



18 November 2011

SI-79753

Terms of Currency Transactions

in accordance with the Central Bank of Iceland's Investment Programme

INVESTMENT PROGRAMME TO REMOVE CURRENCY CONTROLS

1. The Central Bank of Iceland intends to hold auctions whereby foreign currencies can be exchanged for domestic currency, hereafter “Icelandic krónur” or simply “ISK”, for investment in Iceland. The auctions are part of the programme to remove restrictions on capital movements, cf. the Central Bank's Capital Account Liberalisation Strategy of 25 March 2011, and are held on the basis of Articles 18, cf. Temporary Provision III of Act No. 36/2001, on the Central Bank of Iceland, cf. Temporary Provision I of Act No. 87/1992. The objective of the Central Bank of Iceland in the transactions is to facilitate the relaxing of controls on capital movements without creating substantial exchange rate and monetary instability, or jeopardising financial stability. The requirement is therefore set that the investment resulting from the transactions be locked in for a relatively long term in Iceland, and that the investment be made in accordance with these Terms of Currency Transactions, hereafter the “Terms”.
2. Transactions for investment will be concluded in main respects as follows:
 - a. Investors who intend to invest in Iceland, as provided for in these Terms, and who sell foreign currency to an Icelandic financial undertaking, will with all conditions precedent satisfied, be able to sell foreign currency to the Central Bank in a currency auction, where the investor can offer to sell as much foreign currency to the Central Bank as it sold on the domestic market, cf. Articles 18 and 19 of these Terms.
 - b. Investors who have availed themselves, or intend to avail themselves, of the new investment option provided for in Art. 13 m of Act No. 87/1992, on Foreign Currency, as subsequently amended, may with all conditions precedent satisfied participate, making reference to a notification concerning such new investment, and in return relinquish their authorisation to sell the investment for foreign currency, cf. subparagraph i of Art. 20 of these Terms.
 - c. The transactions must be conducted through intermediaries. These intermediaries will look after the submission of applications for investors who intend to participate in the Central Bank's auctions, as provided for in these Terms and the Terms of Auction, cf. Articles 28-32 of these Terms.
 - d. The Central Bank will review the applications and confirm participation in the auctions to be held, cf. Articles 11-17 of these Terms.
 - e. Following an auction, the Central Bank will inform intermediaries of the auction outcome; finalisation will then proceed as provided for in these Terms and the Terms of Auction. The Central Bank will retain the ISK acquired by an investor in the transactions and deposit them in the investor's account as soon as all conditions for the transaction have been satisfied, cf. Articles 20-23 of these Terms.
 - f. Terms of Auction will be published describing the transactions in detail.
3. In addition, parties intending to invest in the manner described in these Terms, will be allowed to request exemptions to transfer to Iceland ISK, provided such funds have been owned by them continuously since 28 November 2008, cf. Articles 24-27 of these Terms.

CONDITIONS FOR TRANSACTIONS

4. Owners of foreign currency, whether residents or non-residents, who wish to invest in Iceland as provided for in these Terms, may participate in auctions in accordance with the Central Bank's Investment Programme through intermediaries provided the following conditions are satisfied:
 - a. that the investor intends to invest in accordance with the information it provides to the Central Bank and in accordance with the provisions of these Terms and/or the Terms of Auction;
 - b. that the funds which the investor intends to offer to sell to the Central Bank under the Investment Programme comprise an *inflow of new foreign currency*. By this is meant funds which do *not* originate as income from current transactions, including a loan from a domestic party of foreign currency. The definition of income from current transactions is based on the provisions of subparagraph d of Art. XXX of the Articles of Agreement of the International Monetary Fund;
 - c. that the funds which an investor intends to offer to sell to the Central Bank under the Investment Programme are *not* deposits in foreign currency accounts with domestic financial undertakings, which came into existence prior to the date of these Terms;
 - d. that the investor is the beneficial owner of the funds, and the transactions are concluded on the investor's own account and not on behalf of another party or parties;
 - e. that the investor is *not* a domestic commercial bank, savings bank or credit institution, as referred to in the Act on Financial Undertakings, No. 161/2002;
 - f. that the investor has *neither* been charged with an offence by a prosecutor or reported by the Central Bank to the police authorities, and that case is still unresolved, *nor* has failed to pay an administrative fine or settlement; in either event concerning a violation of the Act on Foreign Currency, No. 87/1992, and Rules based on that law.
5. The transactions are contingent upon the investor planning to invest for at least five years. The investor will have to sign standardised terms for foreign currency transactions with the Central Bank providing, for instance, for the following:
 - a. that the investor agree to the encumbrances banning any type of direct or indirect disposition of the investment for five years, including all mortgaging, forward contracts or other derivatives;
 - b. the investor's obligation to sign all documents in connection with the encumbrances on the investment and provide any assistance necessary in order that the encumbrances acquire satisfactory legal protection;
 - c. provisions on fines for infringement of encumbrances banning disposition, with the Central Bank reserving all rights if necessary to bring suit, seize assets or apply other legal and enforcement actions to collect such fines;
 - d. the investor's obligation to provide all information in its transactions with the Central Bank which is necessary to demonstrate and verify that the Central Bank's conditions for the transactions are satisfied.
6. The Central Bank makes it a condition for the transactions that the proposed investment be only of the following types:
 - a. purchase of de-materialised securities, registered as provided for in Act No. 131/1997, on Electronic Registration of Title to Securities, under the following conditions:
 - i. that the securities are *shares* issued by a limited-liability company, cf. the Act on Public Limited Companies, No. 2/1995, registered in Iceland as confirmed by a certificate of incorporation; *or*

- ii. that the securities are *bonds* issued by Icelandic legal entities;
 - iii. *and* in all instances de-materialised securities must be issued in ISK and preserved in an account in the investor's name, with a custodian listed by the Central Bank on its website (or elsewhere);
- b. purchase of real estate in Iceland;
 - c. purchase of unit shares, or shares, in UCITS and investment funds, including institutional investor funds, providing the following conditions are fulfilled:
 - i. that such funds are established and operate in accordance with Act No. 128/2011 on UCITS, Investment Funds and Institutional Investor Funds; and
 - ii. that they are operated by a management company which the Central Bank has recognised.

Investments by funds in which investment can be made as provided for in subparagraph c are not limited to those types of investment which are listed in Art. 6, nor are they subject to the conditions which are listed in Articles 7 and 8 concerning dividends and granting of loans.

7. The investor's obligations shall not prevent it from being able to obtain a normal return on its investments without encumbrance, such as dividends paid by limited liability companies or real estate rents, provided this constitutes normal profitability and that income from investments accords with the nature and risk of the investment; and is thereby *not* contrary to the long-term encumbrances on the investment. This shall apply to any type of imputed income on assets, such as dividends, rental income and interest payments. In assessing this the Central Bank may, for instance, consider whether payment of dividends on equity instruments, as well as discounts and any other income on securities in excess of the risk assessed, is regarded as abnormal; or whether this involves hidden dividend payments; or whether these are artificial transactions which could be equivalent to actual disposition of the investment prior to the expiration of the encumbrances.
8. Investment as referred to in Art. 6 in de-materialised bonds shall fulfil the following conditions in particular:
 - a. the period of time between the investment and maturity may not be shorter than 10 years;
 - b. repayment of the principal may not commence until five years have elapsed since the investment was made, and annual payments on the principal may not amount to more than one-fifth of the original principal for the duration of the security;
 - c. the securities may *not* include authorisation for prepayment/paying down of the principal;
 - d. interest payments must be normal and accord with market terms, cf. the reference to dividends in Art. 7.
9. Should it for any reason occur, during the period encumbrances on an investment still apply, that the investment is redeemed, the Central Bank sets the requirement that the investor dispose of those funds arising from the redemption for investment under the Investment Programme, in consultation with the Central Bank. The period for such shall then be based on the remainder of the encumbrance time. Redemption as referred to here shall include any type of obligation of an investor to sell or assign its investment, and also instances where an investor is forced to accelerate a claim or take other action which converts the investment to a monetary amount or other value.
10. The Central Bank furthermore sets the condition that the proposed investment may not in any instance, either directly or indirectly, support any of the following:
 - a. foreign investment. Foreign investment refers to direct or indirect investment in foreign assets, such as but not exclusively, securities issued by foreign parties, credit granted to or between foreign parties, or real estate which is located abroad;
 - b. loans granted in foreign currency;

- c. investments other than those listed in Art. 6, including any of the following:
 - i. investments in aircraft, cf. the Act on Registration of Rights to Aircraft, No. 21/1966, unless such is in normal connection with the investment or the investor's business;
 - ii. investments in vessels and/or moveable assets in general, in the sense of Chapters V-VII of the Act on Public Registration of Title, No. 39/1978, unless such is investment in vessels and/or moveable assets in normal connection with the investment or the investor's business;
 - iii. claims on financial undertakings which have been dealt with in accordance with the procedure of Chapter XII of the Act on Financial Undertakings, No. 161/2002;
 - iv. derivative contracts;
 - v. other investment which can be considered equivalent to subparagraphs i-iv;
- d. financing of current transactions, other than those which are *not* considered purchases of necessary inputs in accordance with the investor's normal activities or the construction and operation of an investment. The definition of current transactions is based on the provisions of subparagraph d of Art. XXX of the Articles of Agreement of the International Monetary Fund.

APPLICATION TO PARTICIPATE

11. An investor's application to participate in the Central Bank's Auction shall be sent to the Central Bank through an intermediary, cf. subsequent information on intermediation in these Terms.
12. An application to participate must be accompanied by the following information and documentation, *as applicable in each instance*, and in such format as the Central Bank may request:
 - a. Standardised terms for foreign currency transactions with the Central Bank of Iceland, cf. Art. 5, signed by or on behalf of the investor.
 - b. A copy of an agreement between the investor and an intermediary for services provided to the investor, confirming that the intermediary is authorised to represent the investor.
 - c. A bank guarantee, issued by a domestic commercial bank, providing an irrevocable guarantee towards the Central Bank for payment of foreign currency in connection with an approved auction bid; the bank guarantee must be valid for the entire period from the submission by the intermediary of a bid on behalf of the investor until full payment of the foreign currency provided for in the bid has been made to the Central Bank in the manner prescribed in these Terms or the Terms of Auction. In addition to ensuring the fulfilment of the bid, the bank guarantee must also ensure payment of any penalty interest and other collection cost. The guarantee shall be in such format as required by the Central Bank.
 - d. The investor must provide proof of identification to the Central Bank in a manner similar to that provided for in subparagraphs a and b of the first paragraph of Art. 5 of Act No. 64/2006, on Measures to Prevent Money Laundering and Terrorist Financing. In addition, if the investor is an individual, information must be provided on his/her name and Id. No., together with a confirmation of legal domicile.
 - e. If the investor is a legal entity, a copy must be provided of the company's (investor's) Articles of Association, together with a summary of the investor's shareholders and owners. The Central Bank shall be informed of the ownership of the investor, and information must be provided to the Central Bank on the investor's beneficial owner, in a manner similar to that provided for in subparagraphs a and b of Point 4 of Art. 3 of Act No. 64/2006, on Measures

to Prevent Money Laundering and Terrorist Financing, however, without regard to provisions in that Act concerning minimum ownership, voting rights or holdings.

- f.* Confirmation that customer due diligence has been carried out, as provided for in the Act on Measures to Prevent Money Laundering and Terrorist Financing, No. 64/2006, by the intermediary or other party, which either fulfils the requirements set in the Act on Measures to Prevent Money Laundering and Terrorist Financing or in other respects is subject to, in the estimation of the Central Bank, both similar requirements as in that Act and supervision comparable to the supervision of Icelandic financial undertakings.
 - g.* The investor must confirm that it is the beneficial owner of the funds, and that the transactions are concluded on the investor's own account and not on behalf of another party or parties. The investor must also confirm whether it intends to base its participation either on the sale of foreign currency to a domestic financial undertaking or by reference to a notification of new investment, under the previous new investment option of the Central Bank.
 - h.* Information as to what type of investment as referred to in Art. 6 the investor intends to undertake.
 - i.* In the case of proposed investment by subscription for new shares in a limited company, whether this consists of establishing a company or increasing its capital, information must be provided indicating how the limited company plans to dispose of the share capital contribution; this could consist of investment plans, a copy of the minutes of a shareholders' meeting or meeting of the Board of Directors or other documentation of a similar type.
 - j.* In other respects such information as the Central Bank may request which is not listed above and is intended to enable the Central Bank to ensure that the conditions for transactions are satisfied.
13. In all instances, when information and documentation is provided as referred to in Art. 12, every effort must be made to draw attention specifically, either with annotations on copies of documents or by underlining text, as to what aspects of the conditions for transactions are satisfied. If the Central Bank so requests, an Icelandic translation shall be provided of the contents of foreign documents.
14. Applications must be made early enough to allow the Central Bank time to go over their contents before the Auction is held which is provided for in these Terms. The minimum time required by the Central Bank to go over applications is seven working days. The Central Bank also reserves the right to set the condition that only applications which have been approved one week prior to the auction date may serve as the basis for participation in the Auction.
15. Once an application has been received, the Central Bank will examine whether the application and the proposed investment upon which it is based, is in the form prescribed in these Terms and the Terms of Auction published, whether the investor fulfils all the formal requirements, whether the proposed investment as described in the application and accompanying documents satisfies the Central Bank's conditions, whether there are obvious shortcomings in the accompanying documentation, and whether the intermediary is authorised to represent the investor towards the Central Bank. If the Central Bank is of the opinion that circumstances exist which prevent the application from serving as a basis for transactions with the Central Bank, it will return the application as promptly as possible with a brief explanation as to why this is so. The investor can then send another application, and the process can be repeated as often as deemed necessary until the application satisfies all the conditions.
16. Once it has been verified that an application satisfies all the conditions, the Central Bank will confirm this by signing terms with the investor and inform its intermediary thereof. This approval will remain valid unless the investor no longer satisfies the conditions set by the Central Bank for

the transactions, or if circumstances change so that the proposed investment no longer accords with the application, or if the investor withdraws its application.

17. The Central Bank's approval of an investor does not imply any decision, nor shall the Central Bank be responsible for such, that the investor may undertake such investment after due regard is had for law, cf. for example Act No. 19/1966, on the Right to Ownership and Utilisation of Real Estate, or the Competition Act, No. 44/2005;

TRANSACTIONS

18. An investor approved by the Central Bank as a counterparty in transactions, in accordance with these Terms and, who sells or plans to sell foreign currency to a domestic financial institution,* will be able to participate in a foreign currency auction and sell foreign currency to the Central Bank.
19. The currency auction will be held in accordance with Terms of Auction published by the Central Bank on Investment Programme transactions, stipulating for instance the total amount of EUR which the Central Bank is prepared to purchase, details concerning settlement and other information of consequence for the transactions.

CLEARING AND SETTLEMENT

20. If transactions are concluded between the Central Bank and the investor following the auction, the investor must provide the Central Bank with the following information and documentation, as appropriate in each instance, and thereby satisfy the conditions for settlement of the transactions, in such format as the Central Bank may require or specify:
 - a. Information on the investment, giving more details of what it consists of and how it accords with the provisions in these Terms and/or the Terms of Auction.
 - b. If investment in de-materialised securities is proposed, whether this concerns bonds or shares issued by a limited company or unit share certificates and/or shares issued by a fund, in all instances a copy of the prospectus for the security must be provided.
 - c. In addition, where investment is in de-materialised securities, i.e. shares issued by a limited company or bonds, a statement signed by the investor must be provided on the encumbrance concerning five-year ownership of the securities, together with confirmation from the depository of the de-materialised securities of the registration of this encumbrance and, furthermore, in the case of de-materialised shares, confirmation by the Board of Directors of the limited company that it has received the encumbrance and recorded this in the company's shareholders registry.
 - d. If investment in real estate is proposed, the investor must provide a copy of the certificate of public registration, together with a copy of the purchase contract, or an approved offer to purchase, with no other provisos concerning payments than concern financing by currency purchases in the Central Bank's auction.
 - e. In the case of real estate purchases, a statement signed by the investor must also be provided on the encumbrance concerning five-year ownership of the real estate in question, confirming the registration of the encumbrance.
 - f. If investment to purchase shares/units in a UCITS, investment fund or institutional investor fund is proposed, the investor must provide a copy of the rules adopted by the management company of the fund as well as a copy of the fund's investment strategy.

* Amended on 18 November 2011 at 18:25.

- g. In the case of purchase of units or shares in a UCITS, investment funds or institutional investor funds, a statement signed by the investor must also be provided on the encumbrance concerning five-year ownership of the units/shares, as well as a signed statement from the fund's management company regarding its knowledge of the encumbrance on the investor's holding.
 - h. Confirmation that the investor has sold foreign currency to a domestic financial undertaking, cf. Art. 18, and that the value received for this foreign currency has been used for the investment. Parties who have availed themselves of the Central Bank's new investment option, as referred to in Art. 13 m of Act No. 87/1992, on Foreign Currency, as subsequently amended, may participate in the Investment Programme by referring to their previous sale of foreign currency to a domestic institution. Their participation shall then be based on the previous inflow of foreign currency for new investment, and in return the investor must relinquish its authorisation to sell the investments and purchase foreign currency for the amount of the sale.
 - i. A statement from the investor that it waives the authorisation to sell investments under the previous new investment option, as applicable.
 - j. In other respects such information and documentation as the Central Bank may require and which enable it to verify that the conditions for transactions are satisfied.
21. Settlement of transactions shall be in accordance with the Terms of Auction, which will generally assume that, as soon as possible after notice is given that the Central Bank accepts its bid, the intermediary of a participating investor will deliver to the Central Bank the foreign currency which the latter has approved for purchase. In return for the delivery, the Central Bank will place the investor's ISK holding into a special account held by the intermediary with the Central Bank. Once it has been demonstrated that all conditions for the transactions have been fulfilled, withdrawal of the ISK will be authorised.
 22. As long as the encumbrances concerning long-term investment apply, the Central Bank may, if it sees reason to do so, request information from the investor concerning the conditions for the transactions.
 23. The first sentence of the third paragraph of Art. 13 b of the Act on Foreign Currency shall not prevent an investor from disposing of ISK that he intends to use for investment under the Investment Programme, in accordance with these Terms.

APPLICATIONS TO TRANSFER OFF SHORE ISK

24. An investor who sells, or intends to sell, foreign currency to a domestic financial institution will be able to apply at the Central Bank to transfer to Iceland off shore ISK which have been owned continuously by the investor since 28 November 2008, in this section referred to as “off shore ISK subject to restrictions”.* Such transfers of off shore ISK subject to restrictions will be in other respects subject to the following conditions:
 - a. The amount of off shore ISK subject to restrictions which the investor may request to transfer to Iceland must be equivalent to the value of the foreign currency which the investor sells or will sell to a domestic financial undertaking, based on the investment exchange rate. The Central Bank will announce this investment exchange rate specifically; it will be based on the exchange rate determined in the Central Bank's auction.
 - b. Capital movements in foreign currency for investment under the Investment Programme are exempt from the first sentence of the third paragraph of Art. 13 b, cf, Art. 13 o, of Act No. 87/1992, on Foreign Currency, provided that the Central Bank has confirmed that the

* In this chapter, off shore ISK are Icelandic kronas owned or in custody by a foreign financial institution on their settlement account.

domestic currency has been continuously owned by the investor since 28 November 2008 until the date of investment. The investor must, within four weeks of receiving confirmation from the Central Bank of Iceland, cf. Art. 26 of these Terms, transfer off shore ISK subject to restrictions to Iceland for investment under the Investment Programme.

- c. To confirm continuous ownership, suitable documentation must be provided by the investor to demonstrate incontrovertibly that the investor's ownership was continuous, such as an account statement dated no later than 28 November 2008, as well as a recent account statement not more than two weeks old, together with a list of movements on the account showing all entries during the intervening period. The above-mentioned statements must be attested to by the financial undertaking concerned.
 - d. Parties who have availed themselves of the Central Bank's previous option for new investment may request to be allowed to transfer off shore ISK subject to restrictions to Iceland. Such application shall then be based on the previous inflow of foreign currency previously registered at the Central Bank as a new investment, and in return the investor must relinquish its authorisation to sell the investments for foreign currency, cf. the fifth paragraph of Art. 13 m of the Act on Foreign Currency.
 - e. The investor must fulfil all the same requirements as are listed in Art. 4; however, the reference in subparagraphs b and c, to those funds which the investor intends to offer to sell to the Central Bank, shall refer to those funds which the investor intends to offer to sell *a domestic financial undertaking*.
 - f. The transfer of off shore ISK subject to restrictions is contingent upon the investor planning to invest for at least five years. In other respects the transfer of off shore ISK subject to restrictions will be subject to the same conditions as are listed in Art. 5 concerning the investor's approval of encumbrances liable to fines, of the investor's obligations to assist in whatever manner necessary to ensure the encumbrances satisfactory legal protection, and an obligation concerning information disclosure.
 - g. The proposed investments must be the same as are listed in Art. 6; Art. 7 (return on investments) shall also apply to them, together with Art. 8 (terms and conditions concerning de-materialised debt instruments), Art. 9 (redemption of investments) and Art. 10 (general restrictions on investment).
25. An investor's application to transfer off shore ISK subject to restrictions shall be sent to the Central Bank through an intermediary, cf. information below on intermediation in these Terms. The following apply to these applications:
- a. The application must be accompanied by all the same information and documentation as are listed in Art. 12, *as appropriate in each instance*, and in such format as the Central Bank requests, however, with the exception of subparagraph a of that Article. In addition, attention must be drawn specifically to significant aspects of the documentation and information provided in the same manner as described in Art. 12.
 - b. Once an application has been received, the Central Bank will examine whether the application and the proposed investment upon which it is based, is in the form prescribed in these Terms, whether the investor fulfils all the formal requirements, whether the proposed investment as described in the application and accompanying documents satisfies the Central Bank's conditions, whether there are obvious shortcomings in the accompanying documentation, and whether the intermediary is authorised to represent the investor towards the Central Bank.
 - c. The minimum time required by the Central Bank to go over applications is seven working days.
 - d. If the Central Bank is of the opinion that circumstances exist which mean the application *cannot* serve as a basis for transfers of off shore ISK subject to restrictions, cf. the above, it

will return the application as promptly as possible with a brief explanation as to why this is so. The investor can then send another application, and the process can be repeated as often as deemed necessary until the application satisfies all the conditions.

- e. Once it is verified that the application satisfies all the conditions, the Central Bank will inform the intermediary thereof. This will remain valid unless the investor no longer satisfies the conditions set by the Central Bank for the transactions, or if circumstances change so that the proposed investment no longer accords with the application, or if the investor withdraws its application.
26. Assuming that the Central Bank has informed the intermediary that the investor's application satisfies all conditions, the investor must then deliver to the Central Bank the information and data referred to in Art. 20, with the exception of subparagraph i of that Article, and thereby satisfy finally the conditions for transfer of the off shore ISK. Once it is demonstrated that all conditions have been satisfied, the investor must, within four weeks, transfer to Iceland those off shore ISK subject to restrictions referred to in the confirmation of the Central Bank.
27. As long as the encumbrances concerning long-term investment apply, the Central Bank may, if it sees reason to do so, request information from the investor concerning the conditions for the off shore ISK subject to restrictions.

INTERMEDIARIES

28. Those parties authorised to act as intermediaries for investors towards the Central Bank are financial undertakings which fulfil both of the following conditions:
- a. the party concerned is a financial undertaking which is *either* licensed to operate on the basis of subparagraph b of Point 7 of the first paragraph of Art. 20 of Act No. 161/2002, on Financial Undertakings (commercial banks, savings banks and credit institutions), or licensed to operate on the basis of subparagraphs c and e of Point 2 of the first paragraph of Art. 25 of Act No. 161/2002, on Financial Undertakings (securities dealers authorised to provide investment advice and foreign currency services);
 - b. the intermediary concerned has signed an agreement of co-operation with the Central Bank.
29. Intermediaries will provide the investor with the services the parties agree upon, which shall consist at least of the intermediary providing the investor with advice on preparing applications to participate in an auction or an application for authorisation to transfer ISK subject to restrictions; gathering information and accompanying documentation for communications; submitting applications on behalf of the investor; handling settlement following the conclusion of transactions; and other assistance required due to the arrangements for the transactions.
30. Intermediaries will have to sign an agreement of co-operation with the Central Bank providing for the role of the intermediary towards the Central Bank.
31. Furthermore, intermediaries can guarantee the delivery of currency in a currency auction, provided that their operating licence allows for that, instead of the investor delivers a bank guarantee to the Central Bank.
32. Intermediaries will also need, unless only intermediation in connection with transfers of ISK subject to restrictions is involved, to open a special account with the Central Bank which will be used exclusively for settlement of transactions.

OTHER ASPECTS

33. Investors' applications to participate must be submitted by intermediaries on behalf of their clients to the Central Bank of Iceland in electronic format to the Central Bank's website, together with scanned copies of *all* accompanying documents. The originals of

these documents which must be sent to the Central Bank in hard copy (e.g. terms with investors and originals of encumbrances) shall be addressed to:

Central Bank of Iceland
c/o Project Management for Capital Account Liberalisation
Kalkofnsvegur 1
150 Reykjavík

34. In other respects the Central Bank will provide intermediaries with the necessary information and instructions. Queries may be directed to Project Management by phone, (354) 569-9600, or to the e-mail address verkefnisstjorn@sedlabanki.is. Interested investors are advised to contact an intermediary.
35. The Central Bank will post on its website a list of conditions for parties to become intermediaries.
36. The investor must itself bear all costs in connection with the transactions, including the cost of capital transfers and fees charged by intermediaries for their services.
37. References in these Terms to an investor shall also apply to a group of investors, as appropriate. The wording of these Terms shall therefore not prevent more than one investor being involved in a single investment. In the case of such a group of investors, the provisions of these Terms shall apply to all the investors as a single group.
38. These Terms is not binding in the sense that its contents may be altered or they may be adapted in some respect without further notice. Nor are the contents of these Terms binding with regard to the auction transactions except insofar as the Terms of Auction make reference to these Terms. Interested investors are encouraged to check on the current validity of these Terms and their contents.
39. An English translation of these Terms is provided solely for information purposes and only the original Icelandic is authentic.