

Regulation No. 442/2000 Coll.

law amending Law No. 6/1993 Coll., the Czech National Bank, as amended, and Act No. 166/1993 Coll., on the Supreme Audit Office, as amended regulations

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ACT

of 27 October 2000

amending Act No. 6/1993 Coll., the Czech National Bank, as amended, and Act No. 166/1993 Coll., on the Supreme Audit Office, as amended

Parliament passed the Act of the Czech Republic:

PART ONE

Amendment to the Act on the Czech National Bank

Čl. I

Law No. 6/1993 Coll., The Czech National Bank, as amended by Act No. 60/1993 Coll. and Act No. 15/1998 Coll., as follows:

First in § 1, paragraph 2, the words "legal person" the words ", which has the status of a public body".

Second in § 1, paragraph 3, including footnote 1) reads:

" **(3) The** Czech National Bank is entrusted with the powers of the administrative authority to the extent provided by this Act and special regulations. ¹⁾

¹⁾) For example, Act No. 21/1992 Coll., on Banks, as amended, Act No. 219/1995 Coll., the Foreign Exchange Act. "

Third in § 1, paragraph 4 reads:

" **(4) The** Czech National Bank shall independently and with due diligence property that has been entrusted by the State. "

4th § 2 reads:

"§ 2

(1) The main objective of the Czech National Bank is to ensure price stability. Without prejudice to its primary objective, the Czech National Bank shall support the general economic policies of the Government leading to sustainable economic growth. Czech National Bank shall act in accordance with the principle of an open market economy.

(2) In accordance with its primary objective, the Czech National Bank

a) determines monetary policy,

b) issues banknotes and coins

c) manage cash flow, payment and clearing bank, takes care of the smooth and efficient operation and contributes to the safety, reliability and efficiency of payment systems and their development,

d) supervises the activities of banks, foreign bank branches and consolidated groups, which include a bank based in the Czech Republic, and maintaining the safe and efficient functioning of the development of the banking system in the Czech Republic

e) carry out other activities under this Act and under special legislation. ¹⁾

(3) The Czech National Bank in the performance of their duties cooperation with the central banks of other countries, supervisors of banks and financial markets of other countries and international financial organizations and international organizations involved in the supervision of banks and financial markets. ".

5th In § 3, paragraph 1 reads:

" **(1)** The Czech National Bank shall submit the Chamber of Deputies at least twice a year to discuss a report on monetary developments. resolution that if the Chamber of Deputies, Czech National Bank shall submit within 30 days a special report on monetary developments. resolution in the Chamber of Deputies must be noted that the extraordinary report contain. ".

6th In § 3, after paragraph 1, the following paragraphs 2, 3 and 4, which including footnote 1) read:

" **(2)** report on monetary development by the Chamber of Deputies Governor of the Czech National Bank, which in this case is entitled to attend the meeting of the Chamber of Deputies and must be allowed to speak. ¹⁾

(3) Deputies report on monetary developments take note or to require its completion.

(4) Where necessary to house a revised report, the Czech National Bank shall within six weeks to report complies with the requirements of Deputies.

¹⁾ § 52 paragraph 2 of Act No. 90/1990 Coll., on the Rules of Procedure of the Chamber of Deputies. ".

Paragraphs 2 to 5 shall be renumbered as paragraphs 5 to 8

7th In § 5, paragraph 2, letter b) reads:

" **b)** approve the budget for the activities performed in providing the main objectives of the Czech National Bank prepares a draft operating and capital budget. "

8 In § 5, paragraph 2, letter e) reads:

" **e)** exercise the rights and obligations arising from labor relations to employees of the Czech National Bank. these acts may delegate to other members of staff. "

9th In § 5, paragraph 2, letter f) is deleted.

The existing letter g) is renumbered as paragraph f).

10th § 6 reads:

"§ 6

(1) The Board shall consist of seven. Its members are the Governor of the Czech National Bank, 2 Governors of the Czech National Bank and the other four members of the Bank Board of the Czech National Bank.

(2) The Governor, Vice-Governors and other members are appointed and dismissed by the President of the Republic.

(3) The Governor, Vice-Governors and other members of the board proposed by the government.

(4) No person shall act as a member of the board more than twice.

(5) Members of the Board are appointed for a period of six years.

(6) Membership of the Bank Board is incompatible with the duties of Members of the Legislative Assembly, Cabinet member and membership management, supervisory and control bodies of other banks and businesses and self-employment.

(7) Member of the board may be a citizen of the Czech Republic, which

a) it has full legal capacity,

b) has completed a university education,

c) is blameless and meets the conditions laid down by special legislation,

d) in monetary or banking matters recognized and experienced personalities.

(8) blameless for the purposes of this Act, a natural person who has not been convicted of a criminal offense.

(9) Members of the Board are employees of the Czech National Bank.

(10) Members of the Board shall not hold any other paid office or engage in any gainful activity, except for administration of their own property and scientific, literary, journalistic, artistic and pedagogical. In these activities, and in non-commercial activities members are required to ensure that no conflicts of interest or the use of information acquired in the performance of a member of the board. The provisions of § 2, paragraph 3 is not affected.

(11) The office of a member of the Board ends

a) the expiration of his term of office,

b) the day immediately following the day of receipt of the written dismissal or written notice of resignation or a later date given in the notice of appeal or resignation.

(12) The President of the Republic shall recall a board member

a) in violation of paragraph 6 or paragraph 7, letter. c)

b) the date of coming into force of the judgment which has been deprived of legal capacity or limiting legal capacity is limited.

(13) The President may remove a member of the Board if he fails to serve for a period longer than six months. ".

11th in the heading of the third at the end the words "and other bodies."

12th § 9 reads:

"§ 9

(1) The Czech National Bank and the Bank Board in the performance of their tasks independently of government instructions of the President, Parliament, other administrative authorities or bodies of local self-government.

(2) Matters relating to the determination of the exchange rate regime and inflation targets Czech National Bank shall consult with the Government and its demand has presented reports on these matters. ".

13th § 11 reads:

"§ 11

(1) The Minister of Finance or other designated member of the Government is authorized to participate in an advisory board meeting and may submit proposals for consideration.

(2) The Governor of the Czech National Bank or its designated Vice-Governor is authorized to participate in an advisory meeting of the government. ".

14th In the first part of § 22, the words "law" is replaced by "regulations".

15th In § 23, paragraphs 2 and 3 and footnote 2) is deleted as well as the denomination of paragraph 1

16. § 24 zní:

"§ 24

Czech National Bank provides

a) measures promulgated in the Journal of the Czech National Bank's prudential rules for banks,

b) Decree prudential rules for other money market and the conditions under which they can be traded on the money market. ".

17th in § 25 paragraph 1, the bracket comma is replaced by a dot and the words "that are usually remunerated." are repealed.

18th in § 25 paragraph 2, the word "banks" comma is replaced by a dot and the words "except as provided in paragraph 3" are repealed.

19th in § 25 paragraph 3 is deleted.

20th in § 26 paragraph 1, the words "up to three times" are replaced by "twice".

21st In § 29 the end of paragraph 2, the following sentence: "In granting this loan Czech National Bank shall require adequate collateral."

22nd § 30 reads:

"§ 30

(1) The Czech National Bank maintains accounts under the law on budgetary rules and amending certain related laws.

(2) The Czech National Bank may provide repayable funds or other financial support to Czech Republic or its authorities, local government units, public entities and legal entities under the control of the state, the unitary authority or public body, with the exception of banks, or buying bonds from these entities, when those entities of their issuers. Similarly, these entities must carry trades, in consequence of which would give rise to a Czech National Bank against such entities. ".

23. § 32 zní:

"§ 32

Czech National Bank may regulate the money market to buy and sell securities, unless the law provides otherwise. ".

24th in § 34 paragraph 1, the words "Czech National Bank may", the words "subject to the conditions in the banking sector."

25th In § 34, the end of paragraph 1, the following sentence: "The list of these legal entities published by the Czech National Bank in the annual financial report."

26th In § 35 the following point a), which reads:

" a) the agreement with the government sets the inflation target and exchange rate regime Czech currency to foreign currencies. "

The existing letters a) to c) are referred to as letters b) to d).

27th In § 36 letter b) is deleted.

The existing letters c) to e) are referred to as letters b) to d).

28 In § 36 letter b) reads:

" **b)** a decree conditions for trade in gold and other foreign currencies and the conditions for the exercise of exchange activities conducted by banks and other entities under special legislation, ⁵⁾ . "

29th In § 38 the following paragraph 1, which reads:

" **(1) The** Czech National Bank is authorized to operate interbank payments. ".

The existing text is renumbered 2

30th In § 38, paragraph 2, the words "law" is replaced by "decree".

31st in § 41 paragraph 2, including footnotes 8) and 9) reads:

" **(2) The** Czech National Bank requires to undertake its tasks necessary information and documents from

a) banks and branches of foreign banks,

b) other persons who are financial institutions ⁸⁾ or in which the bank has a qualifying holding ⁹⁾ or that have the information necessary for the compilation of balance of payments Czech Republic.

⁸⁾) § 17a, paragraph 3 of Law No. 21/1992 Coll., as amended by Act No. 16/1998 Coll.

⁹⁾) § 17a, paragraph 4 of Law No. 21/1992 Coll., as amended by Act No. 16/1998 Coll. ".

32 In § 41, paragraphs 3-5 are added:

" **(3) The** Czech National Bank shall issue a decree circle of other persons referred to in paragraph 2. b) and the content, form, timing and presentation of their information and documents required. Czech National Bank provides a provision promulgated in the Bulletin of the Czech National Bank the content, form , timing and presentation of information and documents required by banks and branches of foreign banks and binding methodology for compiling and organizational and communication conditions for the transmission of all information and documents.

(4) If the submitted information and documents do not set the rules referred to in paragraph 3, or if there are reasonable doubts as to their accuracy or completeness, the Czech National Bank may request relevant details or explanations. If a bank, a branch of a foreign bank or other person referred to in paragraph 2. b) the information and documents or fails to submit the following information and documents are frequently incomplete or incorrect, the Czech National Bank pursuant to a special legal regulation ⁴⁾ to banks and branches of foreign banks and to other persons included in the consolidation of the case, if it is a duty these people provide information for the purposes of supervision on a consolidated basis to other persons pursuant to § 46

(5) The Czech National Bank shall issue a decree conditions for labeling purpose of the payments necessary for the compilation of balance of payments Czech Republic. ".

33 Name of the ninth reads: "Supervision".

34 § 44, including footnote 9) reads:

"§ 44

(1) The Czech National Bank shall exercise supervision over

a) the activities of banks, foreign bank branches and consolidated groups, which include a bank based in the Czech Republic, and the sound operation of the banking system (banking supervision) in accordance with § 2, paragraph 2. d)

b) activities of persons other than banks, which are authorized by specific legislation, ⁵⁾

c) safe, reliable and efficient operation of payment systems.

(2) Supervision includes

a) assessing applications for licenses and permits pursuant to special legislation, ^{9a)}

b) supervision of compliance with the conditions stipulated in licenses and permits;

c) monitoring compliance with the law, if it is to control the Czech National Bank under this Act or special legislation ¹⁾ , and inspection of compliance with regulations and provisions issued by the Czech National Bank

d) imposition of remedial measures and penalties for deficiencies under this Act or under specific legislation. ⁴⁾

⁹⁾) For example, Act No. 21/1992 Coll., as amended, Act No. 219/1995 Coll., Act No. 455/1991 Coll., as amended. "

35 In § 45 the word "bank" is deleted.

36 In § 46 paragraph 3 letter b) reads:

" **b)** persons who violated the obligations arising from § 41 paragraph 2-4, ".

37. § 47 zní:

"§ 47

(1) The budget, which covers the activities undertaken in the provision of the main objectives of the Czech National Bank, approved by the Bank Board.

(2) In the operating and capital expenditure managed by the Czech National Bank budget approved by the Chamber of Deputies. The proposal of this budget compiles Board of the Czech National Bank and submit it to the President of the Chamber of Deputies at the latest three months before the beginning of the financial year.

(3) The refusal of the Chamber of Deputies a draft budget of the Czech National Bank, the Board shall within six weeks to submit a proposal to the amendments as requested by the Chamber of Deputies.

(4) If the Chamber of Deputies expressed agreement with the Czech National Bank's budget for the financial year before the first day of the financial year, the budget management since the first day of the financial year to the date of approval of the budget for this financial year, the volume of revenues and expenditures Czech National Bank approved for the previous financial year.

(5) The Czech National Bank from its income to cover necessary costs of its operations. The profit is used to replenish the reserve fund and other funds created from profit and for other purposes in the budgeted amount. The remaining profit to the state budget.

(6) The annual report on the results of its operations, the Czech National Bank shall, not later than three months after the end of the calendar year to the Chamber of Deputies.

(7) The Chamber of Deputies of the financial report of the Czech National Bank

a) approve,

b) take note, or

c) refuse.

(8) The refusal of the Chamber of Deputies financial report of the Czech National Bank, Czech National Bank shall within six weeks to submit a revised report as required by the Chamber of Deputies. ".

38 In § 48 paragraph 1 and 2, including footnote No. 12a) read as follows:

" **(1) The** Czech National Bank shall keep accounts in accordance with law. ^{12a)}

(2) The financial statements Czech National Bank shall be audited by one or more auditors, who are appointed by agreement between the Board with the Minister of Finance.

^{12a)}) Act No. 563/1991 Coll., on accounting, as amended. ".

39 In § 48, after paragraph 2, the following paragraph 3 is added:

" **(3)** When the annual accounts are approved and audited, the Board shall transmit it to the Chamber of Deputies and the public. ".

Paragraphs 3 and 4 shall become paragraphs 4 and 5

40 Under § 49, the following new § 49a, which including footnote No. 24) and 25) reads:

"§ 49a

Salaries, benefits and allowances

(1) The Governor of the Czech National Bank is entitled to a salary, additional salary, reimbursement of expenses, benefits in kind and severance as prime minister under a special law.

(2) The Governor of the Czech National Bank is entitled to a salary, additional salary, reimbursement of expenses, benefits in kind and severance as Deputy Prime Minister under special legislation.

(3) Other members of the Bank Board of the Czech National Bank shall be entitled to a salary, additional salary, reimbursement of expenses, benefits in kind and severance as a cabinet minister under special legislation. ²⁴⁾

(4) Salaries of other servants of the Czech National Bank provides banking advice with regard to salary ratios employees of state government, ²⁵⁾ if it is carried on mutually comparable.

²⁴⁾) Act No. 236/1995 Coll., the salary and other terms associated with the position of representatives of state power and some state agencies and the judiciary, as amended.

²⁵⁾) Act No. 143/1992 Coll., on salaries and remuneration for work readiness in budgetary and certain other organizations and bodies, as amended. ".