

# **Act on the National Bank of Slovakia**

The full wording of Act of the National Council of the Slovak Republic No. 566/1992 Coll. dated 18 November 1992 on the National Bank of Slovakia, as amended by Act of the National Council of the Slovak Republic No. 26/1993 Coll., Act of the National Council of the Slovak Republic No. 159/1993 Coll., Act of the National Council of the Slovak Republic No. 249/1994 Coll., Act of the National Council of the Slovak Republic No. 374/1994 Coll., Act of the National Council of the Slovak Republic No. 202/1995 Coll., Act of the National Council of the Slovak Republic No. 118/1996 Coll., Act of the National Council of the Slovak Republic No. 386/1996 Coll., Act No. 348/1999 Coll., Act No. 149/2001 Coll., and Act No. 602/2003 Coll.

The National Council of the Slovak Republic has adopted this Act:

## **PART ONE BASIC PROVISIONS**

### **Article 1**

(1) The National Bank of Slovakia is hereby established as the independent central bank of the Slovak Republic.

(2) The National Bank of Slovakia is a legal person with its head office in Bratislava; it is not registered in the Corporate Register.

(3) The National Bank of Slovakia shall have the authority to issue generally binding regulations within the limits prescribed by this Act or separate regulations.<sup>1)</sup> Generally binding regulations of the National Bank of Slovakia shall be promulgated in the Collection of Laws of the Slovak Republic (hereinafter referred to as the “Collection of Laws”).<sup>3)</sup> The National Bank of Slovakia shall perform proceedings and issue decisions if so stipulated by this Act or a separate law.<sup>1)</sup>

(4) With regard to legal relations involving rights of ownership, the position of the National Bank of Slovakia in handling its own property shall be the same as that of a private company.

### **Article 2**

(1) The primary objective of the National Bank of Slovakia shall be to maintain price stability. To this end, the National Bank of Slovakia shall:

- a) determine monetary policy,
- b) issue banknotes and coins,
- c) control, coordinate and ensure the circulation of money, payment system and settlement between banks within the scope established by this Act and separate law<sup>1a)</sup>, and ensure the efficient and economic performance of these operations,
- d) supervise the safe functioning of the banking system and conduct of banking activities pursuant to this Act and to separate laws,
- e) perform other activities pursuant to this Act and separate laws.

(2) With a view to accomplishing its primary objective pursuant to paragraph 1, the National Bank of Slovakia shall also perform authority, activities, tasks, rights and obligations following from its participation in the European System of Central Banks.

### **Article 3**

(1) The National Bank of Slovakia shall submit to the National Council of the Slovak Republic semi-annual reports on monetary development within three months of the end of the relevant calendar half-year, and annual reports on monetary development within five months of the end of the relevant calendar year.

(2) The National Bank of Slovakia shall be required to publish information on monetary developments at least once every three months.

(3) The National Bank of Slovakia shall publish information on approved changes to its monetary policy.

### **Article 4**

(1) The National Bank of Slovakia, with the authorization of the Government of the Slovak Republic (hereinafter referred to as "the Government"), shall represent the Slovak Republic in international financial institutions and ensure the fulfilment of tasks arising from such representation.

(2) The National Bank of Slovakia shall represent the Slovak Republic in operations in international financial markets related to the implementation of monetary policy.

## **PART TWO**

### **BODIES AND ORGANISATION**

### **OF THE NATIONAL BANK OF SLOVAKIA**

### **Article 5**

The National Bank of Slovakia consists of

- a) the head office in Bratislava,
- b) branch offices,
- c) special organizational units.

## **Bank Board of the National Bank of Slovakia**

### **Article 6**

(1) The Bank Board of the National Bank of Slovakia (hereinafter referred to as the "Bank Board") is the supreme governing body of the National Bank of Slovakia. The Bank Board shall determine monetary policy and instruments for its implementation and decide on monetary policy measures of the National Bank of Slovakia.

(2) Furthermore, the Bank Board shall in particular:

- a) set guiding principles for the activities and operations of the National Bank of Slovakia,
- b) approve the budget of the National Bank of Slovakia (Article 38),
- c) set up the organizational structure of the National Bank of Slovakia,
- d) set the types of funds of the National Bank of Slovakia, their level and application,
- e) decide on the issue of banknotes and coins,
- f) set the salary and other emoluments of the Governor, Vice-Governors and other Bank Board members,
- g) decide on the performance of activities entrusted to the National Bank of Slovakia under this Act and separate laws,<sup>1)</sup>
- h) approve the rules of procedure of the Bank Board,
- i) set up coordinating and other bodies of the National Bank of Slovakia, branch offices, and special organizational units of the National Bank of Slovakia pursuant to Article 5.

### **Article 7**

(1) Members of the Bank Board shall be the Governor, two Vice-Governors, two Chief Executive Directors of the National Bank of Slovakia and three other members. The position of a member of the Bank Board shall be considered a public office.

(2) The Governor and the Vice-Governors shall be appointed and dismissed by the President of the Slovak Republic upon the recommendation of the Government and with approval of the National Council of the Slovak Republic; if they have not been appointed from among employees of the National Bank of Slovakia, they shall become employees of the National Bank of Slovakia on the date of their appointment.

(3) Two members of the Bank Board from among Chief Executive Directors of the National Bank of Slovakia and three other members of the Bank Board shall be appointed and dismissed by the Government upon recommendation of the Governor of the National Bank of Slovakia.

(4) The members of the Bank Board shall be appointed for a term of five years. To be appointed a member of the Bank Board a natural person must have appropriate professional knowledge and experience in the field of monetary policy or finance, and have full legal capacity, and moral integrity. Deemed as appropriate professional knowledge and experience shall be completed university education and at least five years experience in a management, scientific, or academic position in the monetary or finance areas. Deemed as a person with

moral integrity shall be a natural person who has never been lawfully convicted of an intentional criminal offence; such integrity is to be proven by an extract from the criminal records register.

(5) Membership of the Bank Board shall be limited to no more than two consecutive terms of office.

(6) Membership of the Bank Board shall be incompatible with the post of President of the Slovak Republic, Deputy of the National Council of the Slovak Republic, Member of the Government, judge, public prosecutor, and any other function, office or employment in state authorities, self-government bodies or any other public bodies, position in the management or supervisory body of a legal person doing business, performing entrepreneurial or other economic or income-earning activities which may create conflict of interest. A member of the Bank Board may not perform any other function or non-income-earning activity which may create the conflict of interest between duties of the member of the Bank Board and that function or activity. If, at the time of his appointment, a member of the Bank Board holds a position or pursues an occupation, employment, or activity that is incompatible with membership of the Bank Board, he shall be obligated to take, without delay, demonstrable legal action aimed at terminating such office, profession, employment or activity and shall be obligated without delay to give up such office, profession, employment or activity.

(7) In connection with the performance of their functions or with activities of the National Bank of Slovakia, members of the Bank Board may not seek or take instructions from state authorities, self-government bodies, any other public bodies, or any legal persons or natural persons; state authorities, self-government bodies, any other public bodies, or any legal persons or natural persons may not influence the National Bank of Slovakia or members of the Bank Board in connection with the performance of their function and the operations of the National Bank of Slovakia. The Governor of the National Bank of Slovakia may not seek or take instructions from the Bank Board in connection with the performance of his function in bodies of the European System of Central Banks and the European Central Bank; the same shall apply to a person acting for the Governor of the National Bank of Slovakia in these bodies.

(8) Membership of the Bank Board shall cease

- a) the day when the member's term of office expires,
- b) when a member submits his voluntary resignation to the Bank Board in writing, namely on the day of its delivery, unless a later date is specified in the resignation;
- c) when the member is recalled from the Bank Board in cases specified in paragraph 9;
- d) when a member dies or is officially pronounced dead.<sup>2b)</sup>

(9) A member of the Bank Board may only be recalled from his function in the event that:

- a) he has been legally sentenced by court for an intentional criminal offence,
- b) he no longer fulfils the preconditions for the performance by him of the function of a member of the Bank Board pursuant to paragraph 4,
- c) he has taken up a function, occupation, employment, or activity that is incompatible with membership of the Bank Board or has otherwise violated the provisions of paragraph 6.

(10) Any disputes relating to the dismissal of a member of the Bank Board from his office shall be decided by a court in proceedings pursuant to a separate law this shall however not apply in cases where, under an international treaty which is binding upon the Slovak

Republic and which takes precedence over the law of the Slovak Republic, such a decision falls within the jurisdiction of the European Court of Justice.

## **Article 8**

(1) Meetings of the Bank Board shall be chaired by the Governor, or, in his absence, by the Vice-Governor delegated by him. The Bank Board shall adopt decisions by a majority of votes of appointed members. The Bank Board shall have a quorum, if the Governor, or the presiding Vice-Governor delegated by the Governor, and at least four other members are present. The casting vote shall rest with the presiding chairman. If the Bank Board decides in the second instance and one of its members participated in proceedings of previous instance, this member shall be excluded from voting; his vote shall not be taken into account in deciding whether the Bank Board has a quorum, nor in voting for a decision made by the Bank Board.

(2) The rules of procedure of the Bank Board may define cases where unanimous agreement of all members is required for approval of a decision, or cases when another voting majority is required.

(3) A member of the Bank Board may be represented by another member during meetings and voting of the Bank Board on the basis of a letter of proxy in writing.

(4) Bank Board meetings shall not be open to the public. Apart from its members, Bank Board meetings may be attended by a Government member authorized by the Government, persons designated in the Bank Board's rules of procedure, and other persons invited by the Bank Board. The Bank Board may decide to publish the conclusions of its meetings; however, information about approved documents of meetings of the Bank Board or other body of the National Bank of Slovakia shall be published as required by this Act.

(5) Rules of procedure of the Bank Board approved pursuant to Article 6 paragraph 2 letter h) shall be issued by the Governor.

## **Article 9**

(1) The Governor shall represent the National Bank of Slovakia vis-à-vis third parties; when he is not present, he will be represented by a vice-governor delegated by him, or, if none of the vice-governors is present, by another member of the Bank Board delegated by the Governor.

(2) Urgent matters, which normally are subject to approval by the Bank Board, may be decided by the Governor together with two Vice-Governors. A decision in this case may only be adopted when there is unanimous agreement.

(3) Decisions adopted pursuant to paragraph 2 shall be discussed by the Bank Board at its next meeting, which shall either ratify or cancel them.

**Articles 10 and 11** - cancelled with effect from 1 May 2001.

### **PART THREE**

#### **RELATIONSHIP WITH THE GOVERNMENT**

##### **Article 12**

(1) While respecting its primary objective, the National Bank of Slovakia shall support the economic policy of the Government.

(2) The National Bank of Slovakia shall fulfil its tasks pursuant to Article 2 hereof independently of instructions from state authorities, self-government bodies, any other public bodies and from legal persons and natural persons.

(3) The Governor or a member of the Bank Board delegated by the Governor shall inform the Government of the conclusions from meetings of the Bank Board and on the adopted decisions.

##### **Article 13**

(1) The National Bank of Slovakia shall take position on such proposals submitted for consideration to the Government that concern the scope of authority of the National Bank of Slovakia.

(2) The National Bank of Slovakia shall perform advisory functions vis-à-vis the Government in areas falling within the scope of its authority.

(3) The Governor of the National Bank of Slovakia or, during his absence, a Vice-Governor delegated by him, shall have the right to participate in meetings of the Government.

**Article 14** - cancelled with effect from 1 May 2001.

### **PART FOUR**

#### **ISSUE OF BANKNOTES AND COINS**

##### **Article 15**

The monetary unit of the Slovak Republic is the Slovak koruna, the abbreviation of which is "Sk". The Slovak koruna is divided into one hundred hellers.

## **Article 16**

(1) The National Bank of Slovakia has the exclusive right in the Slovak Republic to issue banknotes and coins, as well as commemorative notes and coins (hereinafter referred to as 'banknotes and coins') which are legal tender, and on which the nominal value is stated in Slovak koruna or hellers.

(2) The National Bank of Slovakia has the exclusive right in the Slovak Republic to issue commercial coins and to provide for the minting of commercial coins for commercial and collection purposes, which are not legal tender and on which the nominal value in Slovak korunas or hellers is not given.

## **Article 17**

The National Bank of Slovakia shall control money circulation, provide for the printing of banknotes and minting of coins, ensure the administration of money in stock, ensure their protection and security, replace worn and torn banknotes and coins and ensure the storage and destruction of printing plates and minting dies, and invalid and discarded banknotes and coins.

## **Article 17a**

(1) Valid banknotes and coins issued by the National Bank of Slovakia are legal tender in their nominal value; legal persons and natural persons shall be obligated to accept them in this value in all payments made in the Slovak Republic, unless provided otherwise by this Act or by a separate law.

(2) Commemorative notes and coins and banknotes and coins with special design intended for collection purposes and invalid notes and coins for collection purposes may be sold and bought at prices other than their nominal value. The National Bank of Slovakia shall sell commercial coins at a price set by the Bank itself.

(3) Legal persons and natural persons may refuse to accept valid banknotes and coins if the recipient does not have the possibility, when receiving them, to check their proper number and authenticity; at the request of the recipient, the payer shall be obligated to sort the banknotes and coins by their nominal value. Any legal person and a natural person apart from the National Bank of Slovakia, a bank, and branch offices of a foreign bank<sup>2d)</sup> (hereinafter referred to as "a bank") may also refuse to accept valid banknotes and coins when these are:

a) commemorative banknotes or commemorative coins,

b) coins in such a total number or composition by nominal value that is unusual for individual payments and the acceptance of which would pose undue requirements on their handling, including their sorting by nominal value,

c) damaged banknotes and coins, including banknotes and coins worn by circulation; however, legal persons may also accept for cash payments valid banknotes and coins worn by circulation if they are complete and intact; banknotes and coins worn by circulation shall not be returned into circulation.

## **Article 17b**

(1) The National Bank of Slovakia and banks shall, upon request, replace incomplete banknotes and otherwise damaged valid banknotes and coins by flawless banknotes and coins; a replacement for banknotes and coins declared invalid pursuant to Article 17c(1) shall be provided only during the period assigned for their replacement. A replacement for an incomplete banknote shall be provided if its identifiable part is presented for replacement, with an intact surface area exceeding one-half of the original surface area of the banknote. Banks shall send all incomplete banknotes and otherwise damaged banknotes and coins for which they provided a replacement to the National Bank of Slovakia, which shall examine whether the replacement was provided correctly and shall refund the amount of correctly provided replacements. Persons applying for a replacement shall be obligated, when requested, to present a written explanation of how the damage has occurred and to give proof of their identity; those persons may be required to settle the costs associated with the reviewing of the raised claim for replacement and with providing the replacement itself.

(2) Replacements shall not be provided for damaged or lost banknotes and coins, banknotes and coins that are no longer identifiable because of damage, incomplete coins, banknotes and coins suspected of originating from a criminal offence, or the damage of which is suspected to have resulted in the commitment of a criminal offence, for banknotes and coins damaged with the purpose of their invalidation, and for incomplete banknotes if the intact surface area does not exceed one half of the original surface area of the banknote; such a replacement may exceptionally be provided by the National Bank of Slovakia if so established by a generally binding legal regulation.

(3) On the presentation of the banknotes and coins, the National Bank of Slovakia and banks shall withdraw from an applicant without replacement such incomplete or otherwise damaged banknotes and coins for which a replacement is not provided; they shall draw up a written confirmation of such withdrawal and deliver it to the applicant. In the presence of the applicant they shall deposit the withdrawn banknotes and coins in a suitable container, which they shall safeguard against unwarranted manipulation; they shall place into this container the original or the copy of the document confirming the withdrawal of incomplete or otherwise damaged banknotes and coins, and where appropriate also an explanation by the applicant of how this damage to the banknotes and coins had occurred. The bank shall be obligated to hand over forthwith the container with withdrawn incomplete or otherwise damaged banknotes and coins to the National Bank of Slovakia. In the case of banknotes and coins withdrawn on the grounds of a suspicion that they originate from a criminal offence or that a criminal offence has been committed through their damage, it shall also be obligated to notify of such withdrawal law enforcement authorities.<sup>2e)</sup> If, in the case of banknotes and coins withdrawn on the grounds of a suspicion that they originate from a criminal offence or that a criminal offence has been committed through their damage, it is found out that according to a legally valid decision of a law enforcement authority<sup>e)</sup> no such banknotes and coins have been involved, the applicant shall be provided with a replacement for such banknotes and coins by the National Bank of Slovakia upon the delivery of the respective legally valid decision to the law enforcement authority,<sup>2e)</sup> directly or through the bank that has withdrawn the banknotes and coins.

(4) The National Bank of Slovakia and banks shall, upon request and without charging a fee, also replace undamaged banknotes and coins of certain nominal values for undamaged valid banknotes and coins of other nominal values; in case of such replacement, an applicant shall not be entitled to be provided with commemorative banknotes or commemorative coins.



### **Article 17c**

(1) The National Bank of Slovakia can declare invalid and withdraw from circulation banknotes and coins it issued and replace them by other banknotes and coins. The period during which the replacement can be made may not be less than five years, unless provided otherwise by a separate law.

(2) During the period earmarked for replacement, the National Bank of Slovakia and banks shall, without charging a fee and upon request, replace presented banknotes and coins declared invalid pursuant to paragraph 1 by valid banknotes and coins with the same sum of nominal values; a replacement of presented coins may be refused only when the sum of nominal values is less than the lowest nominal value of a valid coin. Damaged banknotes and coins declared invalid pursuant to paragraph 1 shall be replaced under terms established in Article 17b.

(3) The difference of the sum of nominal values of banknotes and coins declared invalid pursuant to paragraph 1 and the sum of nominal values of banknotes and coins replaced pursuant to paragraph 2 shall constitute the revenue to the National Bank of Slovakia.

### **Article 17d**

(1) Reproductions of banknotes and coins, commercial coins and securities issued by the National Bank of Slovakia, as well as objects that imitate them in their appearance, including recordings in electronic form, may only be created and used provided that the provisions of separate regulations on the protection of intellectual property rights and international treaties binding on the Slovak Republic are observed, and concurrently on meeting the condition that these reproductions and imitations cannot be substituted for authentic banknotes and coins, commercial coins, and securities mainly in terms of their dimensions and material used, colour set-up and other graphic features; the reproductions or imitations, including their recordings in electronic form, must be produced in such a way that they cannot be used or misused for making counterfeit or altered banknotes and coins, commercial coins, or securities. The reproductions or imitations, including their recordings in electronic form, may only be made and used in a respectable way that corresponds to the importance of the reproduced or imitated banknotes, coins, commercial coins, or securities. For coins and commercial coins, only their graphic reproductions are permitted. Reproductions or imitations of securities in documentary form may be made and used only when the reproductions are clearly marked making it clear that a reproduction or imitation is involved.

(2) Limitations pursuant to paragraph 1 shall not apply to the National Bank of Slovakia when performing its tasks with regard to the issue of banknotes and coins, including the publication of information on banknotes and coins issued, their security features and the performance of activities aimed at revealing counterfeited or altered banknotes and coins. Nor shall the limitations pursuant to paragraph 1 apply to other persons engaged in the performance of tasks of the National Bank of Slovakia, in the performance of tasks with regard to the issue of banknotes and coins pursuant to a written contract concluded with the National Bank of Slovakia; such persons shall be obligated to ensure that reproductions or imitations made by them of banknotes and coins, commercial coins and securities issued by

the National Bank of Slovakia, including their recordings in electronic form, cannot be misused, as e.g., by being introduced into circulation.

### **Article 17e**

Valid banknotes and coins, and, during the period provided for replacement, also banknotes and coins declared invalid (Article 17c paragraphs 1 and 2) shall also be protected against counterfeiting and alteration by a separate law.<sup>2f)</sup> Counterfeit banknotes and coins or altered banknotes and coins of the Slovak currency or a foreign currency, or banknotes and coins suspected of being forged or altered (hereinafter referred to as "counterfeit banknotes and coins") shall be withdrawn from applicants without replacement by the National Bank of Slovakia, banks, and other legal persons or natural persons - entrepreneurs (hereinafter referred to as an "authorized person"); the authorized person shall write a receipt for such withdrawal and give it to the applicant. In the presence of the applicant, the authorized person shall place the withdrawn banknotes and coins, together with the original or copy of a certificate of their withdrawal, in a suitable container to be protected from unauthorized manipulation. If counterfeit banknotes and coins are withdrawn by an authorized person other than the National Bank of Slovakia, the person shall be obligated to hand over without delay to the National Bank of Slovakia the container with withdrawn counterfeit banknotes and coins. If the National Bank of Slovakia finds by examining the received banknotes and coins that they are genuine banknotes and coins, it shall without delay return the withdrawn banknotes and coins or a sum equal to their nominal value to the applicant, either directly or through the authorized person who withdrew them. The authorized person shall have the right to demand that an applicant proved his identity by an identification document;<sup>2g)</sup> the applicant shall be obligated to comply with such a request from an authorized person. An authorized person that has withdrawn counterfeit banknotes and coins shall report this forthwith to the law enforcement authorities.<sup>2e)</sup>

### **Article 17f**

(1) In addition to banks, banknotes and coins for other persons may also be processed by entrepreneurs,<sup>2h)</sup> whose activities are ancillary to the performance of activities by banks in the area of cash circulation, but only upon a prior approval from the National Bank of Slovakia. Entrepreneurs to whom the National Bank of Slovakia grants a prior approval to process banknotes and coins for other persons are obligated to enable the National Bank of Slovakia to carry out inspections of the processing of banknotes and coins and the compliance with the conditions for their processing, including the access to premises, devices and other objects and documents related to the processing of banknotes and coins. If an entrepreneur does not allow for the conduct of such an inspection or if he does not comply with the conditions for processing banknotes and coins, the National Bank of Slovakia may withdraw the prior approval from him.

(2) For the purposes of this Act, the processing of banknotes and coins shall mean their sorting by authenticity and quality, by number and nominal value, and their wrapping using packaging material.

(3) In order to be granted a prior approval pursuant to paragraph 1 above, entrepreneurs must meet the following conditions:

a) a paid-up monetary deposit towards the entrepreneur's registered capital of at least Sk 5,000,000

b) the entrepreneur's insurance of liability for damage with an insurance payment of at least Sk 5,000,000,

c) professional qualification of the entrepreneur's management; deemed as such professional qualification shall be completed University education and at least five years of experience in finances,

d) moral integrity of a natural person who is the entrepreneur's statutory authority or of natural persons who are members of the entrepreneur's statutory body and of the entrepreneur's employees; deemed as a person of integrity shall be a person who has never been lawfully convicted of an intentional criminal offence; such integrity is to be proven by an extract from the criminal records register,<sup>2a)</sup>

e) the entrepreneur must have technical and organisational competence, with regard to equipment and ability to process consistently banknotes and coins in a professional, safe and careful manner.

(4) An entrepreneur who has been granted prior approval to process banknotes and coins shall be obligated to consistently adhere to the conditions pursuant to paragraph 3 during the whole period of prior approval.

### **Article 17g**

Proceedings on prior approval pursuant to Article 17f paragraph 1 shall abide by the provisions of a separate law<sup>2i)</sup>; the proceedings in the first instance fall under the jurisdiction of a designated unit pursuant to the Rules of Organisation of the National Bank of Slovakia.

### **Article 17h**

By means of a generally binding legal regulation, the National Bank of Slovakia shall establish:

a) nominal values, technical parameters, appearance, and other particulars of banknotes and coins, and their release into circulation,

b) values, technical parameters, appearance, and other particulars of commercial coins,

c) details of procedures to be followed by natural persons and legal persons in accepting legal tender and handling it, including the procedure taken by authorized persons in withdrawing counterfeit banknotes and coins or damaged banknotes and coins for which a replacement is not provided, and the requisites of documents to be completed at the presentation and withdrawal of such banknotes and coins,

d) details of ascertaining the amount of compensation and the procedure for providing compensation for incomplete banknotes or otherwise damaged banknotes and coins by their replacement with undamaged banknotes and coins,

e) termination of validity of banknotes and coins and the method and period for their replacement by other banknotes and coins and details of the procedure to be followed in their replacing,

f) details of conditions under which the making and usage of reproductions of banknotes, coins, commercial coins, and securities issued by the National Bank of Slovakia is permitted, as well as objects that imitate them, including their recordings in electronic form,

g) details of conditions under which entrepreneurs may process banknotes and coins for other persons, including the procedure taken by banks and entrepreneurs in processing banknotes and coins and requisites of the application for the grant of a prior approval pursuant to Article 17f paragraph 1.

## **PART FIVE**

### **MONETARY REGULATION INSTRUMENTS**

### **OF THE NATIONAL BANK OF SLOVAKIA**

#### **Article 18**

The National Bank of Slovakia shall be entitled to set interest rates, limits, maturity and other terms of operations performed hereunder.

**Article 19** - cancelled with effect from 1 May 2001.

#### **Article 20**

The National Bank of Slovakia may require that banks and electronic money institutions<sup>2)</sup> hold in their accounts with the National Bank of Slovakia a certain part of their funds as determined by the NBS (hereinafter referred to as "minimum reserve requirement") which normally bears interest; the National Bank of Slovakia shall be entitled to set the rate of interest.

#### **Article 21**

(1) If a bank or an electronic money institution does not comply with the set minimum reserve requirement, the National Bank of Slovakia shall be entitled to

- a) demand from this bank or electronic money institution and charge to it, on the amount it failed to meet the set minimum reserve requirement, an interest at the level corresponding to
  - 1. double the interest rate set by the National Bank of Slovakia, at which the National Bank of Slovakia provides the banks with overnight loans, or
  - 2. an interest rate set by the National Bank of Slovakia, at which the National Bank of Slovakia provides the banks with overnight loans plus a percentage penalty determined beforehand by the National Bank of Slovakia for the violation of an obligation to comply with the minimum reserve requirement, or

- b) demand that this bank or electronic money institution makes a non-interest-bearing time deposit in the account held with the National Bank of Slovakia at the level of three times the amount the entity failed to meet the set minimum reserve requirement, namely for a period over which the unobserved minimum reserve should have been deposited in the account held with the National Bank of Slovakia.

(2) When increasing the level of the minimum reserve requirement, the National Bank of Slovakia shall specify a time limit within which a bank and an electronic money institution will have to comply with the increase.

## **PART SIX**

### **OPERATIONS OF THE NATIONAL BANK OF SLOVAKIA**

#### **Operations with Banks**

##### **Article 22**

The National Bank of Slovakia shall be entitled to conclude and conduct with banks, foreign banks, and other financial institutions<sup>4)</sup> all types of banking operations in accordance with the conditions stipulated hereunder.

##### **Article 23**

The National Bank of Slovakia may purchase from, or sell to banks:

a) bills of exchange maturing within six months from the date of their purchase by the National Bank of Slovakia, which bear at least two signatures of which at least one signature is made on behalf of a bank;

b) Government bonds, or other securities guaranteed by the Government, which it may hold for a maximum period of one year.

##### **Article 24**

(1) The National Bank of Slovakia may provide banks, for a maximum period of six months, with credits guaranteed by securities pursuant to Article 23 and accept from banks credits guaranteed by securities.

(2) In order to maintain bank liquidity, the National Bank of Slovakia may, in exceptional cases, provide a bank with short-term credit for a maximum period of three months. During the imposition of forced administration of a bank, the National Bank of Slovakia may provide credits pursuant to a separate regulation<sup>4aa)</sup> for a maximum period of six months.

(3) The National Bank of Slovakia may provide credit to the Deposit Protection Fund.<sup>4a)</sup>

## **Operations with the Slovak Republic**

### **Article 25**

(1) The National Bank of Slovakia shall keep the revenue and expenditure accounts of the State budget, the accounts of state financial assets and liabilities, the accounts of State funds, other accounts of State budget-funded organizations, and to the extent established by a separate law,<sup>4b)</sup> also the accounts of other entities financed from the State budget, unless provided otherwise by a separate law.<sup>4b)</sup> The National Bank of Slovakia may only make payments from the accounts of the State budget, state financial assets and liabilities up to the amount of the aggregate credit balance on these accounts;<sup>4c)</sup> the National Bank of Slovakia may only make payments from the other accounts up to the amount of credit balance on these accounts.

(2) Funds in accounts maintained pursuant to paragraph 1 bear interest only up to the amount of the aggregate credit balance in these accounts, at an interest rate based on a written agreement between the National Bank of Slovakia and the Ministry.

(3) Based on written application from the Ministry, the National Bank of Slovakia may provide for the performance of certain activities associated with the maintenance of accounts pursuant to paragraph 1 through another bank.

### **Article 26**

The National Bank of Slovakia shall place for sale Government bonds pursuant to a separate regulation<sup>5)</sup> and, in agreement with the Ministry of Finance of the Slovak Republic (hereinafter referred to as the "Ministry"), it may perform, on the Ministry's behalf and for agreed remuneration, activities connected with the management, repayment and transfer of Government bonds, the payment of interest on the bonds, and other required activities.

## **Other Operations of the National Bank of Slovakia.**

### **Article 27**

(1) With a view to regulating the money market, the National Bank of Slovakia may issue short-term securities with a maturity of up to one year and other securities, and trade in the same.

(2) With the aim of determining the price of government securities, the National Bank of Slovakia may conclude and conduct other banking operations with legal persons and render them services, including operations on the capital market, for the issuer's account.

(3) The National Bank of Slovakia shall be entitled to maintain time deposit accounts for its clients pursuant to this Act.

### **Article 27a**

(1) The National Bank of Slovakia may conclude and conduct banking operations with other legal persons.

(2) The National Bank of Slovakia may conclude and conduct banking operations with members of the Bank Board and with its employees.

### **Article 27b**

(1) In verifying the identity of its clients as part of its banking operations, the National Bank of Slovakia shall proceed, where appropriate, in accordance with a separate law.<sup>4d)</sup>

(2) The National Bank of Slovakia is obligated to archive documents relating to banking operations conducted by the National Bank of Slovakia and documents attesting to the identity of clients involved in banking operations for a period of at least five years from the end of the year in which such banking operations were conducted.

## **PART SEVEN**

### **JURISDICTION OF THE NATIONAL BANK OF SLOVAKIA IN RESPECT TO FOREIGN EXCHANGE MANAGEMENT**

### **Article 28**

The National Bank of Slovakia shall:

- a) announce the exchange rate of the Slovak koruna against foreign currencies;
- b) hold and manage monetary reserves in gold and foreign exchange assets, and handle the same.

### **Article 29**

The National Bank of Slovakia:

- a) shall trade in gold and other foreign exchange assets;
- b) shall set the conditions for regulating the balance of payments of the Slovak Republic and promulgate them by a decree,<sup>3)</sup> in the Collection of Laws;
- c) shall set the conditions for trading in gold and other foreign exchange assets performed by banks and other persons pursuant to separate regulation<sup>5a)</sup> and promulgate them by decree<sup>3)</sup> in the Collection of Laws;
- d) shall issue securities denominated in foreign currencies,
- e) may coordinate and regulate the cross-border payments and settlement of clearing data in the Slovak Republic,
- f) may maintain foreign currency accounts for its clients pursuant to this Act.

**PART EIGHT**  
**OTHER ACTIVITIES AND EMPOWERMENTS**  
**OF THE NATIONAL BANK OF SLOVAKIA**

**Article 30**

(1) The National Bank of Slovakia shall submit draft legislation to the Government in the areas of currency and money circulation.

(2) The National Bank of Slovakia shall, together with the Ministry, submit to the Government draft legislation in the areas of foreign exchange management and banking.

**Article 31**

(1) The National Bank of Slovakia shall direct, coordinate and secure the payment and settlement system and processing of data from the payment and settlement system between banks and other legal persons that carry out certain banking activities or whose activities are ancillary to the performance of activities by banks,<sup>5b)</sup> if these legal persons are, on the basis of an application, selected by the National Bank of Slovakia as participants in this payment and settlement system and clearing of data from this payment and settlement system (hereinafter referred to as "selected legal person"); the National Bank of Slovakia may entrust another legal person with processing and clearing of data from this payment and settlement system, or its part.

(2) The National Bank of Slovakia shall coordinate and direct the issue, management, and use of individual payment instruments; payment instruments are instruments of the payment and settlement system that serve for making non-cash and cash payment operations, above all debiting or crediting an account opened by a bank, including electronic payment instruments, such as electronic money, electronic wallet, and bank payment cards.<sup>5c)</sup> In the interest of safety of payments and settlements conducted using payment instruments, the National Bank of Slovakia shall also establish requirements for the technical properties and safety features of individual payment instruments, including limits and other technical limitations on operations conducted using individual payment instruments.

(3) The National Bank of Slovakia shall issue permits for banks to operate payment systems and settlement of clearing data from these systems.

(4) With a view to directing and ensuring a standardized payment and settlement system and clearing of data from the payment and settlement system between banks and selected legal persons, the National Bank of Slovakia shall stipulate through a generally binding regulation:

a) principles of the payment and settlement system and clearing of data from the payment and settlement system,

b) details of the issue, management, and use of individual payment instruments and of requirements for technical properties and safety features for individual payment instruments, including limits and other technical limitations for operations conducted using individual payment instruments.



(5) In the interest of a smooth operation of the payment and settlement system and clearing of data from the payment and settlement system between banks and selected legal persons, the National Bank of Slovakia may, in the event of extraordinary situations previously unforeseen, set time limits for payments and settlement and clearing of data from the payment and settlement system other than those set forth in the generally binding legal regulation issued pursuant to paragraph 4 letter a).

(6) The National Bank of Slovakia shall keep a central register of short-term securities with a maturity of up to one year, issued by the Ministry or the National Bank of Slovakia and used to cover the deficit of the State budget or to regulate the money market.

## **Article 32**

(1) The National Bank of Slovakia shall keep a list of banks pursuant to a separate law.<sup>5d)</sup>

(2) The National Bank of Slovakia shall keep a list of representative offices of foreign banks and similar financial institutions pursuant to a separate regulation.<sup>5e)</sup>

(3) The National Bank of Slovakia shall keep a register of bank loans and guarantees pursuant to a separate regulation.<sup>5f)</sup>

## **Article 33**

(1) The National Bank of Slovakia, within the limits of its jurisdiction, shall enter into payment and other agreements with foreign banks and international financial institutions.

(2) The National Bank of Slovakia shall ensure cooperation with foreign rating agencies in determining the rating of the Slovak Republic, which is taken to mean the review and assessment of the ability and readiness of the Slovak Republic to discharge its financial obligations.

## **Article 34**

The National Bank of Slovakia shall coordinate the development of a banking information system in the Slovak Republic. To this end, it shall establish by a separate implementing regulation the principles of such a banking information system.

## **Article 34a**

(1) State authorities, self-government bodies, any other public bodies, and other legal persons and natural persons shall be obligated to submit to the National Bank of Slovakia free of charge, complete, correct, true and timely information, reports, statements and other supporting documents and explanations that the National Bank of Slovakia needs to perform its tasks pursuant to this Act and separate laws;<sup>5g)</sup> the content, form, structure, deadlines and method of their presentation shall be stipulated by the National Bank of Slovakia through decrees promulgated in the Collection of Laws of the Slovak Republic, or the National Bank of Slovakia shall file a request for them in writing.

(2) The National Bank of Slovakia may, to the extent necessary for the performance of its tasks pursuant to this Act and separate laws,<sup>1)</sup> cooperate and exchange information with

public authorities in the Slovak Republic and other countries, with the Deposit Protection Fund, and with international organizations.

(3) The provisions of paragraphs 1 and 2 shall not prejudice the provisions of laws establishing the obligation of secrecy and maintaining the confidentiality of certain information specified therein.

### **Article 34b**

(1) Any persons and bodies charged by virtue of law with an obligation to provide the National Bank of Slovakia with information or to give proof of identity when pursuing activities or dealing with the National Bank of Slovakia, persons supervised by the National Bank of Slovakia, parties to proceedings and other persons participating in proceedings before the National Bank of Slovakia and statutory, management, supervisory, auditing and executive bodies of persons participating in proceedings before the National Bank of Slovakia or of persons supervised by the National Bank of Slovakia shall be obligated, for the purpose of their identification and maintaining the possibility of a subsequent control of such identification and for the purpose of performing authority, activities and tasks of the National Bank of Slovakia and documenting the same pursuant to this Act or a separate law<sup>5h)</sup>, to provide the National Bank of Slovakia, at its request and even without consent of the persons concerned, and also to enable it to obtain through copying, scanning or other type of recording:

- a) personal data<sup>5i)</sup> on the identity from an identity document to the extent of a picture, a degree, if any, the name, surname, maiden name, the birth registration number, the date of birth, the place and district of birth, the address of permanent residence, the address of temporary stay, if any, a citizenship, a record of limited capacity to legal acts, if any, the type and number of an identity document, the issuing authority, the issue date and validity of this identity document, in cases involving a natural person, including a natural person representing a legal person, as well as to provide and make it possible to obtain from another document the place of business in cases involving a natural person who is an entrepreneur, the designation of an official register or another official recording system in which this entrepreneur is entered and the number of entry in this register or recording system,
- b) identification data to the extent of the name, the identification number, where such has been assigned thereto, the address of registered office, the address of place of business or organisational branches and another place of its activities in cases involving a legal person, as well as the list of persons constituting the bodies of such a legal person and their details on the scope specified in the first item, the designation of an official register or another official recording system, in which this legal person is entered,<sup>5j)</sup> and the number of entry in this register or recording system,
- c) a contact telephone number, a fax number and an electronic mail address, where such are available,
- d) other information, documents, reports, statements, supporting documentation and explanations required or specified under this Act or under a separate law.<sup>1)</sup>

(2) For the purpose of identifying the persons pursuant to paragraph 1 and maintaining the possibility of a subsequent control of such identification and for the purpose of performing

authority, activities and tasks of the National Bank of Slovakia and documenting the same under this Act and under a separate law,<sup>5h)</sup> the National Bank of Slovakia shall, even without consent from and notification of the persons concerned,<sup>5k)</sup> be entitled to request, search, record, file, use and otherwise process<sup>5l)</sup> personal data and other data and documents on the scope specified in paragraph 1; in so doing, the National Bank of Slovakia shall be entitled to make copies of identity documents and process birth registration numbers<sup>5m)</sup> and other data and documents on the scope specified in paragraph 1 with the use of automated or non-automated devices.

(3) Even without consent from and the notification of the persons concerned,<sup>5k)</sup> the National Bank of Slovakia shall be entitled to disclose and supply<sup>5n)</sup> for processing by other bodies and persons the data subject to paragraphs 1 and 2 and Article 40 from its information system in cases established by this Act or a separate law whereas the provision of Article 41 shall not be prejudiced hereby.

(4) The National Bank of Slovakia may disclose or provide the data subject to paragraphs 1 and 2 and Article 40 abroad only under the conditions established by a separate law<sup>5p)</sup> or where so stipulated by an international treaty binding upon the Slovak Republic and taking precedence over the laws of the Slovak Republic.

### **Article 35**

The National Bank of Slovakia shall be entitled to make investments and carry on business activities to the extent required to provide for its own operation.

## **PART NINE**

### **SUPERVISION PERFORMED BY**

### **THE NATIONAL BANK OF SLOVAKIA**

### **Article 36**

(1) The National Bank of Slovakia shall oversee the safe functioning of the banking system and banks, the Deposit Protection Fund, other entities, and groups of entities, where required by a separate law (hereinafter referred to as "supervised entities").

(2) During the supervision pursuant to paragraph 1, the National Bank of Slovakia shall perform activities in a scope and manner stipulated by this Act and separate regulations, in particular:

a) set rules for prudential business practices and safe operation of supervised entities and other requirements with regard to business conducted by supervised entities pursuant to separate regulations,<sup>6)</sup>

b) monitor compliance with the provisions of this Act and separate regulations,

c) conduct proceedings and issue permits, licenses and make other decisions, positions, methodical instructions and recommendations pursuant to this Act and separate regulations and supervise the implementation of decisions issued thereby, including compliance with the conditions stipulated in these decisions,

d) perform off-site supervision and on-site supervision of the supervised entities, thus ascertaining the objective situation and other important facts about supervised entities, mainly

shortcomings in their activities, the causes of such shortcomings, their adverse effects, and the persons responsible for the shortcomings revealed.

(3) In performing the supervision pursuant to paragraph 1, the National Bank of Slovakia and its employees shall have supervision-related authority pursuant to this Act and separate regulations.<sup>6)</sup> The supervised entities, their employees and other persons shall be obligated to enable the National Bank of Slovakia to perform off-site and on-site supervision, refrain from activities that might hamper the performance of supervision pursuant to paragraph 1, and provide the National Bank of Slovakia with requested information, cooperation, and assistance it needs to perform the supervision.

(4) On-site supervision is taken to mean the acquisition of information, usually directly in the supervised entity or from its employees, and the evaluation of the information so acquired; the acquisition and evaluation of information on site undertaken by the National Bank of Slovakia pursuant to separate regulations<sup>6)</sup> shall not constitute on-site supervision.

(5) Off-site supervision is taken to mean the acquisition and evaluation of information on an supervised entity by means other than on-site supervision, such as by acquiring and evaluating information made available to the National Bank of Slovakia upon written request and information contained in reports, statements and other supporting documents submitted to the National Bank of Slovakia under this Act or separate regulations; remote collection and evaluation of information undertaken by the National Bank of Slovakia pursuant to separate regulations<sup>6)</sup> shall not constitute off-site supervision .

(6) In performing supervision pursuant to paragraph 1, the National Bank of Slovakia shall cooperate with other supervisory or audit authorities pursuant to separate regulations.<sup>7)</sup>

(7) As part of supervision by the National Bank of Slovakia over supervised entities pursuant to a separate law, off-site and on-site supervision and proceedings and decisions in the first instance shall be conducted by the banking supervision unit of the National Bank of Slovakia. In performing these duties, the banking supervision unit shall proceed in accordance with this Act and other generally binding regulations, whilst proceeding and deciding independently and impartially; it shall cooperate, exchange information and supporting documents with, and provide assistance to, other organisational units and bodies of the National Bank of Slovakia to the extent as necessary for due and efficient performance of supervision over supervised entities pursuant to a separate law.<sup>7a)</sup> In conducting proceedings and making decisions in the first instance, the banking supervision unit shall be bound by the decisions of the Bank Board in the second instance and decisions of courts issued in connection with reviewing the legality of final decisions of the National Bank of Slovakia in administrative court procedure. The banking supervision unit may not be charged with tasks that could affect independent and impartial performance of duties imposed upon it by law when performing supervision of supervised entities pursuant to a separate regulation.

### **Article 37**

(1) On-site supervision may be performed by an employee of the National Bank of Slovakia authorized in writing by the National Bank of Slovakia (hereinafter referred to as

"person authorized to perform supervision"). The authorization of the National Bank of Slovakia for the performance of on-site supervision must contain the title of the supervised entity, names and surnames of persons authorized to perform supervision, the subject of supervision, starting date of supervision, duration of authorization, stamp of the National Bank of Slovakia with the name, surname, capacity and signature of the authorized National Bank of Slovakia official who gave the authorization in the name of the National Bank of Slovakia.

(2) In performing on-site supervision, the persons authorized to perform supervision are entitled to carry out any activity connected with the subject of supervision, and in so doing they shall be authorized:

a) to enter sites, buildings, rooms, facilities, and other premises of the supervised entity including its means of transport, without infringing the inviolability of dwellings,<sup>7c)</sup>

b) to request that the supervised entity and its employees provide them, in set time limit, with:

1. documents, including their originals, statements, documentation and other written materials and information, including data on technical data media, and access to other items of the supervised entities;

2. explanations, opinions, and other oral or written information about the subject of supervision and shortcomings detected,

c) to receive, and in justified cases to move outside the premises of the supervised entity originals of documents and other written materials and items;

d) to exercise other rights pursuant to this Act and separate regulations<sup>6)</sup> and to demand from the supervised entity and its employees cooperation in the discharge of their obligations prescribed by the Act and separate regulations<sup>6)</sup> to the supervised entity and its employees in connection with the performance of on-site supervision; however, cooperation may not be required where there is a danger to life or limb of persons, or where there is a possibility of violating a secrecy obligation stipulated by law, or should an authorized body not see fit to release the supervised entities or their employees from the secrecy obligation.

(3) In performing on-site supervision, persons authorized to perform supervision shall be obligated to:

a) prove their identity to the supervised entity not later than at the commencement of supervision by presenting written authorization from the National Bank of Slovakia for the performance of this supervision together with identity cards,

b) give to the supervised entity a written acknowledgement of receipt of the originals of documents and other written materials and items removed from the premises of the supervised entity and ensure their appropriate protection against loss, destruction, damage and misuse; if the documents and items received are deemed no longer necessary for further conduct of supervision or proceedings held pursuant to a separate regulation,<sup>6)</sup> they must be returned without delay to the person from whom they have been received,

c) draw up a written record of the supervision performed, deliver a copy of the record to the supervised entity, set the supervised entity an appropriate deadline for submitting written objections to the objectivity of the contents of the record concerning shortcomings detected in the course of supervision, verify the justification of objections made by the

supervised entity and deliver a written notification to the supervised entity about the results of verification of objections presented,

d) set a time limit, and notify the supervised entity of the same in writing, whereby the supervised entity shall be obligated to adopt and implement measures to remedy the deficiencies found during supervision and to eliminate their causes, and to remit to the National Bank of Slovakia a report on the fulfilment of the measures adopted,

e) respect the rights of the supervised entity laid down in this Act and separate regulations,<sup>6)</sup>

f) ensure the protection of information and supporting documents received when performing supervision in order to maintain state secrecy, professional secrecy, business secrecy, bank secrecy, taxation secrecy, and confidentiality obligation expressly prescribed or recognized by law; procedures undertaken pursuant to Article 41 of this Act or the disclosure of information and supporting documents received during the performance of supervision in proceedings according separate regulations<sup>6)</sup> shall not constitute a breach of the said obligation,

g) perform other duties laid down in this Act and separate regulations.<sup>6)</sup>

(4) The protocol of supervision performed pursuant to paragraph 3 letter c) must contain the title of the supervised entity, names and surnames of persons authorized to perform supervision, time and place of performing the supervision, the subject of supervision, a description of the facts and shortcomings detected during the course of supervision, including regulations violated, a deadline set for the supervised entity for submitting written objections, the date of drawing up the protocol and the names, surnames and signatures of persons authorized to perform the supervision who are responsible for the content of the protocol; the protocol may also contain recommendations for improving the performance of the supervised entity. The protocol deposited with the National Bank of Slovakia shall include the date and signature of a designated employee of the supervised entity certifying that the supervised entity has received a copy of the protocol, the written objections submitted by the supervised entity and a copy of the written notification delivered to the supervised entity concerning the results of verification of objections presented.

(5) During the performance of on-site supervision, the supervised entity and its employees shall be obligated to provide appropriate material and technical conditions for the performance of this supervision, enable the National Bank of Slovakia and the persons authorized to conduct supervision to perform their tasks pursuant to the Act and separate regulations<sup>6)</sup> pertaining to the National Bank of Slovakia and persons authorized to perform supervision, and to perform other duties assigned by this law and other regulations.<sup>6)</sup> Expenses in connection with supervision incurred to the National Bank of Slovakia shall be borne by the National Bank of Slovakia; expenses incurred to the supervised entity shall be borne by this entity.

(6) A person authorized to perform supervision may not perform it if, with regard to his relationship to the subject of supervision or the supervised entity and its employees, there may be doubts about his impartiality. A person authorized to perform supervision, who is aware of any facts leading to reasonable doubts about its impartiality, must notify such facts without delay to the person by whom he was authorized to perform the supervision. The supervised entity may submit to the National Bank of Slovakia its written objections regarding the partiality of the person authorized to perform supervision. The filing of these objections shall not have a dilatory effect. Until a decision is reached in the matter of notification or the

objections filed, the person authorized to perform supervision may only perform operations, which allow no delay. A final decision on the notification or objections shall be made, within five working days of delivery, by the respective employee of the National Bank of Slovakia who on behalf of the National Bank of Slovakia issued the authorization for the performance of supervision to the affected person authorized to perform supervision.

#### **Article 37a**

(1) For the purpose of accomplishing a particular task concerning the performance of supervision over supervised entities pursuant to this Act and separate regulations,<sup>6)</sup> the National Bank of Slovakia may, at any stage, engage in the process employees of the public authorities pursuant to Article 34a, paragraph 2, employees of other legal persons or other natural persons (hereinafter referred to as „engaged persons“), subject to their consent, if such action is justified by a special nature of the task constituting the supervision performed and if such task cannot be accomplished by persons authorized to perform the supervision.

(2) With regard to their participation in the performance of this supervision, engaged persons shall have the same powers, duties and responsibility as those possessed pursuant to this Act and a separate regulation<sup>6)</sup> by persons authorized to perform supervision, unless provided otherwise by this Act or a separate regulation<sup>6)</sup>. Engaged persons may take part in the performance of an on-site supervision only on the basis of a written authorisation from the National Bank of Slovakia to such participation in the performance of supervision and in the accompaniment of a person authorized to perform this supervision.

(3) Where the engaged persons are employees, their participation in the performance of supervision shall pursuant to a separate regulation<sup>2)</sup> be deemed as a different act in pursuance of a public interest, for the performance of which the engaged persons are to be provided with days off and in return for which they are entitled to receive compensation for wages or salary in the amount of their average earnings. Employers of engaged persons, who provide the engaged persons with compensation for the wages or salary for a period of their participation in the performance of supervision, shall be entitled to its full refund from the National Bank of Slovakia, provided that they present to the National Bank of Slovakia credible written documents supporting the amount of compensation for the wages or salary paid by them to the engaged persons.

### **PART TEN**

#### **FINANCIAL MANAGEMENT**

#### **OF THE NATIONAL BANK OF SLOVAKIA**

#### **Article 38**

(1) The National Bank of Slovakia shall manage its finances in accordance with a budget approved by the Bank Board.

(2) The operations of the National Bank of Slovakia over an accounting period may result in a profit or a loss. The National Bank of Slovakia shall apply the profits generated to replenish the reserve fund and other funds created from profits, or to cover the losses of

previous years. The National Bank of Slovakia shall transfer the remaining profit to the State budget of the Slovak Republic or, based on a decision of the Government, to state financial assets pursuant to a separate regulation.<sup>7d)</sup> The National Bank of Slovakia may cover a loss made in an accounting period by drawing on the reserve fund or other funds. The loss which is to remain uncovered pursuant to the Bank Board's decision, shall be carried over to the next accounting period.

(3) Within three months of the end of a calendar year, the National Bank of Slovakia shall submit to the National Council of the Slovak Republic an annual report on the results of its operations; in addition to balance sheet data of the National Bank of Slovakia and an auditor's opinion verifying it, this report shall specifically state the data concerning the costs of the National Bank of Slovakia. Upon request from the National Council of the Slovak Republic, the National Bank of Slovakia shall be obligated, within six weeks, to supplement the report or to give explanation on it according to the Council's requirements.

### **Article 39**

(1) The National Bank of Slovakia shall keep its books of account pursuant to separate regulations.<sup>9)</sup>

(2) The financial statements of the National Bank of Slovakia shall be reviewed by an auditor. The auditor shall be appointed by the Supreme Audit Office of the Slovak Republic not later than by 30 June of the calendar year to which the financial statements are to be audited.

(3) The National Bank of Slovakia shall publish an Annual Report containing basic data on monetary developments in the Slovak Republic, upon its consideration by the National Council of the Slovak Republic.

(4) The National Bank of Slovakia shall compile a statement of assets and liabilities of the National Bank of Slovakia every ten days and release it without delay for publication in the press and other mass communication media.

## **PART ELEVEN GENERAL PROVISIONS**

### **Article 40**

Banking secrecy shall apply to all banking operations of the National Bank of Slovakia, including balances of the accounts it keeps. In providing information on matters relating to a National Bank of Slovakia client without his consent, which is subject to banking secrecy, the National Bank of Slovakia shall proceed pursuant to a special regulation.<sup>9a)</sup>

### **Article 41**

Members of the Bank Board and other employees of the National Bank of Slovakia and engaged persons shall be obligated to observe confidentiality with regard to matters of



their office. This obligation shall remain in effect even after termination of employment or other similar relationship. In pursuance of a public cause, members of the Bank Board may be released from this obligation by the Bank Board, and other employees and engaged persons may be released from it by the Governor. Deemed as public shall be causes specified in a separate law,<sup>9a)</sup> where the information is provided pursuant to Article 40, the exchange of information pursuant to Article 34a, paragraph 2, and, to the extent necessary for the performance of banking supervision, also the exchange of information between the National Bank of Slovakia and other bodies of public administration in the Slovak Republic in charge of supervision pursuant to special regulations<sup>7)</sup> and banking supervisory authorities in other countries. It shall not be possible to release one from the secrecy obligation and to disclose information on matters related to the participation of the National Bank of Slovakia in the European System of Central Banks, should this be in contradiction with the tasks and obligations of the National Bank of Slovakia ensuing from its participation in the European System of Central Banks.

#### **Article 41a**

The provisions of paragraphs 6 and 7 of Article 7 shall apply, where appropriate, to employees of the National Bank of Slovakia.

### **PART TWELVE JOINT, TRANSITORY AND CONCLUDING PROVISIONS**

#### **Article 42**

The issuance of securities and the activities of the National Bank of Slovakia hereunder shall not be subject to supervision, authorisations or public offering of securities pursuant to separate regulations.<sup>9b)</sup>

#### **Article 43**

The provisions of separate regulations<sup>10)</sup> shall apply to employees of the National Bank of Slovakia.

#### **Article 44**

The National Bank of Slovakia shall issue the Gazette of National Bank of Slovakia [Vestník Národnej banky Slovenska](hereinafter referred to as „Gazette“), in which it shall publish in particular:

- a) decrees of the National Bank of Slovakia issued to implement this Act or a special law,<sup>1)</sup> which are announced through a notice in the Collection of Laws,<sup>3)</sup>

- b) basic interest rate of the National Bank of Slovakia and changes thereof,
- c) the pronouncement of an enforceable decision or the substantiation of a decision of the National Bank of Slovakia or of their part, if they are determined for publication in the Gazette pursuant to this Act or a separate law,<sup>6)</sup>
- d) methodical instructions and recommendations explaining the application of this Act, separate laws<sup>6)</sup> and other generally binding regulations relating to supervised entities or to their activities, if they are determined for publication in the Gazette.

#### **Article 45**

(1) He who has breached an obligation imposed hereunder to provide the National Bank of Slovakia with information needed by it in order to ensure the performance of its tasks hereunder, or he who has breached another obligation imposed hereunder, may be charged by the National Bank of Slovakia with a measure to remove and rectify the unlawful condition, depending on the severity, manner and degree of fault, nature, extent and duration of the unlawful conduct and revealed shortcomings, and imposed a fine of up to Sk 1,000,000; where such a breach of obligation has resulted in financial gains exceeding Sk 1,000,000, it shall be possible to impose a fine up to the amount of the financial benefit gained. Such a measure and fine may be imposed concurrently and repeatedly. Their imposition shall not injure the obligation to surrender unjustified gains<sup>11)</sup> or the responsibility pursuant to separate regulations.<sup>6)</sup>

(2) Unless provided otherwise hereunder, measures and fines pursuant to paragraph 1, the proceeds from fines pursuant to paragraph 1 and the proceedings and a decision on the imposition of a measure and fine pursuant to paragraph 1 shall abide by a separate regulation,<sup>12)</sup> with proceedings in the first instance falling within the jurisdiction of a designated unit under the organisational chart of the National Bank of Slovakia.

#### **Article 46**

Provisions governing the transformation of the Czechoslovak currency into the Slovak currency shall be stipulated by a separate regulation.

#### **Article 47**

The transfer of property, rights and obligations from the State Bank of Czechoslovakia to the National Bank of Slovakia shall be governed by a separate regulation.

#### **Article 48**

Until the transformation of the Czechoslovak currency into the Slovak currency is fully realized, the issue of banknotes and coins shall be regulated by Part 4 of Act No. 22/1992 Coll. on the State Bank of Czechoslovakia.

## **Article 49**

Until the transformation of the Czechoslovak currency into the Slovak currency is fully realized, penalties pursuant to Article 36, paragraph 4, letter b) and Article 37, paragraph 4 of this Act shall be levied in Czechoslovak crowns.

## **Article 49a**

### **Transitory Provisions**

#### **Relating to the Statutes Effective from 1 May 2001**

(1) With effect from 1 May 2001, provisions of this Act concerning the issue of banknotes and coins (Articles 16 through 17h) will also apply to banknotes and coins issued by the National Bank of Slovakia prior to 1 May 2001, if they are valid on 1 May 2001.

(2) The term of office of a Bank Board member shall be governed by regulations applicable at the time of his appointment.

## **Article 49b**

The following shall be hereby cancelled:

1. Act No. 22/1992 Coll. on the Czecho-Slovak State Bank,
2. Act No. 76/1976 Coll. on the Minting of Czechoslovak Ducats.

## **Article 50**

This Act shall come into effect on 1 January 1993, with the exception of provisions in Articles 15 to 17 and Article 28, letter a), which shall take effect on the date of the transformation of the Czechoslovak currency into the Slovak currency. (Note: Pursuant to Resolution of the Government of the Slovak Republic No. 27/1993 Coll., the date of the transformation into the Slovak currency was 8 February 1993.)

Act No. 26/1993 Coll. came into effect on 2 February 1993.

Act No. 159/1993 Coll. came into effect on 1 August 1993.

Act No. 249/1994 Coll. came into effect on 1 October 1994.

Act No. 374/1994 Coll. came into effect on 1 January 1995.

Act No. 202/1995 Coll. came into effect on 1 October 1995.

Act No. 118/1996 Coll. came into effect on 1 July 1996. Act

No. 386/1996 Coll. came into effect on 1 January 1997. Act

No. 348/1999 Coll. came into effect on 17 December 1999.

Act No. 149/2001 Coll. dated 6 April 2001 came into effect on 1 May 2001, with the exception of the provisions of Part I, points 1 and 2 [revisions of Article 1, paragraphs 1 and 3] that came into effect on 1 July 2001.

Act No. 602/2003 Coll. came into effect on 1 January 2004, with the exemption of Part I, point 28 [revisions of Article 19a, paragraph 2, letter a), point 2 of the Foreign Exchange Act] that shall come into effect from the validity date of the Agreement on Accession of the Slovak Republic to the European Union (i.e. on 1 May 2004).

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#### **Footnotes relating to references:**

1) E.g. Act No. 483/2001 Z. z. on Banks and on Modification and Amendment of Certain Laws, as amended, Act No. 510/2002 Z. z. on the Payment System and on Modification and Amendment of Certain Laws, as amended, Act of the National Council of the Slovak Republic No. 202/1995 Z. z., the Foreign Exchange Act and Act which Modifies and Amends Act of the Slovak National Council No. 372/1990 Coll. on Offences, as amended.

1a) Act No. 510/2002 Coll., as amended.

2) Articles 136, paragraph 1 and 137, paragraph 1 of Act No. 311/2001 Z. z., the Labour Code, as amended by Act No. 210/2003 Z. z.

2a) Act No. 311/1999 Coll. on Criminal Records Register, as amended.

2b) Article 7, paragraph 2 of the Civil Code, as amended. Articles 195 to 200 of the Civil Procedure Code, as amended.

2c) The Civil Procedure Code, as amended.

2d) Article 2, paragraphs 1, 5 and 8 of Act No. 483/2001 Z. z.

2e) Article 12, paragraph 1 of Act No. 141/1961 Coll. on the Criminal Procedure Code (the Penal Procedure Code), as amended.

2f) Articles 1 and 140 to 144 of Act No. 140/1961 Coll. the Criminal Code, as amended.

2g) Act of the National Council of the Slovak Republic No. 162/1993 Z. z. on Identity Cards, as amended.

Act No. 381/1997 Z. z. on Travel Documents, as amended.

Act No. 48/2002 Z. z. on Stay of Aliens and on the Modification and Amendment of Certain Laws, as amended.

2h) Article 2, paragraph 2 of Act No. 513/1991 Coll. the Commercial Code.

2i) Articles 94 to 114 of Act No. 483/2001 Z. z., as amended by Act No. 603/2003 Coll.

2j) Article 21, paragraphs 2, 6 and 7 of Act No. 510/2002 Z. z., as amended by Act No. 604/2003 Coll.

3) Act of the National Council of the Slovak Republic No. 1/1993 Z. z. on the Collection of Laws of the Slovak Republic, as amended.

4) E.g. Act No. 566/2001 Z. z. on Securities and Investment Services and on the Modification and Amendment of Certain Laws (the Securities Act), as amended.

4a) Article 13, paragraph 2 of Act of the National Council of the Slovak Republic No. 118/1996 Z. z. on the Protection of Deposits and on the Modification and Amendment of Certain Laws.

4aa) Article 61 of Act No. 483/2001 Z. z., as amended.

4b) E.g. Act of the National Council of the Slovak Republic No. 303/1995 Coll. on Budgeting Rules, as amended, Act No. 291/2002 Coll. on the State Treasury and on the Modification and Amendment of Certain Laws, as amended.

4c) Articles 11 and 21 of Act No. 291/2002 Coll., as amended by Act No. 428/2003 Coll.

4d) Article 89, paragraphs 1 and 2 of Act No. 483/2001 Z. z., as amended by Act No. 603/2003 Coll.

5) Article 19, paragraphs 2 to 4 of Act No. 530/1990 Coll. on Bonds, as amended.

5a) Act of the National Council of the Slovak Republic No. 202/1995 Coll., as amended.

5b) E.g. Articles 31 to 65 of Act No. 510/2002 Z. z., Act No. 80/1997 Coll., as amended, Articles 59 to 111, 163 and 163a of Act No. 566/2001 Z. z., as amended, Act No. 429/2002 Z. z. on the Stock Exchange, as amended by Act No. 594/2003 Coll.

5c) E.g. Article 2, paragraph 2, letter g) and Article 5, letter m) of Act No. 483/2001 Z. z., Articles 21 to 30 of Act No. 510/2002 Z. z., as amended by Act No. 604/2003 Coll.

5d) Article 2, paragraphs 1, 3, 5 and 8, and Articles 7 and 8 of Act No. 483/2001 Z. z., as amended by Act No. 603/2003 Coll.

5e) Article 22 of Act No. 483/2001 Z. z.

5f) Article 38 of Act No. 483/2001 Z. z., as amended.

5g) E.g., Article 10, paragraph 4, letter b) of Act No. 566/2001 Z. z., Act No. 483/2001 Z. z., as amended, Act No. 510/2002 Z. z., as amended, Act of the National Council of the Slovak Republic No. 202/1995 Z. z., as amended, Act of the National Council of the Slovak Republic No. 118/1996 Z. z., as amended.

5h) E.g., Act of the National Council of the Slovak Republic No. 202/1995 Z. z., as amended, Act No. 483/2001 Z. z., as amended, Act No. 510/2002 Z. z., as amended, Act of the National Council of the Slovak Republic No. 118/1996 Z. z., as amended, Article 10, paragraph 4, letter b) of Act No. 566/2001 Z. z., Article 11a of Act No. 367/2000 Z. z. on the Protection Against Laundering of Income from Criminal Activity and on the Modification and Amendment of Certain Laws, as amended, Act No. 395/2002 Z. z. on Archives and Registrars and on the Amendment of Certain Laws.

5i) Article 3 of Act No. 428/2002 Z. z. on the Protection of Personal Data.

5j) E.g., Act No. 530/2003 Z. z. on the Corporate Register and on the Modification and Amendment of Certain Laws, Article 3a and Articles 27 to 33 of the Commercial Code, Article 2, paragraph 2 and Articles 10 and 11 of Act No. 34/2002 Z. z. on Foundations and on the Amendment of the Civil Code, as amended, Article 9, paragraphs 1 and 2 and Article 10 of Act No. 147/1997 Z. z. on Non-Investment Funds and on the Amendment of Act of the National Council of the Slovak Republic No. 207/1996 Z. z., Article 9, paragraphs 1 and 2 and Article 11 of Act No. 213/1997 Z. z. on Non-Profit Organisations Providing Generally Useful Services, as amended by Act No. 35/2002 Z. z., Articles 6, 7, 9 and 9a of Act No. 83/1990 Coll. on Association of Citizens, as amended, Article 6, paragraph 1 and Article 7 of Act of the National Council of the Slovak Republic No. 182/1993 Z. z. on Ownership of Apartments and Non-Residential Premises, as amended, Article 4, paragraph 3 of Act No. 515/2003 Z. z. on Regional Offices and District Offices and on the Modification and Amendment of Certain Laws.

5k) Article 4, paragraph 5 and Article 7, paragraph 3 of Act No. 428/2002 Z. z.

5l) Article 4, paragraph 1, letters a), b) and c), Article 7, paragraph 3, the second sentence of paragraph 5 and the second sentence of paragraph 6, Article 8, paragraph 2 and Article 10, paragraph 6 of Act No. 428/2002 Z. z.

5m) Article 2 of Act of the National Council of the Slovak Republic No. 301/1995 Z. z. on the Birth Registration Number.

5n) Article 7, paragraph 6 of Act No. 428/2002 Z. z.

5o) E.g. the first sentence of Article 6, paragraph 10 of Act No. 483/2001 Z. z.

5p) Articles 23 and 55 of Act No. 428/2002 Z. z., as amended by Act No. 602/2003 Coll.

6) E.g. Act No. 483/2001 Z. z., as amended, Act No. 510/2002 Z. z., as amended, Act of the National Council of the Slovak Republic No. 202/1995 Z. z., as amended, Act of the National Council of the Slovak Republic No. 118/1996 Z. z., as amended.

7) E.g. Act No. 96/2002 Coll. on Supervision Over the Financial Market and on the Modification and Amendment of Certain Laws, Act No. 594/2003 Coll. on Collective Investment and on the Modification and Amendment of Certain Laws, Act No. 566/2001 Z. z., as amended.

7a) Act No. 483/2001 Z. z., as amended.

7b) Articles 244 and 247 of the Civil Procedure Code. Article 113 of Act No. 483/2001 Z. z.

7c) Article 21 of the Constitution of the Slovak Republic.

7d) Article 49b of Act of the National Council of the Slovak Republic No. 303/1995 Z. z., as amended.

9) Act No. 431/2002 Z. z. on Accountancy, as amended by Act No. 562/2003 Coll.

9a) Article 91, paragraph 4 of Act No. 483/2001 Z. z., as amended.

9b) Act No. 594/2003 Coll. on Collective Investment and on the Modification and Amendment of Certain Laws.

Act No. 566/2001 Coll., as amended.

10) E.g. Articles 81 to 83 of the Labour Code.

11) Articles 451 to 459 of the Civil Code.

12) Article 50, paragraphs 7 to 9 and the first sentence of paragraph 10 and Articles 94 to 114 of Act No. 483/2001 Z. z., as amended by Act No. 603/2003 Coll.