBLICO, I.P.
(IGCP, I.P.)**

**Decree Law n. 160/96
of 4 September**

(modified by Decree Law n. 28/98, of 11 February, Decree Law n. 2/99, of 4 January, Decree Law n. 455/99, of 5 November, Decree Law n.86/2007, of 29 March and Decree Law n. 273/2007, of 30 July)

**CHAPTER I
Name, status, system, headquarters and purpose**

Article 1

Name and status

The *Instituto de Gestão da Tesouraria e do Crédito Público, IP*, briefly called IGCP, is a legal person governed by public law, with administrative and financial autonomy and its own assets, subject to the authority and supervision of the Finance Minister.

Article 2

Regulatory system

IGCP is governed by these Bye-Laws and by its internal regulations as well as, in whatever is not specifically regulated by the former or the latter, exclusively by the legal and financial system applicable to bodies that have the status, form and designation of public undertakings subject to private law, and does not have to obey the rules applicable to autonomous funds and services.

Article 3

Headquarters

IGCP's headquarters are in Lisbon.

Article 4

Mission

1 – The purpose of IGCP is to manage the treasury and the direct public indebtedness of the Central government, as well as to coordinate the financing of autonomous administrative and financial services and funds, in compliance with the guidelines defined by the Government through the Finance Minister.

2 – In addition to its primary objective, IGCP, I.P. may further carry out related activities, namely consultancy, technical assistance and the management of the debt of public sector entities and the assets of these bodies constituted by Government debt securities.

CHAPTER II

Duties and powers

Article 5

Main duties

1 - IGCP, I.P. has the following duties:

- a) To propose to the Government the guidelines to be followed in central government financing, taking into account the State Budget, the market conditions and the cash requirements;
- b) To propose to the Government the guidelines for the management of direct government debt;
- c) To ensure, in conjunction with the management of direct Government debt, the management of cash balances, and to make cash investments necessary to this effect;
- d) To ensure the centralisation and control of Treasury fund movements, as well as the respective accountancy;
- e) To promote the unity of the State treasury;
- f) To manage and control State tax collection and the Treasury's current account system;
- g) To provide banking services to the State's direct and indirect administration bodies, without prejudice to the Social Security's own duties, as well as to business public sector bodies;
- h) To intervene in matters concerning the functioning of the financial market, with regard to the government debt securities market;
- i) To manage the Public Debt Stabilisation Fund, according to law;
- j) To manage the Life Annuity Fund;
- l) To watch over law enforcement and compliance therewith in everything that concerns the issuance and management of direct government debt;
- m) To monitor direct government debt operations and undertake all the involved procedures;

- n) To provide assistance, according to law, to the Autonomous Regions in organising the issuance of regional government debt and in monitoring the respective management, with a view to minimising costs and risks and to coordinating regional indebtedness operations with the State's direct government debt.

2 - IGCP, I.P. may provide the Government and other public entities with consultancy and technical assistance services and may also manage the debt of these entities as well as their assets, constituted by Government debt securities, by entering into management agreements, provided that this is not incompatible with its object.

3 - Services and funds with administrative and financial autonomy have to inform the IGCP of all loan disbursements and repayments within five working days after they carry them out.

4 - In cash management, the main objective of IGCP, I.P. is to minimize the amount of the direct Government debt as well as the respective costs, further ensuring the efficient remuneration of surpluses

Article 6 Other duties

1 - IGCP, I.P. also has the following duties:

- a) Negotiate, on behalf of the Republic and following the guidelines of the Finance Minister, the loan agreements and the financial operations of direct government debt management and contract, under any form allowed by law for the purpose, such loans and operations;
- b) To manage the cash balances of the central Government;
- c) Plan and monitor treasury flows and ensure the appropriate management of funds and liaison with *Banco de Portugal*;
- d) Perform operations related to the collection, payment and transfer of funds, as well as develop and implement computer infrastructures and information systems supporting the management of the State's treasury;
- e) Provide banking services to the services, bodies and entities subject to the State's treasury unity principle;
- f) Manage the State's tax collection network;
- g) Ensure financial ties with the European Union, register and control capital contributions within the framework of European Union funds and manage chapter 70 of the State Budget in relation to the community's own resources;
- h) Define and manage the accounting and financial system, the centralisation and processing of information on accounting records and the auditing of operations, internal processes and records;
- i) Ensure the international representations arising out of its purpose as well as those assigned to it;

- j) Submit every year to the Finance Minister, the government-financing programme, duly warranted, which shall guide the borrowing policy envisaged in the State Budget;
- l) Establish the forms of government debt, according to the provisions of the State Budget, to the yearly government-financing programme, and to other applicable legislation;
- m) Appraise beforehand the financing operations, namely borrowings by services and funds with administrative and financial autonomy, involving amounts above a ceiling set every year in the budget performance decree-law;
- n) Advertise the calendar of auctions of government debt instruments and the conditions thereof, as well as lay down the conditions for acceptance of bids, namely as regards interest rates or the yield of securities;
- o) Hold the auctions referred to in the foregoing item, selecting the bids most appropriate to the government- debt management objectives, namely as regards interest rates and the yield of securities;
- p) Intervene on the public debt market, buying or selling securities on the spot or forward markets, on behalf of the State or of funds under its management, whenever it is considered advisable for the State's direct debt management objectives;
- q) Buy and hold, whenever it is considered advisable for the State's direct debt management objectives, shares in companies whose purpose is to manage securities markets or related services;
- r) Prepare periodic reports on central government financing and on national debt and provide for the publication of at least one annual report;
- s) Request from all authorities, public services or other bodies, the information and steps required for the performance of its functions;
- t) Advise the Finance Minister in all matters related to its purpose;
- u) Give a prior opinion on the conditions of financing operations to be backed by the Central Government;
- v) Perform all other functions assigned to it by law.

2 - The operations referred to in sub-paragraph *m* of the previous number may only be carried out when authorized by IGCP, I.P.

3 - The documents concerning the performance of IGCP's duties, namely those regarding the issuance, subscription, transmission and redemption of debt held by private entities, are filed in observance of the filing rules foreseen by law for credit institutions, with the necessary adjustments.

CHAPTER III

Management and auditing

Article 7

Bodies of IGCP

1 - IGCP's bodies are:

- a) The chairman of the board of directors;
- b) The board of directors;
- c) The advisory board;
- d) The audit committee.

2 - The chairman and other members of the board of directors are appointed by Cabinet Resolution, on a proposal from the Finance Minister, for renewable three-year terms of office.

Article 8

Status and remuneration of the chairman and other members of the board of directors

1 - Without prejudice to the provisions of this decree-law, the chairman and other members of the board of directors have the status of public-sector managers, with the highest remunerations and fringe benefits legally admitted for members of the board of public undertakings, which shall be established by decision of the Finance Minister.

2 - Save as provided for in the last part of Article 33 (4) of the Organic Law of the Finance Ministry, the chairman and the other members of the board of directors may not, during their term of office, exercise any other activity as a civil servant or elsewhere, except for the functions inherent in those carried out with IGCP and the research or university teaching activity, which may be authorised by the Finance Minister, provided it is exercised in conditions that do not affect the proper performance of their duties as members of the board.

Article 9

Powers of the chairman

1 - It is the responsibility of the chairman of the board:

- a) To represent IGCP, except in court, without prejudice to the provisions of (3) below;
- b) To act on behalf of IGCP with national or international organisations;

- c) To call and chair the meetings of the board of directors;
- d) To provide, whenever he deems advisable or the board of directors thus decides, for the convening of the advisory board and of the audit committee, as well as joint meetings of these bodies or of any of them with the board of directors, chairing such meetings;
- e) To manage all IGCP activities and departments, without prejudice to the delegation of powers provided for in Article 12;
- f) To exercise the disciplinary power, save as provided for in Article 27 (3) and (4);
- g) To exercise any powers related to IGCP's purpose as may be delegated to him by the Finance Minister;
- h) To exercise all other functions assigned to him by IGCP internal regulation or delegated to him by the board of directors pursuant to Article 12.

2 - The chairman also has the power to take all decisions and actions which, although subject to a decision of the board of directors, may not, due to urgent need, await the board meeting; such decisions or actions have to be ratified by the board of directors at its next ordinary meeting.

3 - The chairman may suspend the effectiveness of the decisions taken by the board of directors which, in his judgement, are contrary to IGCP bye-laws or to public interest and submit them to the Finance Minister for confirmation, and may even request the judicial suspension of the effectiveness of decisions which he considers unlawful.

4 - The chairman, if he is absent or prevented, shall be replaced by the member of the board appointed for the purpose or, in the absence or prevention of the latter, by the most senior board member or, in equal circumstances, by the oldest in age.

Article 10

Composition of the board of directors

The board of directors of IGCP is comprised of a chairman and two executive directors.

Article 11

Powers of the board of directors

1 - The board of directors is empowered to perform all the duties and to take all actions assigned to IGCP by law, which do not fall within the exclusive competence of the other IGCP bodies, namely:

- a) To prepare the internal regulations of IGCP;
- b) To lay down the general guidelines and the internal management policy of IGCP;
- c) To establish, subject to approval by the Finance Minister, the organisational structure of IGCP, the functions of its departments and the personnel management policy, including remunerations;

- d) To draw up the annual budget and submit it, together with the opinion of the audit committee, for the Finance Minister's approval;
- e) To prepare an annual report on the treasury management, direct government debt and State financing;
- f) To decide on the acquisition and disposal, financial leasing or hiring of equipment and on the leasehold of real estate for the installation, equipping and operation of IGCP;
- g) To decide on the acquisition or financial leasing of real estate for the above purposes, or on disposal thereof, subject to prior authorisation from the Finance Minister;
- h) To enter into agreements with third parties for the provision of services to assist IGCP in properly performing its duties;
- i) To define the amounts to be charged to those interested in the provision of services related to the issuance, subscription, transmission and redemption of securities representing government debt and in the provision of banking services;
- j) To enter into agreements with other entities for the provision of services related to the issuance, subscription, transmission and redemption of securities representing government debt held by private entities, namely saving certificates and/or services related to the processing and management of said securities;
- l) To manage IGCP's human resources and assets;
- m) To prepare the annual report and accounts of IGCP and submit them, until 31 March of the following year, with the opinion of the audit committee, for the Finance Minister's approval;
- n) To prepare the annual management report of the Public Debt Stabilisation Fund and submit it, with the opinions of the audit committee, for the Finance Minister's approval;
- o) To collect IGCP revenue and authorise its expenditure;
- p) To represent IGCP in court, as plaintiff or defendant, with powers to compromise, make admissions and give up in any disputed claims and to settle in arbitration;
- q) To perform such other functions and take such other actions as may be required for the performance of IGCP duties, which do not fall within the competence of other bodies.

2 - The prior approval of the Finance Minister is required for IGCP internal regulations laying down the principles of its organisational structure and the general guidelines on the management of its human resources, including the remuneration policy.

Article 12

Delegation of powers and assignment of responsibilities

1 - The board of directors may delegate the powers entrusted to it to one or more of its members or to employees of IGCP.

2 - The board of directors, on a proposal from the chairman, may distribute by its members responsibilities for the management of the several operating areas of IGCP.

3 - The assignment of responsibilities envisaged in the foregoing number implies the delegation of powers corresponding to the competence pertaining to the areas in question.

4 - The board of directors, in each case, has to lay down the specific limits of the powers delegated and mention whether or not there are sub delegation powers.

5 - The provisions of the foregoing numbers do not waive the duty, incumbent upon all the members of the board, to become acquainted with and monitor the general affairs of IGCP and to issue an opinion thereon.

Article 13

Authority to bind the IGCP

1 - IGCP is bound by the signature of:

- a) The chairman of the board of directors;
- b) Two members of the aforesaid board;
- c) Whomsoever is duly empowered for the purpose according to Article 12.

2 - Current business dealings, which do not bind the IGCP, may be signed by any member of the board or by IGCP employees with express powers for the purpose.

Article 14

Meetings of the board of directors

The board of directors meets regularly once a week and extraordinarily whenever convened by the chairman, on his own initiative, or at the request of the executive directors or of the audit committee.

Article 15

Composition of the advisory board

The advisory board of IGCP is comprised of the chairman of the board of directors, who chairs but has no voting power, of a member of the board of directors of the *Banco de Portugal*, to be designated by the latter, and of four experts in economic and financial matters, to be appointed by Cabinet Resolution, on a proposal from the Finance Minister, for renewable terms of three years.

Article 16

Powers of the advisory board

- 1 – It is the responsibility of the advisory board to compulsorily issue its opinion on the annual report and programme on treasury management, direct government debt management and State financing, as well as any revisions thereof.
- 2 – The advisory board is also responsible for issuing opinions on any matter referred thereto by the chairman of the board, on his own initiative or at the request of the majority of its members.

Article 17

Meetings of the advisory board

- 1 – The advisory board meets regularly twice a year and extraordinarily whenever convened by its chairman, on his own initiative or at the request of the majority of its members.
- 2 – The rules of operation of the advisory board are laid down in its own regulations.

Article 18

Remuneration

Members of the advisory board, save for the chairman, are entitled to attendance vouchers, to an amount to be set by decision of the Finance Minister and, in the event of members residing out of Lisbon, these shall be reimbursed for travel expenses and, if need be, for costs of accommodation in Lisbon.

Article 19

Composition and status of the audit committee

- 1- The audit committee is comprised of one chairman and two members, appointed by the Finance Minister, the chairman being designated by the Inspectorate-General of Finance and one of the members being a chartered accountant or partner of a firm of chartered accountants.
- 2 - The members of the audit committee perform their duties for renewable three-year periods.
- 3 - The members of the audit committee have the same status as the members of the audit committees of class A1 public undertakings and earn the same remuneration.

Article 20

Powers of the audit committee

1 - The audit committee is responsible for:

- a) Monitoring and controlling the financial management of IGCP;
- b) Appraising and issuing its opinion on the annual budget, report and accounts of IGCP;
- c) Appraising and issuing its opinion on the management report of the Public Debt Stabilisation Fund;
- d) Checking the appropriate bookkeeping of IGCP and compliance with all the applicable budgetary, accounting and cash provisions and informing the board of directors of any irregularities detected;
- e) Issuing an opinion on matters within its competence which are referred to it by the board of directors or by its chairman.

2 - With a view to the proper performance of its functions, the audit committee has the power to:

- a) Request of other IGCP bodies and departments all the information, enlightenment or data that it considers necessary;
- b) Request the chairman of the board of directors to convene joint meetings of both bodies to appraise issues falling within its responsibility.

Article 21

Meetings of the audit committee

The audit committee meets regularly once a month and extraordinarily whenever convened by its chairman, on his own initiative, or at the request of the other committee members or of the chairman of the board of directors.

Article 22

Common provisions - Quorum and decision-taking rules

1 - Decisions of IGCP bodies shall be valid only when the majority of its members is sitting in the deliberations.

2 - The decisions of IGCP bodies are taken by a majority of the members present at the meetings, the chairman, or whosoever duly replaces him, having the casting vote, save as provided for in Article 15.

3 - Members of IGCP bodies may not abstain from voting the decisions taken at meetings which they are attending, their silence or abstention being considered as a vote in favour of the motion tabled.

CHAPTER IV

Assets and financing system

Article 23

Assets

IGCP primary capital is comprised of State assets allocated to it by decision of the Finance Minister as well as of a budget appropriation of an amount to be set in the aforesaid decision, according to law.

Article 24

Annual financial statements

- 1 - IGCP annual budget is subject to prior approval by the Finance Minister.
- 2 - The annual report and accounts, together with the opinion of the audit committee, shall be submitted both for the Finance Minister's approval and to the judgement of the Court of Auditors until 31 March of the year following that to which they refer.
- 3 - The IGCP shall adopt the Official Chart of Accounts for its accounting.

Article 25

Income

- 1 - IGCP own income is comprised of:
 - a) An annual management fee, to an amount to be set every year by decision of the Finance Minister as a percentage of the direct government debt stock on 31 December of the previous year with a minimum of 0.01% (percent) and a maximum of 0.015% (percent);
 - b) The amounts corresponding to management fees or to any other form of income due to it for the provision of banking services, namely for the use of the State's tax collection network;
 - c) Compensation for services provided to other state-owned bodies;
 - d) The balances assessed at the end of each fiscal year which the Finance Minister decides will not be deducted from the income in (a) above;
 - e) The amounts charged for the provision of services related to the issuing, subscription, transmission or redemption of securities representing public debt held by private entities;
 - f) The proceeds of the sale of studies, works or other publications provided for by IGCP;

- g) Subsidies or grants awarded by any national or foreign body;
- h) Any other income accruing to it according to law.

2 - The income mentioned in (a) above may be set in terms of IGCP contribution to minimise the charges of managing the direct government debt, and shall be computed in conformity with criteria and standards to be established by executive order of the Finance Minister, taking into account the other debt management objectives and including, for each budgetary period, the disaggregated calculation of government debt-servicing costs.

CHAPTER V

Staff

Article 26

Status

- 1 - IGCP staff is subject, in general, to the rules of the individual employees' contract and, in particular, to the provisions of IGCP internal regulations.
- 2 - The remunerations and fringe benefits of IGCP staff are established by its board of directors, according to the guidelines laid down in the internal regulations envisaged in Article 11 (2) of these Bye-Laws.
- 3 - IGCP may be a party to collective agreements.

Article 27

Social security

- 1 - IGCP employees, who are requisitioned, seconded or assigned, shall retain the social security scheme pertaining to their post of origin, namely as regards retirement, survivor's pension and medical assistance.
- 2 - IGCP employees, who are not in any of the conditions referred to in the foregoing number, shall be compulsorily enrolled in *Caixa Geral de Aposentações* (civil servants pensions scheme) and in *ADSE* (civil servants medical aid system) unless, being enrolled in any other social security scheme, they wish and are lawfully able to maintain it, or if another scheme arises out of IGCP becoming a party to collective agreements.
- 3 - For the purpose of the foregoing number, IGCP shall contribute to social security or medical aid schemes to which its workers belong, according to the provisions of those schemes applicable to employers.
- 4 - In the event of workers enrolled in *Caixa Geral de Aposentações*, the contributions referred to in the foregoing number shall equal the amount of contributions paid by such workers.
- 5 - Members of the board of directors are subject to the social security scheme of self-employed workers, unless they are assigned or requisitioned, in which case the provisions of (1) above are applicable.

Article 28

Common provisions - professional secrecy

1 - Members of IGCP bodies, its staff, and physical or public and private juridical persons providing services to it, on a temporary or permanent basis, are bound to secrecy regarding information which comes to their knowledge in the course of their duties or provision of those services and, whatever the purpose, may not divulge or use their knowledge of this information, for their own or another's benefit, directly or through an intermediary.

2 - The obligation of professional secrecy continues even when the persons subject thereto, under the foregoing number, cease to provide services to IGCP.

3 - Without prejudice to civil and criminal liability arising there from, breaches of professional secrecy, provided for in this article, when committed by a member of an IGCP body or by its staff, imply the disciplinary sanctions corresponding to the gravity of the offence, that may extend to dismissal or termination of the relevant labour contract, and when committed by a physical or juridical person bound to IGCP by a contract for the provision of services, the board of directors is entitled to terminate such contract on the spot.