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# LAW ON THE BANK OF SLOVENIA

**June 25, 1991**



## GENERAL PROVISIONS

### **Article 1**

Bank of Slovenia is the central bank of the Republic of Slovenia.  
The Republic of Slovenia guarantees for the obligations of the Bank of Slovenia.

### **Article 2**

Bank of Slovenia shall take care of the stability of domestic currency and of general liquidity of payments within the country and with foreign countries. The Bank of Slovenia shall be independent in carrying out its tasks and powers pursuant to this and other laws.

### **Article 3**

Bank of Slovenia is free to give incentives for adoption of laws and to propose other regulations pertaining to the monetary and foreign exchange systems

### **Article 4**

Bank of Slovenia shall, upon request, but at least once every six months, present a report on its operation to the Parliament of the Republic of Slovenia.

### **Article 5**

In order to fulfil its tasks pursuant to Article 2 the Bank of Slovenia shall:

- regulate the quantity of money in circulation;
- provide for general liquidity of banks and savings banks;
- provide for general liquidity in settlement of payments with foreign countries;
- supervise banks and savings banks;

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- issue bank notes and put those and coins in circulation;
  - lay down operational regulations for implementation of deposit insurance scheme;
  - lay down, establish and maintain the properly functioning information system;
  - perform transactions for the account of the Republic of Slovenia in compliance with law;
  - perform other functions as defined by this and other laws.

### **Article 6**

Bank of Slovenia may, for the purpose of its operation or as a representative of the Republic of Slovenia, become member of international and domestic financial institutions or cooperate with them.

Prior consent of the Parliament of the Republic of Slovenia is required for any participation of the Bank of Slovenia in equity of foreign financial institutions or for procurement of resources for its participation.

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## II.

# ORGANISATIONAL STRUCTURE OF THE BANK OF SLOVENIA

### **Article 7**

Bank of Slovenia is a legal person. It has its seat in Ljubljana.

### **Article 8**

Bank of Slovenia shall have its statute. The Statute of the Bank of Slovenia as adopted by the Governing Board is subject to approval of the Parliament of the Republic of Slovenia.

The Statute shall determine the organisation and operation of the Bank of Slovenia.

The Statute shall specify the tasks to be performed by the officials granted special authority, as well as the procedure for their appointment and the tenure of their office.

The appointment of the officials from the previous paragraph shall be subject to proposal of the Governor and approval of the Governing Board.

### **Article 9**

Bank of Slovenia shall have its seal bearing the name “Bank of Slovenia” and the coat of arms of the Republic of Slovenia.

### **Article 10**

The Statute shall define the rights, obligations and responsibilities of the staff of the Bank of Slovenia.

The rights, obligations and responsibilities of the Governor, the Deputy Governor, the Vice Governors and of the officials with special authority as defined in Article 8 of this law, deriving from their appointment, shall be determined by the Governing Board in compliance with this and other laws.



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### III.

## THE GOVERNING BODIES OF THE BANK OF SLOVENIA

#### **Article 11**

Governing Board of the Bank of Slovenia and the Governor of the Bank of Slovenia shall be the governing bodies of the Bank of Slovenia.

#### **Article 12**

Governing Board of the Bank of Slovenia shall consist of 11 members, six of them independent experts, the Governor, the Deputy Governor and three Vice Governors.

#### **Article 13**

The independent experts - members of the Governing Board shall be appointed by the Parliament of the Republic of Slovenia upon proposal of the Presidency of the Republic of Slovenia for a term of six years.

The above members of the Governing Board shall not be staff of or contractually bound to any organisation supervised by the Bank of Slovenia, they shall not be members of the Board of management of any association under control of the Bank of Slovenia, and shall not be elected or appointed public officials.

#### **Article 14**

Governor shall be appointed by the Parliament of the Republic of Slovenia upon proposal of the Presidency of the Republic of Slovenia for a term of six years.

#### **Article 15**

Bank of Slovenia shall have a Deputy Governor and three Vice Governors.

The Statute of the Bank of Slovenia shall specify which matters out of his field of activity the Governor may assign to his Deputy and to the Vice Governors.

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Deputy Governor and the Vice Governors shall be appointed by the Parliament of the Republic of Slovenia upon proposal of the Governor for a term of six years.

#### **Article 16**

Governor of the Bank of Slovenia and the Governing Board of the Bank of Slovenia shall be responsible to the Parliament of the Republic of Slovenia for the realisation of tasks of the Bank of Slovenia.

Members of the Governing Board and the staff of the Bank of Slovenia shall be obliged to keep any business secret deriving from the relationship between the Bank of Slovenia and third parties or is determined by special regulations respectively.

#### **Article 17**

Governor of the Bank of Slovenia shall be the Chairman of the Governing Board.

#### **Article 18**

Governor of the Bank of Slovenia shall organise and head the operation of the Bank of Slovenia.

#### **Article 19**

Governor of the Bank of Slovenia shall represent the Bank of Slovenia.

Governor of the Bank of Slovenia shall issue decrees and other general acts concerning the area of operation of the Bank of Slovenia that, pursuant to this law, are not within the scope of authority of the Governing Board.

#### **Article 20**

In exercising its authority, the Governing Board of the Bank of Slovenia shall take decisions on the monetary policy and adopt measures for its implementation.

In managing the matters of the Bank of Slovenia, the Governing Board shall adopt decisions and measures, and decide on other issues specified by this law and the Statute of the Bank of Slovenia.

The Governing Board shall take decisions on matters within the scope of its authority in sessions.



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Governor of the Bank of Slovenia shall be responsible for implementation of the decisions adopted by the Governing Board.

#### **Article 21**

The decisions of the Governing Board of the Bank of Slovenia on matters concerning the Bank of Slovenia shall be taken with a two-third majority of votes of all its members.

Should the Governing Board fail to reach an agreement and the Governor, on the other hand, will be of opinion that due to this fact he cannot carry out the tasks and responsibilities deriving from Article 2 of this law, he shall act pursuant to his scope of authority and shall notify the Parliament of the Republic of Slovenia accordingly.

The Parliament of the Republic of Slovenia shall take the final decision on any such issues in dispute.

#### **Article 22**

The decisions adopted by the Governing Board shall be published in the Official Gazette of the Republic of Slovenia.

Governing Board shall adopt its own rules of procedure.

#### **Article 23**

Governor of the Bank of Slovenia may issue instructions for the uniform implementation of Governing Board regulations, decisions and measures from the second paragraph of Article 20 of this law.

#### **Article 24**

Governor of the Bank of Slovenia may withhold the implementation of a decision or a general act adopted by the Governing Board and shall notify the Parliament of the Republic of Slovenia within two working days accordingly.



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## IV.

# OPERATION OF THE BANK OF SLOVENIA

### 1. Regulation of quantity of money in circulation

#### Article 25

In order to regulate the quantity of money in circulation the Bank of Slovenia shall:

1. purchase and sell foreign exchange;
2. purchase and sell government securities;
3. purchase and sell domestic securities and foreign transferable short-term securities respectively;
4. issue and purchase its own bills;
5. grant short-term loans to banks and savings banks against domestic and foreign transferable short-term securities;
6. grant loans to banks with a repayment term of up to three months against securities and short-term bills;
7. determine the amount of minimum reserves for banks and savings banks with the Bank of Slovenia;
8. set the general Bank of Slovenia discount rate, as well as the active and passive interest rates of the Bank of Slovenia.

#### Article 26

Bank of Slovenia shall issue money and withdraw it from circulation by purchasing and selling foreign exchange in compliance with this and other laws.

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### **Article 27**

Bank of Slovenia shall lay down the conditions for and the manner of purchase and sale of government securities.

### **Article 28**

Bank of Slovenia shall determine the type, amount, term and any other conditions for purchase and sale of domestic and foreign transferable short-term securities to be purchased from and sold to banks and savings banks directly or in the money market.

### **Article 29**

Bank of Slovenia shall specify the volume, term and other conditions for the issue, subscription and redemption of its bills.

Bank of Slovenia bills may be subscribed by banks and savings banks.

### **Article 30**

Bank of Slovenia shall specify the amount, the utilisation and repayment term, and any other conditions for short-term loans granted to banks and savings banks:

1. on the basis of domestic and foreign transferable securities guaranteed by banks and due in one year;
2. against securities due in one year, pledged and against Bank of Slovenia bills.

Bank of Slovenia shall determine which securities shall be eligible for loans pursuant to this Article.

### **Article 31**

Bank of Slovenia shall determine the volume of obligatory reserves for banks and savings banks by prescribing a certain percentage of deposits and other liabilities.

The Bank of Slovenia can specify different percentage depending on type,

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maturity and size of deposits and other liabilities of banks and savings banks, and can specify which deposits and other liabilities are exempt from the obligatory reserves requirement.

The Bank of Slovenia shall pay interest on the obligatory reserves and shall determine penalty for any failure in compliance with the obligatory reserves requirement and utilisation of the obligatory reserves.

#### **Article 32**

Bank of Slovenia shall specify the manner of and the due dates for the computation, fulfilment of the requirement and utilisation of the obligatory reserves.

#### **Article 33**

Bank of Slovenia shall determine the general discount rate of the Bank of Slovenia.

Depending on the level of the general discount rate, the Bank of Slovenia shall determine the interest rates for loans and other claims of the Bank of Slovenia, as well as the interest rates on deposits and other liabilities of the Bank of Slovenia.

## **2. Providing for general liquidity of banks and savings banks**

#### **Article 34**

The Bank of Slovenia shall provide for general liquidity of banks and savings banks and shall:

1. prescribe obligatory framework of term structure of assets of banks and savings banks;
2. prescribe the utilisation of obligatory reserves;

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3. determine the framework for guarantees and securities issue for banks and savings banks;
  4. lay down the conditions for savings banks to establish special reserves to ensure their liquidity in payments pertaining to household deposits;
  5. set the amount, the term for utilisation and repayment, and other conditions for granting short-term loans against certain securities to banks with the purpose of ensuring their liquidity during the day;
  6. lay down the minimum general conditions for the creditworthiness of banks and savings banks;
  7. state the date as of which a bank or a savings bank is considered illiquid.

Bank of Slovenia shall determine which of the measures from this article are to be implemented in case of savings banks and under what conditions.

### **Article 35**

Bank of Slovenia can also prescribe the obligation for banks and savings banks to keep the structure of their assets by maturity within certain limits and to balance this with the maturity structure of liabilities.

### **Article 36**

Bank of Slovenia shall determine the amount, the term for utilisation and repayment and other conditions for short-term loans granted to banks and savings banks in order to ensure their intra-day liquidity.

Loans from in the preceding paragraph shall be granted by the Bank of Slovenia against the following securities:

1. Bank of Slovenia bills;
2. Government securities;
3. Bonds which the Republic is obliged to redeem pursuant to a law or which it guarantees for;

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4. Discounted bills of exchange of companies;
  5. Treasury bills of banks and other issuers;
  6. Commercial paper.

### **Article 37**

The agency authorised for handling of payments shall notify the Bank of Slovenia about the state of liquidity of banks and savings banks on daily basis.

### **Article 38**

A bank or savings bank is illiquid if it has not met its due obligations within the country and abroad, or has another natural or legal person or a socially political entity, on the basis of guarantee, met them for its account.

An illiquid bank or savings bank shall not execute any payments to the debit of its giro account, grant any loans, open any letters of credit nor issue any guarantees.

The agency authorised for handling of payments shall not execute any payment orders of an illiquid bank or savings bank.

Irrespective of the second and the third paragraphs of this Article, an illiquid bank or savings bank may only pay out the amounts for which it has realised the deposit insurance scheme or guarantee in accordance with this and laws.

Bank of Slovenia shall lay down more precise criteria for determination illiquidity of banks and savings banks.

### **Article 39**

The agency authorised for handling of payments shall immediately provide the Bank of Slovenia with the data on the basis of which illiquidity of a bank or a savings bank can be stated, and which it disposes of within its scope of authority.

Upon receipt of such notification from the preceding paragraph, the Bank of Slovenia shall immediately take measures in compliance with its scope of authority.

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### **3. Providing for general liquidity in payments to foreign countries**

#### **Article 40**

In order to provide for general liquidity of banks in payments to foreign countries, the Bank of Slovenia shall take decisions and prescribe measures in compliance with this and other laws. It will implement these measures independently within the framework of its rights its obligations.

#### **Article 41**

Bank of Slovenia may open accounts abroad.

Bank of Slovenia shall manage the foreign exchange reserves of the Republic of Slovenia, except for the portion held by the authorised banks.

Bank of Slovenia shall control the management of the portion the foreign exchange reserves held by the authorised banks.

#### **Article 42**

By opening clearing accounts, the Bank of Slovenia shall facilitate settlement of payments pertaining to bilateral trade arrangements with certain countries based on special law and other regulations.

#### **Article 43**

In order to meet its own obligations in foreign exchange based upon this and other laws and other regulations, the Republic of Slovenia shall adopt measures to be executed by banks.

Bank of Slovenia shall supervise the implementation of measures from the preceding paragraph.



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#### **Article 44**

In order to regulate the general liquidity of banks in payments to foreign countries, the Bank of Slovenia can oblige banks to hold a certain amount of foreign exchange or other liquid foreign exchange assets as minimum reserve for regulation of liquidity in payments abroad.

#### **Article 45**

Bank of Slovenia can sell and purchase the currency of the Republic of Slovenia abroad.

#### **Article 46**

Bank of Slovenia shall purchase and sell gold and other precious metals.

Bank of Slovenia may export and transport monetary gold to foreign countries and may import and bring it into the country in minted or in unprocessed form.

#### **Article 47**

Bank of Slovenia shall adopt measures to ensure compliance of the structure and utilisation of foreign loans with the monetary conditions, and shall keep evidence of and control over credit relations with foreign countries in accordance with this and other laws.

#### **Article 48**

Bank of Slovenia may raise short-term loans abroad based upon a decision adopted by the Governing Board.

Bank of Slovenia may raise long-term loans abroad in its own name and for the account of the Republic based upon law only.

#### **Article 49**

Bank of Slovenia shall conduct all the operations for the Republic of Slovenia pertaining to raising and repayment of foreign loans, unless otherwise stipulated for individual loans by a special regulation or loan agreement.

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## **4. Supervision of banks and savings banks**

### **Article 50**

Bank of Slovenia shall supervise the implementation of measures that it is authorised to adopt by this and other law, as well as regulations concerning operation of banks and savings banks, foreign exchange operations and credit relations with foreign countries, foreign trade in goods and services, and performance of economic activities abroad by supervising banks and savings banks.

Detailed conditions and manner of supervision, the type, frequency and the sequence of supervision shall be prescribed by the Bank of Slovenia.

### **Article 51**

In its supervisory function under Article 50 of this law, the Bank of Slovenia has the right to examine books and other documentation of banks and savings banks.

Upon request of the Bank of Slovenia banks and savings banks are obliged to provide the information needed for supervision pursuant to Article 50 of this law.

Bank of Slovenia shall also conduct supervision pursuant to Article 50 of this law by examining reports and other documentation received from banks and savings banks, as well as by examining the data and other information at its disposal, related to the implementation of regulations in banks and savings banks.

### **Article 52**

Should the examination pursuant to first paragraph of Article 50 of this law show, that a bank or a savings bank has acted adverse to measures and regulations contained in the above mentioned Article, the Bank of Slovenia shall take measures against such a bank or savings bank and against the management of such a bank or savings bank accordingly.

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### **Article 53**

Measures taken pursuant to Article 52 against a bank or savings bank shall be the following:

1. suspension of right to purchase securities pursuant to Articles 28 and 29 and of loans pursuant to Articles 30 and 36 of this law for a period of 10 to 30 days;
2. limitation of asset growth for a period of 30 to 60 days;
3. suspension of payments to foreign countries for a period of 10 to 60 days, except for payments due under foreign loans, letters of credit and contractual obligations;
4. limitation of contracting foreign loans for a period of 30 to 60 days;
5. proposal to the competent bodies of a bank or a savings bank to dismiss or discharge their official;
6. other measures specified by law.

The measures taken pursuant to this Article and their duration shall be disclosed by means of a decree issued by the Governor of the Bank of Slovenia, which is considered final in the administrative proceedings.

### **Article 54**

If the measures taken against a bank or a savings bank do not ensure lawful operation within the periods specified in Article 53 of this law, the Bank of Slovenia shall assert all its claims against such a bank or savings bank.

Should on the occasion of an examination any proceedings or actions taken by a bank or savings bank be found which by law are considered criminal offense, the Governor of the Bank of Slovenia or a person authorised by the Governor, shall notify the institution in charge accordingly.

Bank of Slovenia shall inform the Parliament of the Republic of Slovenia of the inspections performed and any measures taken on a semi-annual basis.

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### **Article 55**

Bank of Slovenia shall find out whether the conditions for establishment of a bank and a subsidiary of a foreign bank respectively as prescribed by law have been fulfilled, and shall issue a full or a limited operating licence accordingly.

Bank of Slovenia shall also find out whether the conditions for the operation of a savings bank as prescribed by law have been fulfilled, and shall issue its operating licence accordingly.

### **Article 56**

Bank of Slovenia shall control whether banks and savings banks fulfil the prescribed conditions for their operation, it shall examine the operation of banks and savings banks and shall take measures to eliminate any irregularities identified.

Detailed conditions for and procedures of examination from the preceding paragraph, as well as procedures for any measures to be taken shall be prescribed by the Bank of Slovenia.

### **Article 57**

On the basis of the findings of examination pursuant to Article 56 of this law, the Bank of Slovenia can require that banks and savings banks:

1. increase the equity, reserve funds and extraordinary reserves;
2. close certain subsidiaries and representative offices;
3. temporarily suspend financing of certain shareholders and clients of the bank and savings bank respectively;
4. suspend credit activities for a certain period of time;
5. write off claims given the conditions as specified by law are met;
6. suspend computation and capitalisation of interest for loans and other assets with doubtful collectibility;
7. dismiss certain officials;
8. hold back the distribution and payout of profit of the bank or savings bank;

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9. eliminate any other irregularities by carrying out or suspending certain activities.

The request from the preceding paragraph shall be made to a bank or savings bank in written form and shall furthermore specify the term for its implementation.

In case a bank or a savings bank refuses to execute the request of the Bank of Slovenia within the due term from the preceding paragraph, the Governor of the Bank of Slovenia shall issue a decree, determining specified activities to be conducted by the bank or savings bank, as enumerated in the first paragraph of this Article. The decree shall have the due date for implementation specified.

The decree from the preceding paragraph shall be final in the administrative proceedings.

#### **Article 58**

In case the Bank of Slovenia shall, on the basis of the results of examination, come to the conclusion that any further operation of a bank or a savings bank might make its financial standing worse and might endanger its financial recovery, it can issue a decree whereby the entire activities of the bank or savings bank, with the exception of payments under realised deposit insurance scheme and guarantees, shall be suspended for a maximum of 15 days, and shall designate a member of Bank of Slovenia staff with special authority to supervise the implementation of this decree.

The decree from the preceding paragraph shall also specify cases when the member Bank of Slovenia staff with special authority may issue orders to an employee of a bank or savings bank.

#### **Article 59**

Bank of Slovenia shall prescribe the minimum volume, the form and contents of audit and the report of the auditors.

Bank of Slovenia can require that banks and savings banks have the audit report on their annual financial statements and operation prepared and deliver it to the Bank on a due date.

In case the Bank of Slovenia assesses that the report from the preceding paragraph does not comply with the prescribed auditing standards or with the volume, form and contents prescribed for the audit report on banks and savings banks, it can require that a new audit report be prepared by another authorised auditor in compliance with law.

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## **5. Transactions for the Republic of Slovenia**

### **Article 60**

The budget funds of the Republic of Slovenia shall be deposited with the Bank of Slovenia and shall be an integral part of the liabilities of the Bank of Slovenia.

Bank of Slovenia shall also conduct other transactions for the account of the Republic of Slovenia as specified by law.

All transactions performed for the account of the Republic of Slovenia by the Bank of Slovenia, shall be subject to approval and control of the Governing Board of the Bank of Slovenia and shall be shown in a separate statement of account of the Bank of Slovenia.

### **Article 61**

Bank of Slovenia may grant short-terms loans to the Republic of Slovenia only to bridge any term mismatch between revenues and expenditures of the budget of the republic. The repayment of any such loans shall be due before the end of the current fiscal year at the latest.

Bank of Slovenia shall notify the Parliament of the Republic of Slovenia of any short-term loan pursuant to the preceding paragraph accordingly.

The level of any such loan pursuant to the first paragraph of this Article shall not exceed 5 % of the budget of the Republic of Slovenia for the current year and 1/5 of the total anticipated budget deficit respectively.

### **Article 62**

Bank of Slovenia shall determine the details of procedure for performance of transactions for the Republic of Slovenia.

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## **6. Information system of the Bank of Slovenia**

### **Article 63**

The Bank of Slovenia, banks and savings banks shall record, compile, process and show on the books data and information concerning their current activities and special tasks of the Bank of Slovenia, in particular those on:

1. money and credit flows;
2. economic relations with foreign countries.

Banks and savings banks shall deliver the data from the preceding paragraph in accordance with instructions issued by the Bank of Slovenia.

### **Article 64**

Bank of Slovenia and the Ministry of Finance of the Republic are obliged to exchange data and any information relevant for proper functioning of the monetary and the banking system.

### **Article 65**

The method for and extent of recording, compilation, processing, posting and delivery of the data and information necessary for the implementation of this law shall be prescribed by the Bank of Slovenia.

### **Article 66**

Bank of Slovenia shall, in order to keep record of any claims and liabilities towards foreign countries not yet redeemed respectively paid, compile data on the export and import agreements concluded by companies, on their realisation and on any and all related payments.

Bank of Slovenia shall prescribe the method for compilation of the data from the preceding paragraph.

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## **7. Rules of procedure**

### **Article 67**

When taking decisions on rights and obligations of legal persons, the Bank of Slovenia shall proceed in accordance with the Law on General Administrative Procedure, unless otherwise determined by this or another law.



## BANK OF ISSUE

### Article 68

The unit of currency of the Republic of Slovenia shall be determined by a special law.<sup>1</sup>

### Article 69

Bank of Slovenia shall issue banknotes and shall determine their denomination and their main characteristics.

Republic of Slovenia shall issue coins and shall determine their denomination and their main characteristics.

Bank notes and coins shall be put in and withdrawn from circulation pursuant to decision by the Bank of Slovenia.

Memorial coins shall be issued pursuant to a separate law.

### Article 70

Bank notes and coins denominated in the currency of the Republic of Slovenia shall be the only legal tender in the Republic of Slovenia.

### Article 71

All obligations and rights and all transactions denominated in money and concluded in the Republic of Slovenia between companies, banks, other domestic legal persons and citizens, and between citizens and foreign persons, shall be expressed in the currency of the Republic of Slovenia and shall be executed by means of payment, denominated in the currency of the Republic of Slovenia, unless otherwise stipulated by law.

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<sup>1</sup>\* The Law on Unit of Currency of the Republic of Slovenia, Official Gazette of the Republic of Slovenia No. 17 of October 8, 1991.

quote Article 1: The currency of the Republic of Slovenia is the Tolar. One Tolar equals 100 Stotin. unquote

The currency code assigned by the ISO is SIT.

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#### **Article 72**

Bank of Slovenia shall organise the distribution of bank notes and coins on the territory of the Republic of Slovenia.

#### **Article 73**

The smallest denomination in circulation for final settlement of cash and non cash payments and in books and records shall be determined by the Bank of Slovenia.

#### **Article 74**

Any bank notes and coins withdrawn from circulation shall cease to be legal tender and shall be replaced within the time and in the manner as determined by the Bank of Slovenia.

#### **Article 75**

Bank of Slovenia shall replace bank notes and coins that have become inappropriate for circulation, especially: worn-out bank notes in their full value, damaged bank notes and coins under the conditions at its discretion.

#### **Article 76**

The bank notes issued by the Bank of Slovenia and coins may be produced by specialised organisations in the Republic of Slovenia or abroad.

Bank of Slovenia shall give expert opinion on the genuineness of bank notes and coins.

## INCOME, EXPENDITURE AND FUNDS OF THE BANK OF SLOVENIA

### **Article 77**

Bank of Slovenia shall earn its income from:

1. interest and other income on assets, deposited abroad;
2. interest on loans, granted directly;
3. net foreign exchange gains;
4. remuneration for services rendered;
5. purchase and sale of securities;
6. interest on central bank credits;
7. income pursuant to special laws;
8. other income deriving from its operation.

### **Article 78**

The income earned by the Bank of Slovenia pursuant to Article 77 of this law shall be used to settle:

1. interest and other expenses on foreign loans;
2. interest on deposits with the Bank of Slovenia;
3. interest and other expenses on securities;
4. expenses of foreign exchange operations;
5. net foreign exchange losses;
6. expenses pursuant to special laws;

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7. bank note printing costs;
  8. administration and depreciation costs;
  9. Bank of Slovenia staff costs;
  10. other operating expenses of the Bank of Slovenia.

The net income of the Bank of Slovenia earned pursuant to Article 77 of this law may also be allocated to:

1. fixed assets,
2. special reserve funds.

#### **Article 79**

The net foreign exchange gains pursuant to point 3 of Article 77 of this law, shall be allocated to a special reserve fund of the Bank of Slovenia kept on a special sub-account and shall only be used to offset any foreign exchange losses.

The allocation of income pursuant to point 6 of the first paragraph of Article 78 of this law shall be equal to the income earned pursuant to point 7 of the first paragraph of Article 77 of this law.

#### **Article 80**

Bank of Slovenia shall lay down the tariff for the remuneration of services rendered.

#### **Article 81**

The expenses of the Bank of Slovenia, incurred in connection with the operations conducted for the account of the Republic, shall be covered from the budget of the same pursuant to a respective agreement.

#### **Article 82**

The Financial Plan and the Annual Financial Statements shall be adopted by the Governing Board of the Bank of Slovenia and shall be subject to approval by the Parliament of the Republic of Slovenia.

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The Annual Financial Statements of the Bank of Slovenia shall be audited by an authorised auditor.

The Governing Board of the Bank of Slovenia shall adopt the Annual Financial Statements for the previous year before June 30 of each current year. Until the Financial Plan of the Bank of Slovenia has been adopted, the financing of the Bank of Slovenia shall be conducted in accordance with the decision on temporary financing as adopted by the Governing Board.

### **Article 83**

The net income the Bank of Slovenia, after the allocations made pursuant to paragraph 2 of Article 78 and paragraph 1 of Article 79 of this law, shall be revenue of the budget of the Republic.

A deficit of the Bank of Slovenia shall be covered from the special reserves fund of the Bank of Slovenia; if these funds prove insufficient, the deficit shall be covered from the budget of the Republic.

### **Article 84**

Acquisition of tangible assets and rights constituting the fixed assets of the Bank of Slovenia shall be carried out in the framework of funds of the Bank of Slovenia available.

Requirements for acquisition of fixed assets shall be projected in the Bank of Slovenia's financial plan, and stated in the Bank of Slovenia's Annual Financial Statements.

### **Article 85**

Special reserves shall be established in recognition of risks inherent in the discharge of the Bank of Slovenia's responsibilities.

Extraordinary reserves shall be established by allocation of an amount of net income as determined by the Governing Board. The Governing Board shall take decisions on the utilisation of the extraordinary reserves.



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## VII.

# CONTROL OVER BANK OF SLOVENIA

### **Article 86**

The operation of the Bank of Slovenia shall be subject to control by the Parliament of the Republic of Slovenia.

The manner of control over operation of the Bank of Slovenia shall be prescribed by the Parliament of the Republic of Slovenia.





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## VIII.

# PENAL PROVISIONS

### Article 87

A bank or savings bank shall be charged a fine of at least din<sup>2</sup> 200.000,00 for any criminal offense if:

1. when issuing guarantees on bills of exchange or other guarantees, and when issuing its own securities, the prescribed obligatory framework has not been observed (point 3 of paragraph 1 of Article 34);
2. any measures adopted by the Bank of Slovenia in compliance with this law have not been observed (Articles 34, 35, 36, 38, 44, 53 and 57);
3. upon request of the Bank of Slovenia, the audit report on the Annual Financial Statements and operation has not been delivered within the term set (Article 59);
4. regulations and instructions concerning the information system have not been respected (Articles 63 and 66).

A fine of at least din 15.000,00<sup>2</sup> shall also be charged to the person in a bank or savings bank responsible for the criminal offense from the preceding paragraph.

### Article 88

A fine of at least din 15.000,00<sup>3</sup> shall be charged to the person in charge in the Bank of Slovenia for lack of control and absence of measures within his scope of authority (Art. 50, 53, 57, 58).

### Article 89

A fine of at least din 5.000,00<sup>3</sup> shall be charged to the employee of a bank or savings bank for a petty offense when refusing to execute orders of a member of the Bank of Slovenia staff.

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<sup>2</sup>see footnote to Article 68

<sup>3</sup>see idem



## TRANSITIONAL AND FINAL PROVISIONS

### Article 90

Bank notes and coins denominated in dinars<sup>4</sup> shall be the legal term in the Republic of Slovenia until the Parliament of the Republic of Slovenia has decided otherwise.

### Article 91

All obligations, rights and all transactions denominated in money and concluded in the Republic of Slovenia between companies, other domestic legal persons and citizens, and between citizens and foreign persons, shall be expressed in dinars<sup>5</sup> and shall be executed by means of payment denominated in dinars<sup>6</sup>, until the Parliament of the Republic of Slovenia has decided otherwise.

### Article 92

Banks and savings banks as stipulated under this law are those established in compliance with the Law on the National Bank of Yugoslavia and the Uniform Monetary Operations of the National Banks of Republics and Autonomous Provinces (Official Gazette of the SFR Yugoslavia Nos. 34/89, 88/89 and 61/90) and in compliance with the Law on Banks and Other Financial Institutions (Official Gazette of the SFRY Nos. 10/89, 40/89, 87/89, 18/90 and 71/90), as well as banks and savings banks established in compliance with this and the Law on Banks and Savings Banks (Official Gazette of the Republic of Slovenia No. 1/91).

### Article 93

The by-laws adopted on the basis of the Law on the National Bank of Yugoslavia and the Uniform Monetary Operations of the National Banks of Republics and Autonomous Provinces shall remain in force until the appropriate regulations, based upon this law, have been adopted.

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<sup>4</sup>see footnote to Article 68

<sup>5</sup>idem

<sup>6</sup>idem

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#### **Article 94**

Pursuant to this law, Bank of Slovenia is the legal successor of the National Bank of Slovenia, which operated in compliance with the Law on the National Bank of Slovenia (Official Gazette of the SR Slovenia No. 24/77 and 9/85) and with the Law on the National Bank of Yugoslavia and the Uniform Monetary Operations of the National Banks of Republics and the National Banks of Autonomous Provinces.

Governor of the Bank of Slovenia shall perform the function of the Governing Board of the Bank of Slovenia until this has been appointed Pursuant to this Law, but not longer than 30 days.

#### **Article 95**

Governor and the Vice-Governors of the National Bank of Slovenia, appointed in compliance with the Law on the National Bank of Slovenia, shall remain in office until their term has expired.

#### **Article 96**

The regulation concerning control over operations of the Bank of Slovenia as stipulated in Article 86 of this law shall be adopted by the Parliament of the Republic of Slovenia within 6 months after the present law has come into force at the latest.

#### **Article 97**

The provisions of the first paragraph of Article 60 of this law shall enter into force as of January 1, 1992.

#### **Article 98**

Bank of Slovenia may use the instrument restricting the volume and pace of growth of the banks' assets until December 31, 1993 at the latest.

#### **Article 99**

A special law shall be adopted to regulate the insurance scheme for household deposits in banks and savings banks in the Republic of Slovenia.

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### **Article 100**

With the promulgation of this law, the Law on the National Bank of Slovenia (Official Gazette of the SR Slovenia No. 24/77 and 9/85) shall cease to be effective.

### **Article 101**

The present law shall come into force on the day of its publication in the Official Gazette of the Republic of Slovenia.

No. 450-03/91-10/3  
Ljubljana, June 25, 1991

The Parliament  
of the Republic of Slovenia

President  
Dr. France Bučar m.p.