

# **BANKING ACT**

The full wording of the Banking Act No. 21/1992 Zb.

as amended by the Act No. 264/1992 Zb., Act No. 249/1994 Z. z., Act 374/1994 Z. z., Act No. 58/1995 Z. z., Act No. 233/1995 Z. z., Act No. 58/1996 Z. z., Act No. 118/1996 Z. z., Act No. 386/1996 Z. z., Act No. 12/1998 Z. z., Act No. 44/1998 Z. z., Act No. 170/1998 Z.z. (Act No. 278/1998 Z.z.: the full wording), Act No. 252/1999 Z.z.

The Federal Assembly of the Czech and Slovak Federal Republic has resolved  
upon the following Act:

## **PART ONE**

### **Basic Provisions**

#### **Article 1**

(1) For the purposes of this Act, banks are defined as legal persons\* permanently based in the Slovak Republic, incorporated as joint stock companies<sup>1)</sup> or founded as state financial institutions (Article 36), which:

- a) accept deposits and
- b) offer loans and perform activities specified under letters a) and b) above, on the basis of a banking license (Article 4).

(2) For the purposes of this Act:

- a) deposits are defined as funds placed with a bank, which represent an obligation for the bank to pay an equivalent amount of money to the depositor;
- b) a bank loan is defined as money advanced to a borrower in any form, to be repaid at a later date.

(3) In addition to the activities specified in para 1, letters a) and b) above, a bank may provide, on the basis of its banking license, the following services:

- a) investment in securities on the bank's own account;
- b) financial leasing;
- c) payments and settlements;
- d) issuance and administration of payment instruments such as bank payment cards, travellers' cheques;
- e) granting of bank guarantees;
- f) opening of letters of credit;
- g) collection of payments;
- h) trading on the bank's own or the customer's account;

1. In foreign exchange instruments,

2. In futures and options including exchange rate and interest rate transactions,
3. in negotiable securities,
4. in gold and silver coins, commemorative coins, sheets of banknotes and collector sets of circulation coinage,
  - i) participating in the issuance of securities and the provision of related services;
  - j) mediating in banking activities and house savings on behalf of banking and insurance industries;
  - k) business consultancy services;
  - l) portfolio management on behalf of clients including consulting services;
  - m) safe custody and administration of securities or other valuables;
  - n) depository services pursuant to separate regulations;<sup>1a)</sup>
  - o) exchange office services (purchase of foreign exchange);
  - p) banking information services;
  - r) renting of safe deposit boxes;
  - s) dealing in mortgage instruments.

(4) The performance of certain of the activities listed under para 3 above may be subject to a special permit granted under a separate law<sup>1b)</sup>. A banking licence for the performance of such banking activities may be issued only after the special permit has come into effect.

(5) Banking activities listed in para 1 letters a) and b) and para 3 may also be performed by foreign banks, through their local branches, provided they have been granted a licence pursuant to Article 5. For the purposes of this Act, a branch office of a foreign bank is understood as its organizational unit in the Slovak Republic.<sup>1c)</sup>

(6) Other activities, in addition to those mentioned in paras 1 and 3, may be performed by a bank or a branch of a foreign bank for another person only if they are needed for its own operation. Such activities are subject to permission from the National Bank of Slovakia.

(7) In connection with the performance of banking activities, banks and branches of foreign banks shall also perform tasks assigned by the National Bank of Slovakia in the area of monetary policy pursuant to a separate law;<sup>2)</sup> in performing such tasks, the provisions of this Act and the general provisions concerning administrative procedures shall not apply.<sup>1d)</sup>

(8) Unless this Act stipulates otherwise, banks are subject to the provisions of a separate law<sup>1)</sup>. The legal status of the National Bank of Slovakia shall be governed by a separate law.<sup>2)</sup>

(9) Payments and settlements between banks or branches of foreign banks in the Slovak Republic shall be conducted exclusively through a separate legal person.<sup>2a)</sup> Employees and members of the bodies of this legal person shall be obliged to keep confidential all facts that are related to payments and settlement made in relation to any person

except the National Bank of Slovakia and the body of state inspection, while performing tasks under the provisions of this Act or a separate law.<sup>2)</sup>

(10) The National Bank of Slovakia may stipulate further details with respect to issuance and administration of payment instruments according to para 3, letter d), in a decree<sup>3)</sup> to be promulgated by publication in the Collection of Laws of the Slovak Republic (hereinafter referred to as "Collection of Laws").

## **Article 2**

(1) No person may accept deposits without a banking licence, unless a separate law stipulates otherwise.<sup>2b)</sup> Without a banking licence, no person may offer interest on deposits, which constitutes an expense according to a special regulation.<sup>2c)</sup>

(2) No person may issue bank payment cards without a banking licence. A bank payment card is a payment instrument used for the conduct of cash and noncash payment operations crediting or debiting an account opened at a bank or a branch of a foreign bank, to which the bank payment card is connected.

(3) No person may provide loans and advances within his sphere of business or other activity without a licence to operate as a bank, unless a separate law stipulates otherwise,<sup>2ca)</sup> from repayable funds obtained from other persons on the basis of a public offer.

(4) For the purposes of this Act, a public offer is understood as any announcement, offer or recommendation, made by a legal person or natural person for the acquisition of funds for his own benefit or for the benefit of a third person, made by any means of announcement including personal contact.

## **Article 3**

(1) The words 'bank' or 'savings bank', their translations, or expressions in which these words appear, may be used in commercial names only by legal persons granted a banking licence, unless it is evident from the context in which the words 'bank' or 'savings bank' appear that the person in question is not engaged in activities listed in Article 1 para 1.

(2) The provisions of para 1 above do not apply to legal persons having a trade name or designation well established or recognized by law or international agreement.

## **PART TWO**

### **BANKING LICENCE**

#### **Article 4**

(1) An application for a banking licence shall be submitted to the National Bank of Slovakia. A draft of the bank's articles of incorporation shall also be submitted, together with the application.

(2) By a decree<sup>3)</sup> to be promulgated by publication in the Collection of Laws, the National Bank of Slovakia shall stipulate:

- a) the due form of application according to para 1, including that of an application made pursuant to a special regulation<sup>2d)</sup>,
- b) the minimum amount of cash contribution to the bank's equity capital and that of a bank dealing in mortgage instruments, which is required for the granting of a banking licence.
- c) the manner in which it is intended to prove the fulfilment of conditions required for the granting of a banking licence.

(3) The decision to issue a banking licence shall be the responsibility of the National Bank of Slovakia in agreement with the Ministry of Finance of the Slovak Republic (hereinafter referred to as 'the Ministry').

(4) The decision to issue a banking licence shall be made subsequent to assessment of:

- a) the origin, adequacy, and composition of the bank's equity capital and other financial resources;
- b) the professional competence and civic integrity of the persons nominated to the bank's management;
- c) technical and organizational preconditions for the performance of the bank's planned activities;
- d) feasibility study based on analysis of future liquidity and targeted rate of return.

#### **Article 4a**

Repealed

#### **Article 5**

(1) A foreign bank wishing to set up a branch office in the Slovak Republic is required to submit an application for a banking licence to the National Bank of Slovakia.

(2) The National Bank of Slovakia shall decide upon the granting of a licence pursuant to para 1 in agreement with the Ministry.

(3) The granting of a licence shall depend on assessment of:

- a) the amount of financial resources provided by a foreign bank to its branch office for an indefinite period of time;
- (b) technical and organizational conditions for the performance of the proposed activities;
- (c) the professional competence and civic probity of the persons appointed to manage the branch office;
- (d) feasibility of the business plan.

(4) The due form of the application and the minimum amount of standing financial resources, as well as a statement of such resources and the manner in which it is intended to prove the fulfilment of requirements for granting a banking licence will be stipulated by the National Bank of Slovakia in a decree<sup>3)</sup> to be promulgated by publication in the Collection of Laws.

(5) The funds provided to a branch office of a foreign bank under para 4 shall be deposited with banks (Article 1 para 1).

#### **Article 5a**

Repealed

#### **Article 6**

(1) A banking licence shall be granted for an indefinite period of time and shall not be transferable to a third party or to the bank's legal successor.

(2) The performance of some banking activities listed under Article 1 para 1 and 3, may be restricted in the banking licence. At the request of a bank or a branch office of a foreign bank, the banking licence may be extended to cover other activities by a decision under Article 1 para 3.

(3) The bank, foreign bank or a branch office of a foreign bank shall notify in writing the National Bank of Slovakia of any changes it intends to make in the conditions on the basis of which its banking licence was issued, within 30 days prior to the implementation of the planned changes. Any change in the bank's articles of incorporation which is needed pursuant to this Act or a special law<sup>3a)</sup> requires the prior approval of the National Bank of Slovakia; otherwise such a change is null and void.

(4) The bank may issue only registered shares in a book-entry form; any changes in their character or form are prohibited.

#### **Article 7**

A complete list of banks and the branches of foreign banks operating in the Slovak Republic is kept by the National Bank of Slovakia. The list is available for inspection at all organizational units of the National Bank of Slovakia.

### **PART THREE**

#### **Organization of a Bank**

#### **Article 8**

(1) A bank shall have a statutory body<sup>1)</sup> and a supervisory board.

(2) A bank's statutory body shall consist of at least three members. The supervisory board shall comprise at least three members. A member of the supervisory board may not be a member of the board of directors, or an employee of the bank, or a member of another bank's supervisory board or board of directors, or an authorized signatory as recorded in the Register of Companies and who is authorized to sign on behalf of the same bank or another bank.

(3) The powers of the statutory body and supervisory board must be stated in the bank's articles of incorporation.

(4) A member of the bank's statutory body or supervisory board, chief executive officer of the branch of foreign bank, and employees of the banks or branches of foreign banks may not misuse information acquired in pursuit of service, to reach unqualified profit for himself/herself or for any other person.

(5) The head of the bank's internal controls department shall be appointed and removed upon prior consent of the supervisory board. Under the conditions thereunder, his/her salary and other emoluments shall be set by the bank's statutory body. The bank's supervisory board is authorized to request the head of the internal controls department to perform an inspection at the bank to the extent specified by the supervisory board.

#### **Article 9**

(1) In addition to the items listed in the Commercial Code<sup>3a)</sup>, the bank's articles of incorporation shall also specify:

a) the structure and organization of the bank;

- b) the powers and responsibilities of senior officers;
  - c) the powers and responsibilities of other employees at the bank's head and branch offices, or other organizational units licensed to perform banking activities;
  - d) the system of internal controls.
- (2) Certified copies of the articles of incorporation and amendments thereto, shall be lodged with the National Bank of Slovakia.

### **Article 10**

(1) A bank or a branch of foreign bank is required to submit to the court of jurisdiction a request for its entry into the Register of Companies on the basis of its banking licence, within 10 days from the day on which the banking licence becomes effective, and to deposit an excerpt from the Register of Companies with the National Bank of Slovakia within 10 days from the date of delivery of a court decision on admission in the Register of Companies or on a change in such admission; a bank or a branch of foreign bank is required to deposit a copy of the court's decision on its removal from the Register of Companies, within 10 days from the date of delivery of such a decision.

(2) The bank shall notify the National Bank of Slovakia in advance, in writing, of each branch office in the Slovak Republic. Such written notice must contain the following data:

- a) address of the branch;
- b) activities of the branch;
- c) full name and address of the chief officer of the branch;

(3) Without prior approval of the National Bank of Slovakia, a bank is not permitted to establish a branch office abroad. The due form of application for such approval shall be stipulated by the National Bank of Slovakia in a decree to be published in the Collection of Laws.

(4) A branch office is defined as a bank's organizational unit performing activities listed under Article 1 para 1.

(5) Banks shall notify the National Bank of Slovakia in advance, and in writing, whenever they open a representative office abroad. Such notification of the establishment of a representative office must contain:

- a) address of the representative office;
- b) the head of the representative office: his full name and permanent address abroad.

(6) For the purposes of this Act, a representative office is defined as an organizational unit of a bank established to promote the activities of the bank abroad or obtain information about the feasibility of cooperation abroad.

(7) A representative office of a bank is not allowed to conduct banking operations or other business activities.

## **PART FOUR**

### **Requirements for Banking Operations**

#### **Article 11**

(1) Banks and branches of foreign banks shall display information on their premises, in Slovak, about the terms and conditions for accepting deposits, granting loans, and other banking services, including the prices of all offered services. This does not prejudice the provisions of Article 273 para 1 of the Commercial Code.

(2) Banks and branches of foreign banks are obliged to display on their premises information about deposit protection to the extent specified in a separate law.<sup>12)</sup> The information displayed about banking business, which includes the acceptance of deposits [Article 1 para 2 letter a)] must explicitly state whether a deposit so accepted is covered by protection pursuant to the above law.<sup>12)</sup> Banks and branches of foreign banks are obliged to state explicitly in passbooks issued to customers whether it is a registered or bearer passbook; the same applies to documents evidencing similar deposit relations.

(3) Banks and branches of foreign banks are obliged to issue quarterly reports on their activities and financial indicators (the reports of banks must also include the structure of shareholders), no later than within 30 days of the expiration of the relevant calendar quarter.

(4) A foreign bank operating in the Slovak Republic pursuant to Article 1 para 5, shall publish data from its financial statements, in Slovak, including a survey of the differences between the rules governing the compilation of financial statements in the Slovak Republic and those applying in the country where the foreign bank has its registered office.

(5) The extent and method of publishing information pursuant to paras 3 and 4 shall be set out in a decree issued by the National Bank of Slovakia, after consultation with the Ministry, and promulgated in the Collection of Laws.

#### **Article 11a**

- (1) A bank is required to conduct its business in a prudent manner:
- a) without damaging the interests of depositors in terms of repayment and without threatening the security or stability of the bank or the banking system by infringing generally binding legal regulations, and
  - b) by the application of professional expertise to secure the best financial and legal conditions possible for the bank and its customers, in transactions conducted on their behalf.



(2) The provisions of para 1 also apply to branches of foreign banks.

(3) A bank or a branch of a foreign bank which fails to duly execute a customer's written instruction and thus causes an error in a payment or settlement operation, shall be obliged to remedy the error at its own expense without undue delay.

(4) Banks or branches of foreign banks are not permitted to enter into agreements under markedly unfavourable conditions, especially agreements which place them under an obligation to take financially unjustifiable steps or actions not corresponding to the counter-value received or which inadequately cover their claims.

### **Article 12**

(1) Banks shall maintain a predetermined ratio of capital and reserves to assets, and, possibly, to liabilities (Article 15).

(2) Banks shall maintain the ratio defined in para 1 above, calculated on the basis of their consolidated financial statements<sup>3b)</sup>, pursuant to a decree of the National Bank of Slovakia, which is to be promulgated in the Collection of Laws.

### **Article 13**

(1) A bank shall perform its business activities so that the liabilities, claims, and other property rights and duties of the bank arising from those activities in relation to individual entities by type or a group of economically linked entities, do not exceed the limits set in relation to the bank's capital and reserves (Article 15).

(2) The sum of liabilities, claims, and other property rights and duties of a bank arising during the performance of its business in relation to individual entities by type or a group of economically linked entities, the amount of which equals or exceeds 10% of the bank's capital and reserves, may not exceed the limits set in relation to the bank's capital and reserves (Article 15).

(3) Even liabilities, claims, and other property rights and duties of a bank connected with the fulfilment of a suspending or releasing condition, together with the bank's shares in other persons shall be regarded as liabilities, claims, and other property rights and duties pursuant to paras 1 and 2.

#### **Article 14**

Banks and the branches of foreign banks shall maintain, at all times, solvency in both Slovak and foreign currencies. For this purpose, they shall comply with the rules set forth in respect of liquidity and safe banking practices (Article 15). These rules may regulate in particular:

- a) the minimum level of liquid assets, and/or groups of such assets in relation to the bank's assets or liabilities, or in relation to a group of assets or liabilities; this obligation may also be met by maintaining a predetermined portion of funds with the National Bank of Slovakia;
- b) restrictions and conditions concerning certain types of credits or investments, deposits, guarantees, and liabilities;
- c) restrictions and conditions directed at matching maturities of the bank's assets and liabilities;
- d) restrictions and conditions for unsecured foreign exchange positions.

#### **Article 15**

(1) The rules resulting from the obligations laid down in Articles 12 to 14, the method of classification of claims and rules for evaluation of property and liabilities as well as the interpretation of the expressions 'capital', 'reserves', 'assets', 'risks', 'unsecured foreign exchange positions', and the extent to which branch offices of foreign banks are subject to these rules, shall be laid down by the National Bank of Slovakia in a decree<sup>3)</sup> to be published in the Collection of Laws.

(2) Regulations with respect to obligations pursuant to Articles 12-14, as well as the definition of capital, reserves, assets, risks and unsecured foreign exchange positions of banks according to Article 36 will be set forth by the National Bank of Slovakia in agreement with the Ministry and are to be promulgated as decrees by publication in the Collection of Laws of the Slovak Republic.

#### **Article 16**

(1) Prior approval of the National Bank of Slovakia granted after consultation with the Ministry is required for:

- a) the acquisition or increase in share in the equity capital of a bank, or voting rights in excess of 5%, 10%, 20%, 33% or 50% in a single or a series of operations directly or in common pursuit;
- b) the consolidation, merging, winding-up or closure of a bank; the same applies to any increase or decrease in the bank's equity capital, unless the decrease is due to a loss;
- c) the sale of a bank, branch office of a foreign bank, or parts of same.<sup>3c)</sup>

(2) The provisions of para 1 do not prejudice the provisions of a separate regulation.<sup>4)</sup>

(3) The due form of application for prior approval pursuant to para 1, as well as the conditions of granting such approval, shall be set forth by the National Bank of Slovakia by decree to be published in the Collection of Laws.

(4) Without prior approval of the National Bank of Slovakia pursuant to para 1, each legal act requiring prior consent is deemed null and void.

(5) An application under para 1, letter a) shall be submitted by persons acquiring shares in the bank. An application under para 1, letter b) shall be presented by the bank; in the case of consolidation or merging, it shall be presented in conjunction with the legal person with which the bank is being consolidated or merged. An application under para 1 letter c) is made jointly by the bank or the foreign bank, and the legal person acquiring the bank, the branch office of foreign bank, or a part thereof.

(6) When so requested, legal and natural persons are obliged to provide the National Bank of Slovakia and the Ministry, with information necessary to ascertain the occurrence of any action subject to prior consent according to para 1, in particular information concerning capital interests in trade companies or cooperatives and information regarding agreement on execution of voting rights.

(7) Any person whose share in the equity capital of a bank or voting rights falls below 5%, 10%, 20%, 33% or 50% is obliged to give notice of the same to the National Bank of Slovakia and the Ministry within 30 days of the event.

(8) For the purposes of this Act, "common pursuit" means:

a) acting with the intention to acquire a share in the equity capital of the bank or the voting rights agreed between:

1. a legal person and associates or members, statutory bodies, members of statutory or supervisory bodies, employees of the legal person, who have a direct controlling capacity of a statutory body or its member, senior officials of an organizational unit entered in the Register of Companies, authorized signatories, liquidators, receivers or trustees of the legal person and persons standing in close relationship with them<sup>5)</sup> or between any of these persons;

2. persons collaborating with identical voting rights in a particular bank in matters concerning its control regardless of the form of their agreement or its validity or invalidity;

3. a controlling and controlled person or between persons controlled directly or through the same controlling person;

4. closely related persons<sup>5)</sup>;

b) two or more legal persons acting with the intention to acquire a share in the equity capital of the bank or the voting rights, where one and the same person is a statutory body, a member of the statutory body, a member of the supervisory body or holds at least a 10% stake in the legal person's equity capital or voting rights.

(9) A controlling person, as referred to in para 8, is a legal or natural person holding a majority share in the legal person, who holds the majority of voting rights, or who has an agreement with other persons allowing him to exercise his majority of voting rights.

(10) A controlled person is a legal person, in which the controlling person has the position defined in para 9.

### **Article 17**

(1) Without prior approval of the National Bank of Slovakia, a bank is not allowed to:

- a) acquire shares or capital interests, the total of which would exceed 10% of the equity of a legal person which is not a bank under this Act;
- b) acquire shares or capital interests in legal persons which are not banks under this Act, exceeding 25% of the bank's capital and reserves.

(2) The prohibition in para 1 above shall not apply in cases where shares are acquired for the purpose of resale to third persons. The bank must not retain the shares acquired for this purpose longer than 1 year from the date of their acquisition.

(3) The due form of application for prior approval pursuant to para 1, as well as the terms and conditions for granting such approval shall be set forth by the National Bank of Slovakia in a decree to be promulgated by publication in the Collection of Laws.

(4) Without prior approval of the National Bank of Slovakia pursuant to para 1, any legal act requiring prior consent is deemed null and void.

(5) The bank shall without undue delay notify the National Bank of Slovakia of any acquisition of shares or capital interest pursuant to para 2 in a legal person exceeding 10% of the equity of such legal person.

(6) A bank may not be a partner to a legal person where unlimited liability is involved.

### **Article 18**

(1) A bank or a branch office of a foreign bank must not engage in transactions with persons having a special relationship to the bank (Article 19), which would otherwise, due to their nature, purpose, or risk, not be entered into with other clients.

(2) A bank or a branch office of a foreign bank may provide credit or issue guarantees to persons mentioned in para 1 above, only if the statutory body of the bank by unanimous vote or the chief executive officer of the foreign bank branch decides to do so on the basis of assessment of the banking transaction under consideration, and with regard to

the applicant's financial position. The person affected by the decision is exempted from the decision-making process.

### **Article 19**

(1) For the purposes of this Act, persons having a special relationship to a bank include:

- a) members of the bank's statutory body, chief executive officers of the bank<sup>5)aa</sup>, other employees of the bank specified in its articles of incorporation, and the bank's authorized signatory;
- b) members of the bank's supervisory board;
- c) legal persons exercising control over the bank, and both major shareholders and members of management of such legal persons;
- d) persons close<sup>5)</sup> to the members of the bank's statutory board, bank's supervisory board, senior officers of the bank, and persons exercising control over the bank;
- e) legal persons, in which some of the persons listed under letters a), b) c) and d) have a capital interest exceeding 10%;
- f) major shareholders of the bank and any legal person under their control or exercising control over them; g) members of the Bank Board of the National Bank of Slovakia.

(2) For the purposes of this Act, persons having a special relationship to a branch of a foreign bank include:

- a) chief executive officer of a branch of the foreign bank;
- b) members of the statutory body or the supervisory board of the foreign bank;
- c) legal or natural persons exercising control over the foreign bank, and both major shareholders and members of bodies of such legal persons;
- d) persons close<sup>5)</sup> to the persons listed under letters a) and b), or to natural persons exercising control over the foreign bank;
- e) legal persons, in which some of the persons listed under letters a), b) and c) have a capital interest exceeding 10% of its equity capital;
- f) major shareholders of the foreign bank and any legal person under their control;
- g) legal persons under the control of the foreign bank;
- h) members of the Bank Board of the National Bank of Slovakia.

(3) Control over the bank or any other legal person is understood, under this Act, as ownership of more than 50% of the shares or other capital interests in the bank or legal person, or the right to elect the statutory body of the bank or other legal person involving one, or more persons acting in common pursuit, or who otherwise exert a significant influence on the management of the bank or legal person. A major shareholder is defined as one, or more persons acting in common pursuit and owning more than 10% of the shares or other capital interests.

(4) The bank is obliged, on request, to provide the National bank of Slovakia and the Ministry with written information about its shareholders.

(5) Within 30 days of the end of a calendar year, each person listed under para 1 and 2 is obliged to provide the bank or the branch of foreign bank with all information necessary for identification of additional persons having, due to their relationship to the person providing the information, a special relationship to the bank or the branch of foreign bank. The bank or the branch of foreign bank is obliged to submit on request such information to the National Bank of Slovakia and the Deposit Guarantee Fund, for the purpose defined in a separate regulation.<sup>12)</sup> The due form of this notification shall be set forth by a Decree<sup>3)</sup> of the National Bank of Slovakia, promulgated by publication in the Collection of Laws.

#### **Article 20**

(1) The amount of unsecured preferential credit, granted by a bank to its employees, or persons having a special relationship to the bank pursuant to Article 19 para 1 letters a), b), d) and g), may not exceed the employee's total two-year gross income. The total amount of credit extended by a bank to its employees may not exceed 5% of the bank's equity.

(2) A bank may not grant loans for the following purposes:

- a) payment for its own shares;
- b) payment for shares issued by the bank's major shareholder;
- c) payment for shares issued by legal persons controlled by major shareholders of the bank;
- d) payment for shares issued by legal persons controlled by the bank.

#### **Article 20a**

(1) Banks and the branches of foreign banks shall notify, without undue delay, the National Bank of Slovakia of any bank loans and guarantees granted to business entities, and of any obligations accepted in Slovak or foreign currency; in foreign currency, the amount is determined by conversion at the current rate of exchange set by the National Bank of Slovakia.<sup>5b)</sup>

(2) The National Bank of Slovakia<sup>5c)</sup> shall maintain a register of bank loans and guarantees (hereinafter referred to as 'the Register') as defined in para 1.

(3) The National Bank of Slovakia shall provide information from the Register to banks and branches of foreign banks; Article 38 of this Act shall not apply to the provision of information pursuant to this paragraph.

(4) The procedure for keeping the Register and providing information based on data recorded in the Register shall be set forth by the National Bank of Slovakia in a decree to be promulgated by publication in the Collection of Laws.

## **PART FIVE**

### **Accounting and Commercial Documentation**

#### **Article 21**

(1) Banks and the branches of foreign banks shall keep books of account together with all documentary evidence of the accounting, in the manner and to the extent specified in a special law.<sup>6)</sup> The method of accounting and the preparation of financial statements by banks, shall be the responsibility of the Ministry.<sup>6)</sup>

(2) In the event a bank has a capital interest in one or more commercial companies, or other legal persons, amounting to 20% or more of the equity capital, the accounts shall contain consolidated data on such commercial companies or other legal persons.

#### **Article 22**

(1) Retaining the services of auditors under a special law, banks and the branches of foreign banks shall ensure:

- a) audit of annual financial statements;
- b) audit of the bank's performance during the relevant year;
- c) publication of a report on the audit of the annual financial statements and on the bank's performance during the relevant year;
- d) publication of a statement confirming that the system of reporting to the National Bank of Slovakia under Article 24 para 2, ensures true and faithful reporting;
- e) publication of a statement confirming that the data given in reports requested by the National Bank of Slovakia under Article 24 para 2 are correct;
- f) audit of the bank's accounts on the written request of the National Bank of Slovakia; should no error be revealed during the audit, the National Bank of Slovakia shall refund the expenses incurred by the bank in connection with such audit.

(2) The bank shall notify the National Bank of Slovakia annually in writing of the auditor appointed. The National Bank of Slovakia is entitled to reject these auditors within 30 days upon receipt of such notification. The bank is obliged to notify the National bank of Slovakia of the appointment of a new auditor, within 15 days after receipt of such rejection.

- (3) Persons having a special relationship to the bank under Article 19 para 1, may not be appointed auditor.
- (4) Where an error is revealed, the report as per para 1, letter c) above shall describe the effect of the same on the bank's performance and liquidity, as well as on the generation and allocation of profits/losses.
- (5) The auditor shall notify the National Bank of Slovakia in writing, without undue delay, of any eventuality that may jeopardize the bank's operations.
- (6) The auditor shall prepare, in addition to the report on audit of the annual financial statement prepared under a separate law<sup>6)</sup>, a full-length auditor's report in compliance with the reporting requirements of the National Bank of Slovakia. The report should include a detailed description of the facts given in the auditor's report on the annual financial statement under a special law<sup>6)</sup>. The full version of the report, together with the auditor's report on the annual financial statements under a separate law<sup>6)</sup>, shall be submitted to the National Bank of Slovakia.
- (7) Banks and branches of foreign banks shall take security measures for the protection of electronically processed data against abuse, damage, loss, or destruction.
- (8) Banks and branches of foreign banks shall ensure that the reliability of their information systems used for data processing is checked once a year.

### **Article 23**

- (1) Banks shall publish data from their audited financial statements pursuant to Article 22 in a manner set forth in a separate regulation, and prepare annual reports for publication<sup>6a)</sup>.
- (2) Banks shall submit annual reports<sup>6a)</sup> to the National Bank of Slovakia, within 30 days of the date of approval thereof by a general assembly of shareholders, or the bank's founder.
- (3) Banks shall submit to the National Bank of Slovakia and the Ministry, by 31 March of each calendar year, a survey of activities of their internal control systems, together with a report on measures adopted to remedy shortcomings detected by the internal controls department, and an approved time schedule for controlling activities in the calendar year.

### **Article 24**

- (1) Banks and branches of foreign banks shall file documentation on concluded transactions; in the case of transactions exceeding Sk 100,000, the documentation shall be kept on file for a period of at least five years.



(2) Banks and branch offices of foreign banks shall produce and submit to the National Bank of Slovakia information, documents and explanations. The contents, form, structure, deadlines, and the manner of presentation of such documentation shall be laid down by the National Bank of Slovakia in a decree promulgated by publication in the Collection of Laws. Should the presented information and documentation not correspond with the prescribed method and conditions, or reasonable doubts arise in connection with the correctness or completeness of such information, the banks and branches of foreign banks shall provide updated data with the necessary explanation, upon request of the National Bank of Slovakia. Should the bank or the branch of a foreign bank fail to provide the requested data, or if it is repeatedly incorrect or incomplete, the National Bank of Slovakia shall be entitled to impose measures pursuant to Article 26 of this Act.

(3) Should the bank's equity share in one or more commercial companies, or other legal persons, exceed 20 per cent of the bank's equity capital, the information and documents as under para 2 above, shall also include data on the commercial companies or other legal persons concerned.

(4) A bank or a branch of foreign bank is required to submit to the Ministry an annual statement<sup>6b)</sup> and, in cases defined in a separate regulation<sup>6b)</sup>, its consolidated annual statement and information from its accounting and statistical records in the form of reports and reviews; this will not be deemed to be in breach of the provision of banking secrecy as set out in Article 38. The extent, manner, and term shall be set forth by the Ministry in a generally binding legal regulation.

## **PART SIX**

### **Remedial Measures and Penalties**

#### **Chapter I**

##### **Article 25**

(1) The activities of banks and branch offices of foreign banks shall be subject to banking supervision performed by the National Bank of Slovakia.<sup>2)</sup>

(2) Banks or branches of foreign banks shall present, at the request of persons authorized to carry out banking supervision at the bank, the required information together with documents for review, and a certified official Slovak translation of the documentation subject to supervision.

(3) Banks and branches of foreign banks are required to allow banking supervisors to participate in discussions of the general meeting, supervisory board, board of directors of the bank, or the management of the branch of foreign bank.

(4) The banking supervision authority of a foreign country may be allowed to carry out banking supervision of a branch office of a foreign bank based in the Slovak Republic, solely on the basis of an agreement signed between the National Bank of Slovakia and the relevant supervisory authority of the foreign country.

(5) The National Bank of Slovakia may perform banking supervision of the branches of Slovak banks operating in a foreign country, unless the legal regulations of that country or relevant international agreements stipulate otherwise.

### **Article 26**

(1) Should the National Bank of Slovakia reveal shortcomings in the activities of a bank or a branch of a foreign bank, where such shortcomings constitute a breach of the terms and conditions stipulated in the banking licence, or a breach of this Act, or separate laws<sup>7)</sup>, or generally binding legal regulations, including decrees issued or measures imposed by the National Bank of Slovakia; shortcomings in the conduct of business by the bank or branch of a foreign bank, which jeopardize the interests of depositors including activities as a result of which the bank or the branch of foreign bank becomes unable to repay deposits, or endanger the security and stability of the banking system; shortcomings in management of the bank or the branch of a foreign bank where the managers are persons who are guilty of some impropriety or who are incompetent, or where the bank or branch of foreign bank incurs in its business in the current year an economic loss, or the total amount of reserves and provisions created by the bank or branch of a foreign bank fails to cover the risks implied by the volume of classified assets held by the bank or branch of a foreign bank, the National Bank of Slovakia, depending on the extent and nature of detected shortcomings, shall be entitled to impose the following measures:

a) a penalty of up to Sk 10,000,000;

b) measures designed to remedy deficiencies, such as:

1. order the restriction or discontinuation of certain activities;
2. order the cessation of unauthorized activities;
3. limit, suspend or revoke the bank's licence to perform certain banking activities;
4. order the bank to curb its operational expenses;
5. limit or suspend the payment of dividends, royalties and recompense;
6. adopt all necessary measures in the area of reserves and allowances for depreciation;
7. convene an extraordinary meeting of the general assembly of shareholders with a special agenda;
8. to reduce the bank's equity capital by an appropriate amount corresponding to any economic loss following settlement via the reserve funds concerned, where such loss exceeds 10% of the bank's equity; with regard to banks

pursuant to Article 36 and banks listed in a separate regulation<sup>7ab)</sup>, the National Bank of Slovakia may reduce the bank's equity upon agreement with the Ministry;

9. impose conservatorship of the bank under the provisions of this Act;

10. revoke the banking licence;

11. order to compile statements on the financial position and property of the bank or branch of a foreign bank, and to audit the statements at the expense of the bank or the branch of a foreign bank;

c) order the recall of a senior officer<sup>5aa)</sup>, member of the statutory body, or supervisory board of the bank.

(2) For the purposes of provisions under para 1 letter b), items 4 to 8, the provisions of a separate Act<sup>7a)</sup> shall not apply.

(3) Penalties pursuant to para 1 letter a) may be imposed by the National Bank of Slovakia on both natural and legal persons who have violated the provisions of Articles 3 or 16. It may also impose upon them a measure designed to remedy the illegal situation.

(4) Penalties imposed under para 1 letter a) above shall not affect responsibility pursuant to other legal regulations.

(5) Under para 1, measures and penalties may be imposed simultaneously. A fine is payable within 15 days of the date when the decision on the imposition of such fine enters into effect. The fines imposed shall represent revenue for the State budget of the Slovak Republic.

(6) Under para 1, measures and fines may be imposed within one year from the detection of shortcomings; but in no case later than ten years from the date such shortcomings occurred.

### **Article 26a**

(1) A person who has performed an act infringing the provisions of Article 16 para 1 letter a) may be deprived by the National Bank of Slovakia of his right to participate and vote in the bank's general assembly of shareholders, and of his right to convene an extraordinary meeting of the general assembly. The exercise of these rights may also be suspended by the National Bank of Slovakia where a person acts to the detriment of the bank's smooth and prudent operation or where he may reasonably be expected to perform such activities in cases set out in Article 16 para 8.

(2) The bank is obliged to give an instruction, five days before the meeting of the general assembly pursuant to separate regulations<sup>5a)</sup>, to suspend the right to handle book-entry securities issued by the bank.

(3) The bank shall present to the National Bank of Slovakia an extract from its issuer's register of book-entry securities, made on the day when the bank's instruction to register the suspension of rights to handle book-entry securities pursuant to separate regulations<sup>5a)</sup>, for all securities issued by the bank in book-entry form, has been carried out. The extract may not be made before such registration. The bank shall deliver the extract to the National Bank of Slovakia the day on which it is made. In this extract, the National Bank of Slovakia shall name, in writing without undue delay, the person whose rights set out in para 1 are to be suspended, and shall deliver the extract to the bank no later than the day preceding the meeting of the bank's general assembly. If the National Bank of Slovakia specifies in the extract a person whom it has repeatedly found to have reason to suspend that person's rights as per para 1, proceedings shall begin for the suspension of the person's rights as per para 1; preliminary measures (Article 40ch) in the matter of suspending rights as per para 1 shall be delivered by the National Bank of Slovakia to the person concerned and to the bank no later than the date of the meeting of the general assembly. The bank shall be bound by such preliminary measures. The delivery of preliminary measures to an authorised agent shall also be regarded as delivery.

(4) The bank may not allow its general assembly of shareholders to be attended by a person named by the National Bank of Slovakia pursuant to para 3, or a person not listed in the extract presented by the bank pursuant to para 3, or persons authorised by the above persons, to act in proceedings on their behalf.

(5) Shares carrying rights suspended pursuant to para 1, shall not be regarded as shares with voting rights during the period for which the rights have been suspended. Such shares shall not be taken into account in assessing whether the general assembly has a quorum or not, or in voting for a decision to be passed by the general assembly. The resulting increase in the share of the voting rights of other persons listed in the extract produced by the bank pursuant to para 3, shall not be subject to prior approval of the National Bank of Slovakia pursuant to Article 16 para 1 letter a).

(6) If the reasons for the suspension of rights set out in para 1 cease to exist, the National Bank of Slovakia shall cancel their suspension without delay.

(7) The Securities Centre of the Slovak Republic<sup>5a)</sup> is obliged to provide the National Bank of Slovakia with information from its register on request, for the performance of banking supervision.

(8) The National Bank of Slovakia is entitled to submit a proposal to a court of law to declare a decision made by a bank's general assembly null and void for being in conflict with the relevant laws and other generally binding legal regulations or the bank's articles of association, within three months of the day when the said decision came to its knowledge, but no later than one year of the date when the decision was passed.

## **Chapter II**

### **Conservatorship**

#### **Article 27**

- (1) Conservatorship proceedings at a bank comes into effect upon the delivery of an order for conservatorship, and apply to natural and legal persons.
  
- (2) The decision to place a bank under control of a conservator shall contain, in addition to general information pursuant to Article 40j, the following data:
  - a) the reasons for the imposition of conservatorship;
  - b) limitation or prohibition on accepting deposits and extending bank credits, or other activities, as the case may be;
  - c) partial or complete suspension of transactions in deposits of clients.
  
- (3) The Conservator is appointed and removed by the National Bank of Slovakia, which determines his remuneration for the performance of conservatorship. The office of Conservator may be held by a natural person or a legal person.
  
- (4) The Conservator, if he is a natural person, may authorise another person to act on his behalf, but only with the prior consent from the National Bank of Slovakia and a written authorisation signed and verified pursuant to separate regulations.
  
- (5) The Conservator, if he is a natural person, is authorised to appoint further persons for the conduct of conservatorship at a bank, with the exception of:
  - a) persons having a special relationship with the bank pursuant to Article 19;
  - b) debtors of the bank;
  - c) persons specified by the National Bank of Slovakia.

(6) The Conservator, authorised pursuant to para 4, and his employees, are obliged to keep strictly confidential, all facts that are connected with the conduct of conservatorship in relation to any person other than the National Bank of Slovakia, during the performance of tasks under this Act or a separate law.<sup>2)</sup>

(7) Expenses incurred as a result of the imposition of conservatorship shall be covered by the bank that has been placed under the control of a conservator.

#### **Article 28**

(1) Conservatorship may not be imposed upon branches of foreign banks.

(2) Where required by the situation of the bank, and where the actual situation is reliably documented, conservatorship proceedings may commence upon the presentation of an order for conservatorship.

(3) The National Bank of Slovakia shall deliver the order for conservatorship to a member of the bank's board of directors, or supervisory board, or to a person in charge of the bank's management, in person. The proceedings upon the delivery of such an order shall take effect despite the refusal of any of the aforementioned persons to accept the order for conservatorship.

(4) The period for meeting the obligations arising from the presentation of an order for conservatorship shall be at least 24 hours.

#### **Article 29**

(1) Upon the appointment of a conservator (Article 27 para 1), the activities of the bank's executive bodies are suspended and the powers of the statutory body and supervisory board are taken over by the Conservator, who is entitled to convene the general assembly and take part in its meetings.

(2) The general assembly may pass decisions solely upon the approval of the Conservator and the National Bank of Slovakia.

(3) If the situation of the bank requires, the Conservator may, upon approval of the National Bank of Slovakia and after consultation with the Ministry, suspend partially or completely, deposit transactions conducted by the bank's clients during the period of conservatorship.

(4) Upon approval of the general assembly, the Conservator may submit a proposal for settlement.<sup>7b)</sup>

(5) The decision of the Conservator shall be in the form of a notarial statement in cases where such form is required

pursuant to separate law<sup>1)</sup>. A court shall decide on the entry of such decision in the Register of Companies, pursuant to separate law<sup>8)</sup>.

(6) The Conservator's activities are subject to limitations specified in the order of the National Bank of Slovakia for conservatorship. The National Bank of Slovakia shall enter into an agreement with the Conservator, including definitions of his rights and duties, in compliance with the provisions of this Act.

(7) The Conservator shall be authorized to submit to the National Bank of Slovakia a proposal to reduce the bank's equity capital in the event of settlement with economic loss pursuant to Article 26 para 1 letter b), subparagraph 8 and to suspend the exercise of rights listed in Article 26a para 1.

### **Article 30**

The Conservator is authorized to take any measures deemed necessary to restore the stability and liquidity of the bank, including closing branch offices or other organizational units of the bank, or otherwise concluding their activities.

### **Article 31**

The commencement and end of conservatorship shall be entered into the Register of Companies.<sup>1)</sup> Such entries shall be proposed by the National Bank of Slovakia; the provisions of Article 31 para 4 of the Commercial Code shall not apply to such proposals.

### **Article 32**

(1) During conservatorship, the National Bank of Slovakia may render financial assistance to the bank in question, in order to cover any temporary lack of liquidity.

(2) The demand for the repayment of financial assistance provided under para 1 above, shall have priority over the other liabilities of the bank.

### **Article 33**

The conservatorship shall be terminated:

- a) on notification of the decision of the National bank of Slovakia on the termination of conservatorship, when the reasons for its imposition no longer exist;
- b) by announcement of bankruptcy proceedings;
- c) 24 months after the date of imposition of the conservatorship;
- d) by revocation or expiration of the banking licence.

## **Chapter III**

### **REVOCATION AND EXPIRATION OF THE BANKING LICENCE**

#### **Article 34**

(1) If serious shortcomings in the activities of a bank or a branch office of a foreign banks persist, the National Bank of Slovakia may, after consultation with the Ministry, revoke the banking licence; this step need not be preceded by the imposition of conservatorship.

(2) A banking licence may also be revoked:

- a) if the equity capital of the bank or the foreign bank that had established its branch office in the Slovak Republic, is reduced, due to loss, by more than 50% in a single year, or by more than 10% a year during three successive years;
- b) if the bank or branch of foreign bank has not taken deposits for more than 18 months;
- c) if the licence was acquired on the basis of false information given in the licence application;
- d) if the bank in question is a branch office of a foreign bank which has had its banking licence revoked in its home country;
- e) if the bank failed to meet the conditions for commencement of banking operations within the period of time stated in the banking licence;
- f) if the obligations pursuant to a separate Act are not being met<sup>7dd)</sup>.
- g) if the bank or branch of a foreign bank prevents, in part or in full, depositors from handling their deposits, without prior approval of the National Bank of Slovakia or without a decision pursuant to separate law<sup>7de)</sup>.

#### **Article 34a**



(1) A banking licence lapses:

- a) the day the bank is closed for a reason other than the withdrawal of its banking licence;
- b) the day the branch office of foreign bank is closed for a reason other than the withdrawal of its banking licence;
- c) the day a bank or a branch of a foreign bank returns its banking licence; the licence may only be returned in writing;
- d) if a bank or a branch office of a foreign bank failed to request entry in the Register of Companies pursuant to Article 10 para 1;
- e) the day the bank or branch office of foreign bank is sold<sup>3c)</sup>;
- f) for a branch of a foreign bank - the day the activities of the branch office are brought to an end by the foreign bank.

(1) The bank or branch office of a foreign bank is obliged to notify the National Bank of Slovakia in writing of facts

(1) stated in para 1 letters a), b), d) and f) within 30 days after coming into existence of such facts.

### **Article 35**

(1) The bank or branch of a foreign bank shall mail an order to revoke the banking licence to the Commercial Journal<sup>7c)</sup> for publication within 30 days from the date it becomes effective (Article 40k). In the case of a branch of a foreign bank, notification of the order shall be given by the National Bank of Slovakia to the authority in charge of banking supervision in the country where the foreign bank is based.

(2) On the day the decision to revoke a banking licence comes into effect, or the day it lapses, the legal person affected may not accept deposits or make loans, or perform any other activities, with the exception of those necessary for the settlement of claims and liabilities; the person is to be continued to be regarded as a bank or a branch of a foreign bank under this Act until it discharges all its claims and liabilities.

(3) Within 30 days of the date when the decision to revoke the banking licence came into effect, the National Bank of Slovakia shall submit the revocation order to the court keeping the Register of Companies, with a request that this be entered in the Register. The provisions of Article 31 para 4 of the Commercial Register do not apply to this request.

(4) Within 30 days of the date the decision to revoke the banking licence came into effect, the National Bank of Slovakia shall submit to the relevant court a proposal for the closure and liquidation of the bank and the appointment of a liquidator. Prior to the decision on closure, the court may not apply the procedures pursuant to Article 68 para 7 of the Commercial Code.

## **PART SEVEN**

### **Special Provisions for Banks established as State Financial Institutions**

#### **Article 36**

(1) A bank may be established as a state-owned financial institution by the central body of the State administration. Permission to establish such a bank shall be granted by the National Bank of Slovakia in agreement with the Ministry; this shall be done on the basis of an application the due forms of which are identical to the due forms of the application described in Article 4 para 1.

(2) The founder of a bank established as a state financial institution shall:

- a) arrange for the provision of equity capital and decide on its increase or decrease;
- b) issue the articles of incorporation and decide on amendments hereto;
- c) appoint and remove the bank's statutory body, which is the Bank Board, and which is to consist of at least three members;
- d) appoint and remove the members of the supervisory board;
- e) approve the bank's annual financial statements and decide on profit allocation and loss coverage pursuant to separate regulation;
- f) decide on the winding-up, consolidation, merger, and closure of the bank.
- g) decide on additional issues falling within the remit of the founder according to the bank's articles of incorporation.

(3) Winding-up, merger, consolidation, or closure of a bank shall not be to the detriment of its creditors; in order for it to be effective a relevant entry in the Register of Companies is required. This provision does not prejudice the provisions of a separate regulation.<sup>4)</sup>

(4) Where a bank ceases to exist due to consolidation or merger, its assets and liabilities shall be assigned to the bank which takes it over. Where a bank ceases to exist due to its closure and liquidation, stipulations of separate regulations concerning the liquidation of the bank shall apply.<sup>7ca)</sup>

(5) The liabilities of state financial institutions, which resulted from decisions made by the relevant government authority, including liabilities arising out of decisions made prior to March 1, 1996, shall be guaranteed by the State; the extent, terms and conditions of such guarantee shall be stipulated in a government regulation.

(6) A state financial institution covers its costs primarily from revenue. It raises reserve funds and other funds, as laid down in the bank's articles of incorporation by the founder.

(7) Financial resources of a state financial institution consist of:

- a) own resources consisting of equity capital, own funds and net earnings from the previous year;
- b) foreign resources consisting of temporarily available foreign funds;
- c) trust funds from the State Budget.

(8) State financial institutions are authorised to amend terms and conditions for their banking business pursuant to rules approved by their founders only.

## **PART EIGHT**

### **Mortgage Banking**

#### **Article 36a**

(1) For the purposes of this Act, mortgage business is defined as:

- a) the provision of mortgage loans and the related issue of mortgage bonds;<sup>7d)</sup>
- b) the provision of municipal loans and the related issue of municipal bonds by banks.<sup>7e)</sup>

(2) Mortgage transactions are required to be concluded in Slovak crowns.

#### **Article 36b**

A mortgage loan is defined as a long-term credit with a maturity of at least five years, secured by a lien on domestic real estate, and provided by a bank to legal and natural persons for the purchase, construction, changes in construction of completed buildings<sup>7ea)</sup>, and maintenance of domestic real estate; mortgage loans are financed mainly by the issue and sale of mortgage bonds, in accordance with separate regulations.<sup>7d)</sup>

#### **Article 36c**

A municipal loan is defined as a long-term credit with a maturity of at least five years, secured by a lien on municipal real estate and extended by a bank for the purchase, construction, changes in construction of completed buildings<sup>7ea)</sup>, and maintenance of real estate for purposes beneficial to the public. Municipal loans are financed mainly by the issue and sale of municipal bonds by banks.<sup>7e)</sup>

### **Article 36d**

A bank engaged in mortgage business (hereinafter referred to as 'mortgage bank') may, for a limited period of time, deposit its free financial resources acquired from mortgage transactions with a bank operating in the Slovak Republic, or with a branch office of a foreign bank based in the Slovak Republic. Furthermore, the bank may use these funds for the purchase of:

- a) mortgage bonds issued by other mortgage banks;
- b) municipal bonds issued by other mortgage banks;<sup>7e)</sup>
- c) NBS-bills;
- d) Government bonds;<sup>7f)</sup>
- e) Treasury bills.

### **Article 36e**

The issue and the prescribed form of mortgage bonds and municipal bonds is subject to a separate law.<sup>7g)</sup> The National Bank of Slovakia may stipulate, in a licence to operate as a bank (by which permission for the conduct of mortgage transactions is granted), special conditions for the financing of mortgage and municipal loans for the mortgage bank, for a maximum period of two years from the granting of the licence.

### **Article 36f**

- (1) Mortgage bonds and municipal bonds may be covered exclusively by funds from mortgage and municipal loans, not exceeding 60% of the value of the real estate calculated pursuant to Article 36g.
- (2) Mortgage and municipal loans beyond the limit laid down in para 1 may only be granted on condition that the total amount of funds exceeding the above limit does not exceed 15% of the total amount of mortgage and municipal loans granted.
- (3) The property assets securing the par values of issued mortgage bonds and municipal bonds may not be used as collateral by the mortgage bank.

### **Article 36g**

(1) For the purposes of this Act, the value of the real estate shall be determined by the mortgage bank on the basis of an overall assessment of the real estate. In calculating the value, the mortgage bank may take into account only the factual value of the real estate and the long-term benefit to the owner, provided the real estate has been managed in a proper manner.

- (1) The mortgage bank shall be bound exclusively by its own valuation of the real estate.

### **Article 36h**

(1) The right of lien of a mortgage bank on mortgage or municipal loans is effected upon registration of the same in the real estate register of the Slovak Republic, according to the proposal of the mortgage bank and the owner of the real estate. The mortgage bank has then the status of mortgagee.

(2) A mortgage loan or a municipal loan may not be secured by a lien on real estate on which a lien already exists in favour of a third party, or a limitation on the transfer of real estate with the exception of a lien established in accordance with separate legislation<sup>7gg)</sup> and a lien established in favour of a building savings bank or the State Housing Development Fund.

(3) Real estate is considered not to be burdened by a lien where the claim secured by mortgage lien is in favour of a third party, or by limitation of real estate transfers, and expires when the mortgage loan is used to settle an existing claim, and the lien on the real estate or the limitation of real estate transfers, therefore lapses.

(4) A lien on real estate established to secure a mortgage loan, or municipal loan, lapses upon repayment of the loan or other due payments related to the loan.

(5) In enforcing a right of lien, a mortgage bank is entitled to sell real estate pledged as security through distraint under a separate law<sup>9a)</sup>, on the basis of an agreement made in the form of a notarial deed between the mortgage bank, its debtor, and the third person, provided the third person is not the debtor, defining the legal commitment; the entitled and obliged persons; the legal grounds; and the subject and time of fulfilment, if the parties involved agree in the said agreement upon distraint pursuant to a separate law<sup>9a)</sup>.

### **Article 36ch**

(1) A mortgage bank shall provide mortgage and municipal loans according to its own terms and conditions for the granting of mortgage and municipal loans, which shall include principally:

- a) the prescribed form of application for a mortgage or municipal loan;
- b) procedure for applying for a mortgage or municipal loan;
- c) terms and conditions of providing mortgage and municipal loans;
- d) termination of a mortgage or municipal loan agreement;
- e) procedures applied by the bank in the case of a delay in repayment of a mortgage or municipal loan, or in other due payments related to the loan;
- f) changes in the circumstances of the mortgagor, whereby the mortgage bank is entitled to demand early repayment

of a mortgage loan or municipal loan;

g) conditions for foreclosing on real estate secured by mortgage lien.

(2) The mortgage bank may not demand, for its own reasons, early repayment of a mortgage or municipal loan; this also applies when the mortgage bank is in liquidation.

#### **Article 36I**

(1) A list of the amounts of mortgage loans and municipal loans, the assets of mortgage banks in mortgage and municipal loans designed to cover mortgage and municipal bonds, or other assets serving as substitute coverage, must be recorded separately in the register of mortgages by the mortgage bank.

(2) The register of mortgages and the documents on the basis of which the entries are made in the register, must be kept by the mortgage bank separately from other documents, and must be secured against abuse, damage, destruction or loss.

(3) At the end of January and July in each calendar year, the mortgage bank shall notify the National Bank of Slovakia and the Ministry of all entries made in the register of mortgages during the preceding six months.

(4) The due form of the register of mortgages and the method of keeping the register and providing information pursuant to paras 2 and 3 shall be determined by the National Bank of Slovakia and the Ministry in generally binding legal regulations.

#### **Article 36j**

The right of lien established to secure the repayment of mortgage and municipal loans, which cover the par values of mortgage bonds and municipal bonds including yields, shall have preference over other rights of lien in settling the claims of natural and legal persons arising from the said lien.

#### **Article 36k**

A mortgage bank shall keep a separate detailed record of mortgage contracts in its accounting system.

#### **Article 36l**

(1) The National Bank of Slovakia, with the approval of the Ministry, shall appoint a mortgage controller to each mortgage bank, to supervise the conduct of mortgage transactions in accordance with this Act and in a separate

law.<sup>7g)</sup> In a similar manner, the NBS shall appoint a deputy for each mortgage controller; the deputy shall act on behalf of the mortgage controller in his absence, with all rights, duties, and responsibilities.

(2) The National Bank of Slovakia shall discuss the appointment of the mortgage controller and his deputy with the mortgage bank concerned.

(3) The mortgage controller and his deputy may be removed by the National Bank of Slovakia after consultation with the Ministry.

(4) A mortgage controller or his deputy shall be a person professionally qualified for the position with an unblemished criminal record. Natural persons graduated in law or economics at a University, and who have a record of at least five-years practice are deemed to be professionally qualified persons.

#### **Article 36m**

(1) The mortgage controller shall perform his duties independently and impartially, solely as specified in generally binding legal regulations and decisions pursuant to para 4.

(2) Any disagreement between the mortgage controller and the mortgage bank shall be adjudicated by a committee consisting of two representatives of the National Bank of Slovakia and two officials from the Ministry. The chairman of the committee shall be a representative of the National Bank of Slovakia who will preside over the meetings of the committee.

(3) The committee shall pass decisions according to the majority vote of members; in the case of a draw, the chairman of the committee shall have the casting vote.

(4) The decisions of the committee are binding for the mortgage controller and the mortgage bank.

#### **Article 36n**

(1) The mortgage controller shall supervise the issue of mortgage bonds and municipal bonds with regard to the correctness of its terms and coverage pursuant to a separate law.<sup>7g)</sup>

(2) The mortgage controller shall prepare, for each issue of mortgage bonds or municipal bonds, a written certificate to show that coverage of the issue is ensured pursuant to a separate law,<sup>7h)</sup> and that this has been recorded in the register of mortgages (Article 36i).

(3) The mortgage controller shall check that the mortgage bank provides mortgage and municipal loans in accordance with this Act, and that the mortgage bank meets its obligations vis-a-vis the register of mortgages.

(4) The mortgage controller shall cooperate, upon request, with the mortgage bank in activities related to mortgage banking, which cannot be carried out by the mortgage bank alone.

#### **Article 36o**

(1) Where the mortgage controller detects shortcomings, he is obliged to immediately notify the National Bank of Slovakia and the Ministry of the same in writing. Article 39 of this Act does not apply to the provision of information under this paragraph.

(2) In performing his duties, the mortgage controller acts in his own name, and for the account of the mortgage bank.

(3) The mortgage bank shall afford assistance to the mortgage controller in the performance of his duties; mainly inspection of accounting records, register of mortgages, and other documents related to mortgage transactions.

(4) The payment of the mortgage controller and his deputy shall be determined by the National Bank of Slovakia after consultation with the Ministry and the mortgage bank. The compensation will be paid by the mortgage bank.

#### **Article 36p**

(1) The activities of the mortgage controller and his deputy are subject to the banking supervision of the National Bank of Slovakia and government inspection by the Ministry pursuant to separate laws.<sup>7ch)</sup>

(2) If the National Bank of Slovakia reveals shortcomings in the activities of the mortgage controller or his deputy during banking supervision, with the exception of discrepancies specified under Article 36n para 1, it may impose a penalty of up to Sk 100,000.

(3) If the Ministry reveals some shortcomings in the work of the mortgage controller or his deputy under Article 36n para 1 in the course of inspection pursuant to separate laws<sup>7ch)</sup>, it shall take steps pursuant to the provisions of a separate law.<sup>7i)</sup>

#### **Article 36r**



The National Bank of Slovakia and the Ministry shall issue a generally binding decree defining the positions and activities of the mortgage controller and his deputy.

#### **Article 36s**

(1) Natural persons borrowing money under a mortgage loan agreement for housing purposes with the exception of natural persons / entrepreneurs (hereinafter referred to as 'mortgagor') shall have a claim for a bonus from the State budget of the Slovak Republic under conditions set out in this Act (hereinafter referred to as 'government bonus').

(2) The government bonus is understood as a percentage by which the rate of interest set in a mortgage loan agreement is reduced by the Government. The amount of the government bonus determined in percentage terms may not be changed over the entire repayment period of the mortgage loan set in the mortgage loan agreement. The amount of the government bonus for agreements concluded in individual calendar years shall be set out in the State Budget Act for the relevant fiscal year.

(3) A government bonus may be granted for a mortgage loan up to a maximum of Sk 2,500,000 per housing unit, with a maturity of up to 30 years.

#### **Article 36t**

(1) A claim for a government bonus from the State budget of the Slovak Republic shall be enforced by the mortgagor via the mortgage bank, on the basis of an application submitted to the mortgage bank.

(2) A government bonus shall be granted to a mortgagor on a yearly basis over the period of loan maturity set out in a mortgage loan agreement, i.e. only for a single mortgage loan agreement. If the mortgagor makes more than one mortgage loan agreement, the government bonus shall be provided for the agreement to which a written application is attached; if such application is attached to several mortgage loan agreements in the same year, the mortgagor shall lose his claim for a government bonus for all agreements during that year.

(3) A claim to a government bonus shall be forfeit:

- a) if a mortgagor fails to use the loan for the purpose for which it was intended;
- b) when a mortgage bank reclassifies a claim arising from a mortgage loan into a category of classified claims under conditions stipulated in separate regulations issued pursuant to Article 15.

#### **Article 36u**

- (1) The Ministry shall transfer government bonus to a mortgage bank on a monthly basis.
- (2) A claim for government bonus for a given month shall be submitted by the mortgage bank to the Ministry no later than the 25th day of the following month.
- (3) The Ministry shall transfer the funds pursuant to para 2 until the 25th day of the month following the submission of application by the mortgage bank for a government bonus, to a separate account opened for this purpose at the National Bank of Slovakia. From this account, the mortgage bank may withdraw funds for the payment of bonuses to individual mortgagors having a claim to government bonus, on a monthly basis.
- (4) Government bonuses granted to mortgagors for the relevant year shall be accounted for by the mortgage bank within the time limit set by the Ministry.
- (5) Mortgage banks shall be responsible for:
  - a) the enforcement of claims for government bonus from the State budget in time;
  - b) the correct calculation of the amounts of government bonuses;
  - c) the return of a government bonus if the mortgagor fails to meet the conditions for the provision of a government bonus.

#### **Article 36v**

- (1) The central register of mortgage loan agreements and claims for a government bonus shall be kept by the Ministry or an entity empowered by the Ministry.
- (2) Mortgage banks shall provide the Ministry, or the entity empowered by the Ministry, with information on new mortgage loan agreements for purposes stated in para 1 on a monthly basis. Such information should contain:
  - a) the mortgagor's birth certificate number;
  - b) number of the mortgage loan agreement;
  - c) indication of a claim for a government bonus;
  - d) volume of the mortgage loan;
  - e) amount of monthly repayments;
  - f) date of loan maturity.
- (3) State inspection of compliance with the terms and conditions for the provision of a government bonus shall be the responsibility of the Ministry. The Ministry is authorised to request any data from a mortgage bank for the

inspection of the use of funds granted as government bonus. The performance of state inspection is subject to the provisions of separate regulations.<sup>7ia)</sup>

(4) Employees of the entity mentioned in para 1 and members of its bodies shall be obliged to keep confidential all facts that are connected with the performance of activities pursuant to paras 1 and 2.

### **Article 36z**

For the purposes of mortgage business, the provisions of this Act and a separate law<sup>7g)</sup> pertaining to real estate, also apply to apartments and non-residential premises.

## **PART NINE**

### **Common Provisions**

#### **Article 37**

(1) Banks and branches of foreign banks conduct transactions with customers on a contractual basis. Banks and branches of foreign banks shall demand proof of identity from customers for each transaction. Banks and branches of foreign banks shall refuse to conduct transactions for customers on an anonymous basis. For the purposes of this provision, the identity of a customer may be checked on the basis of a document of identity<sup>7ib)</sup> or if the signature without any doubt, corresponds to the customer's specimen signature kept at the bank or the branch of a foreign bank, which was taken after the customer had proved his identity with a document of identity; in the case of transactions concluded through electronic facilities, the customer is identified on the basis of his personal identification number or a similar code, which is assigned to the customer by a bank or a branch of a foreign bank. In the case of a customer under age, who has no document of identity, the identity of his representative shall be verified, together with the document certifying that he is authorised to act for and on behalf of the customer.

(2) For purposes pursuant to para 1, transactions are defined as banking activities leading to the establishment, change, or discharge of obligations<sup>7aa)</sup> between a bank or a branch of a foreign bank and its customers, except for the receipt of deposits on transferable savings accounts in cash, receipt of deposits in the form of bearer securities in cash, and services rendered through automated cash exchange machines.

#### **Article 37a**

Banks and branch offices of foreign banks shall notify the relevant tax office in writing, of the place of residence of their business-account holders<sup>7bb)</sup>, of the number of each opened and closed current or deposit account held by an

entrepreneur who is or has been a customer, within 10 days of the end of the calendar month in which the account was opened or closed; the tax office is authorized to pass on such information only to other tax officials.

### **Article 38**

(1) The requirement of banking secrecy applies to all information and documents of matters relating to the customers of a bank or a branch of a foreign bank which are not available to the public, especially information on banking transactions and the balances of current and deposit accounts, which banks and branches of foreign banks are obliged to keep confidential and protect against disclosure, misuse, damage, loss or theft. The information and documents of matters that are subject to banking secrecy, may be provided by banks or branches of foreign banks to third persons solely with the prior written consent of the customer concerned or on his written instruction, unless this Act stipulates otherwise. The customer is entitled to be advised of the information kept about him in the database of the bank or the branch of a foreign bank, and to obtain an extract of such information, to be paid for by the customer.

(2) Banks and branch offices of foreign banks shall without the prior consent of the customer, submit a report on all matters that are subject to confidentiality to persons authorized to perform banking supervision, persons authorized to supervise the distribution of state premiums in building savings accounts<sup>7j)</sup>, and auditors performing activities according to law. The exchange of information between the National Bank of Slovakia and the banking supervision bodies of other countries is not deemed to be in breach of bank secrecy, provided that such information relates to entities operating or seeking to operate in the country concerned.

(3) A report on matters that are subject to confidentiality may be submitted by a bank or a branch of a foreign bank without the prior consent of the customer concerned solely upon request made in writing by:

a) a court of justice, including a notary as a court commissioner, for the purposes of civil proceedings to which the customer of the bank or branch of foreign bank is a party, or the subject of which is the property of the customer of the bank or branch of a foreign bank;<sup>8)</sup>

b) an authority engaged in criminal proceedings<sup>9)</sup>, for the purposes of criminal prosecution;

c) fiscal and customs authorities, for the purposes of tax or customs proceedings to which the customer of the bank or branch of foreign bank is a party;

d) an officer named by a court to act as agent for a debtor in bankruptcy under a separate law;<sup>9a)</sup>

e) the financial department of the Police Corps<sup>9b)</sup> for official purposes according to law;

f) the Ministry in the course of inspection according to law;<sup>9c)</sup>

g) receiver and preliminary receiver in bankruptcy and arrangement proceedings, if the customer of the bank or branch of a foreign bank is involved in the proceedings pursuant to a special regulation;<sup>9e)</sup>

h) the Deposit Protection Fund when deposits held at a bank or a branch of a foreign bank become inaccessible;<sup>9f)</sup>

i) the relevant state authority for the purpose of discharging obligations arising from an international treaty by which

the Slovak Republic is bound<sup>9g)</sup>, and where the discharge of obligations under this agreement may not be declined on account of banking secrecy.

Such written request shall contain data which enable the bank to identify the matter in question, primarily a precise identification of the person the data on which are requested, and the scope of requested data.

(4) Compliance with the requirement to report suspicious banking transactions by a bank or a branch of a foreign bank pursuant to a separate law<sup>9h)</sup>, will not be regarded as a breach of banking secrecy. The same applies to the obligation of banks and branches of foreign banks to notify, pursuant to a separate law,<sup>9i)</sup> the relevant authorities of a suspicion that a criminal act is being considered, or has been committed in connection with matters which are otherwise protected by the obligation of banking secrecy and whose non-prevention or non-reporting would be subject to penalty.

(5) Banks and branches of foreign banks are obliged to provide data for the identification of a customer and data about his account without his consent, to a person who proves that:

- a) in consequence of an error in payment or settlement, he suffered property damage which consisted in the transfer of funds owned or managed by him and the crediting of these funds to the customer's account, and
- b) the enforcement of a claim for repayment of funds acquired in the above way requires data for the identification of the said customer and data about his account to which the funds have been credited in error described under letter a).

Banks or branches of foreign banks will not provide such data if the customer gives, after their written warning that they have received an application for the provision of identification data about the customer, an instruction to the bank or the branch of a foreign bank to retransfer the funds from his account within seven calendar days of the date of delivery of such application to the bank or the branch of a foreign bank.

(6) If a customer fails to meet his obligations vis-a-vis a bank properly and in time despite the bank's written appeal, the bank may provide information and documentation about non-fulfilled obligations to a qualified person in order to ascertain the value of such obligations<sup>9j)</sup>, or to a barrister or a commercial lawyer duly authorised by the bank to enforce fulfilment of these obligations, or to a court distrainer mentioned in the proposal for distraint against the customer. The provision of this paragraph also applies to branch offices of foreign banks and their customers.

(7) Persons and bodies mentioned in paras 2 to 6 may use the information and reports provided by a bank or a branch of a foreign bank on matters that are subject to banking secrecy only for purposes or procedures for which the information and reports were provided and in so doing they are obliged to maintain banking secrecy in relation to third persons.

(8) If a customer delays more than 90 calendar days in meeting his financial commitment or other obligation vis-a-vis a bank in part or in full despite a written appeal by the bank, or if the customer does not fulfil his obligations to the bank seriously and repeatedly, the bank shall be entitled to inform, after warning the customer, other banks and branches of foreign banks, even without the customer's consent, of the fact that the customer has failed to discharge his obligations to the bank under the terms of his agreement with the bank or the provisions of generally binding legal regulations. The bank may mention only the customer's name, place of registered office or permanent residence, and the obligation infringed by the customer. The bank may not continue providing information about an obligation non-fulfilled by a customer after the customer has removed all consequences that have arisen from the non-fulfilment of the said obligation, especially if the customer has settled the financial obligation in full including the interest accrued; this does not apply to cases when the customer has failed to discharge other obligations to the bank. The provisions of this paragraph also apply to branches of foreign banks and their customers.

(9) If a customer delays more than 120 calendar days in discharging his financial commitment to a bank in part or in full despite a written appeal made by the bank, the bank may transfer its claim corresponding to the said financial liability towards another person through a written agreement, even if the person is a non-bank entity (hereinafter referred to as 'transferee'). This right may not be exercised by the bank if the customer repays the delayed financial obligation including interest before the claim is transferred; this does not apply if the sum of all delays in the same financial obligation vis-a-vis the bank exceeds one year. When a claim is transferred, the bank is obliged to hand over to the transferee the documentation relating to the obligation on the basis of which the transferred claim has arisen; the bank may provide the transferee with information about other contractual relations existing between the bank and the customer only under conditions and to the extent set out in para 8. The provisions of this paragraph also apply to branches of foreign banks and their customers.

(10) During negotiations about the sale of a bank, branch of a foreign bank, or their parts under a separate law<sup>3c)</sup>, the bank or the branch of a foreign bank may provide information covered by banking secrecy to the person whom the talks are held with, solely with the consent of the National Bank of Slovakia. The person to whom the information was provided, shall be obliged to maintain confidentiality even if no contract exists.

(11) For the submission of a report to an auditor pursuant to para 2 and for the submission of a report pursuant to para 3 letters a), d), and g), the bank or the branch of a foreign bank shall be entitled to receive compensation for its expenses.

### **Article 39**

(1) Employees of a bank or a branch of foreign bank, members of a bank's statutory body or supervisory board, the mortgage controller and his deputy, and persons making translations pursuant to Article 25 para 2 or conducting activities pursuant to Article 38 para 6, shall be obliged to maintain secrecy in matters concerning the interests of the

bank or branch of a foreign bank and its customers. The aforementioned persons may be exempted from this obligation by the statutory body of the bank or the chief executive officer of the branch of a foreign bank, for reasons listed in Article 38 paras 2 and 3.

(2) The obligation of secrecy shall extend beyond the term of employment or the term of office pursuant to para 1.

(3) The provisions of paras 1 and 2 do not apply where otherwise specified in a separate law.

### **Article 39a**

#### **Representation of a Foreign Bank**

(1) A foreign bank or a similar foreign financial institution may, upon registration with the National Bank of Slovakia<sup>9d)</sup>, establish a local representation in the Slovak Republic.

(2) For the purposes of this Act, a representative office of a foreign bank or a similar financial institution (hereinafter referred to as 'representative office'), is defined as an organizational unit of a foreign bank or a similar foreign financial institution, which promotes the bank's activities or obtains information concerning the possibilities of economic cooperation with the Slovak Republic.

(3) The representative office must not be engaged in business activities and must not be registered in the Register of Companies.

(4) A foreign bank or a similar foreign financial institution shall notify the National Bank of Slovakia in advance of any change in its representative office, i.e. address, chief executive officer, and the date of closing.

(5) A representative office may not:

- a) accept deposits;
- b) grant loans;
- c) provide banking services;
- d) perform any other business activity.

(6) The prescribed form of application for the establishment of a representative office and the conditions of operation shall be stipulated by the National Bank of Slovakia in a decree published in the Collection of Laws.

(7) If a representative office fails to comply with the conditions stipulated in the decision on registration, or if it infringes the legal regulations of the Slovak Republic in a serious manner, the National Bank of Slovakia may revoke the registration of the representative office.

(8) A representative office shall cooperate with the National Bank of Slovakia as required, in checking the fulfilment of conditions set forth in the decision on registration as stipulated by the legislation of the Slovak Republic.

#### **Article 40**

(1) The proceedings in matters assigned to the National Bank of Slovakia under this Act shall commence on the basis of a written request made by the party involved in the proceedings, or on the initiative of the National Bank of Slovakia. The National Bank of Slovakia shall act without undue delay to disclose the true state of affairs, so as to serve as a basis for its decision-making. Where necessary, the National Bank of Slovakia sets the term for the performance of an act in the proceedings, if not otherwise stipulated by this Act.

(2) An employee of the National Bank of Slovakia is excluded from discussions and making decisions in the matter, if any doubt concerning his impartiality arises in connection with his relationship to the matter concerned, and the participants or representatives involved.

(3) Persons who took part in proceedings connected with the same case as an employee of the National Bank of Slovakia, shall also be excluded from the discussion and decision-making in the matter concerned.

#### **Article 40a**

(1) A party involved in the proceedings (participant) is a person whose rights or obligations shall be the subject of the proceedings; in proceedings concerning the imposition of a penalty or measure pursuant to Article 26 and in proceedings in the matter of granting prior permission for an increase or decrease in the bank's equity capital pursuant to Article 16 para 1 letter b), the party involved in the proceedings shall be the bank or the branch of a foreign bank.

(2) A legal person shall be represented by his statutory body, or his employee or member, on the basis of a written authorisation from the statutory body stating that he is authorised to act for and on behalf of the legal person concerned.

(3) The participant may authorise a natural person to act on his behalf in the proceedings. In the same case, the participant may have only one representative. The representative appointed by the participant shall receive an



authorisation in writing or orally (recorded in a notarial minutes) either for the whole proceedings or for certain acts only. A written authorisation given by a participant who is a legal person, must be signed by his statutory body.

#### **Article 40b**

(1) The proceedings shall commence on the date of delivery of a written request made by the party involved in the proceedings to the National Bank of Slovakia; where the proceedings are initiated by the National Bank of Slovakia, such proceedings shall commence on the date when the National Bank of Slovakia initiated legal proceedings against the party involved, unless this Act stipulates otherwise.

(2) A request must contain the full name of the person who has made the request, including the address of his registered office or residence. The request must clearly indicate what is requested and must contain the names of other parties involved in the proceedings including the address of their registered offices or residence, and the date and signature of the person authorised. The request must also contain the names of persons who will act for and on behalf of the parties involved in the proceedings if necessary; a true description of decisive facts and evidence referred to by the applicant; and the documents necessary for the National Bank of Slovakia to pass a decision in the matter.

(3) If the request is not complete, especially if it is not delivered in the due form set out in a decree issued by the National Bank of Slovakia on the basis of this Act and announced in the Collection of Laws, the National Bank of Slovakia shall ask the applicant to provide additional information in the request, within a time limit of maximum 30 days.

#### **Article 40c**

(1) Where required by matter in the hand, the National Bank of Slovakia may request that the case be discussed in camera.

(2) A record shall be written of any important steps taken during the proceedings, especially the deposition of evidence, statements made by the parties involved, and the course of discussion.

(3) The record must clearly indicate, where, when and who conducted the proceedings; the subject of the proceedings; the names of persons taking part in the same; indicate the course of proceedings; what proposals were presented, and what measures were adopted.

(4) Following the reading of such record, it must be signed by each person who took part in the proceedings and an employee of the National Bank of Slovakia. A person's refusal to sign the record, the reasons for such refusal and the objections against the contents of the record, shall be entered into the record.

(5) The parties involved in the proceedings have the right to inspect relevant documentation and make any notes therefrom for their own purposes.

#### **Article 40d**

(1) Important documents, especially those involving decisions, shall be delivered by registered mail.

(2) Unless this Act stipulates otherwise, the documents intended for legal persons or authorities shall be delivered to employees authorized to receive such documents on behalf of the legal person or authority. Where such authorized employees have not been appointed, the registered document is to be delivered to the authorized agent of the legal person or authority; other documents may be delivered to any employee, who shall accept the document.

(3) Should the addressee decline to accept the document without any valid reason, the document is deemed to have been delivered on the date when the addressee declined to accept it.

(4) If it were not found possible to deliver a registered letter/document to the addressee at his home address, the deliverer shall inform him of an alternative delivery of the mail. If the new delivery remains unsuccessful, the deliverer shall deposit the document at the post office or the municipal authority and shall notify the addressee of this fact. If the addressee still fails to collect the letter within three days of the date of mailing, the document shall be deemed to have been delivered on the last day of this time limit, even though the addressee may be unaware of it.

#### **Article 40e**

(1) The National Bank of Slovakia shall suspend the proceedings when the party involved was asked to supplement the application, or if the Ministry was asked for an opinion. The Ministry shall submit to the National Bank of Slovakia its opinion within 30, or 60 days in complicated cases, after the receipt of a request from the National Bank of Slovakia to state an opinion.

(2) There is no right to appeal against the decision to suspend proceedings.

(3) Insofar as the proceedings are suspended, the terms under this Act no longer apply.

#### **Article 40f**

(1) The National Bank of Slovakia shall terminate the proceedings brought by the party involved, where the party has withdrawn its application, failed to submit the proper form of application, or failed to complete the application within the period stipulated by the National Bank of Slovakia.

(2) The proceedings initiated by the National Bank of Slovakia may be terminated, when the reasons for such proceedings cease to exist.

#### **Article 40g**

The expenses incurred by the National Bank of Slovakia in connection with the proceedings shall be borne by the National Bank of Slovakia. The expenses incurred by the party involved in the proceedings, shall be met by the party concerned.

#### **Article 40h**

(1) Any legal means that may help to reveal and clarify the actual state of affairs, may be used in the course of providing evidence.

(2) Evidence is defined as testimonies, expert opinions, title deeds, and inspections.

(3) The National Bank of Slovakia may summon the persons to be present in order to discuss the case and ask them to disclose facts or present evidence which may be important to the outcome of the proceedings.

(4) Evidence is to be taken with respect to the requirement to maintain secrecy in matters of state secrets, professional secrets, trade secrets, tax-related secrets, and in all matters covered by the obligation of official secrecy according to the law. In such cases, the accused may be questioned only when he has been excused the obligation to maintain secrecy or confidentiality by the relevant authority or the body in the interest of which he is under such obligation. This also applies to the taking of evidence in a way other than questioning. A person may be deprived of the possibility of being excused the obligation to keep state secrets in confidence only in cases specified in a separate law.<sup>9j)</sup>

(5) When so required by the National Bank of Slovakia, natural persons are obliged to appear as witnesses and give testimony in proceedings in matters falling within the competence of National Bank of Slovakia; a witness is obliged to tell the truth and not to conceal anything. A witness may refuse to testify in cases where, as a consequence, a case could be brought against him or against a closely related person.<sup>5)</sup> Before testimony, it is necessary to determine the

identity of the witness and inform him of his rights, duties, and the legal consequences of untrue or incomplete evidence or refusal to furnish testimony without good reason (Article 40i).

(6) If the clarification and assessment of a fact which is important for the outcome of the proceedings requires expert skills, the National Bank of Slovakia may appoint an expert witness pursuant to separate regulations<sup>9k)</sup> and instruct him to prepare an expert opinion in writing or to furnish expert testimony.

(7) The National Bank of Slovakia may instruct a person who possesses a document necessary for giving evidence, to present the document. The request for documents may only be refused for the same reasons as for the refusal to testify by a witness.

(8) The National Bank of Slovakia shall assess the evidence according to its own deliberations; each piece of evidence shall be considered separately and in relation to each other; the National Bank of Slovakia shall weigh any fact arising during the course of the proceedings.

#### **Article 40ch**

(1) The National Bank of Slovakia may, prior to termination of the proceedings and to the extent necessary for the purpose of thereof:

- a) order the parties involved to adopt, disregard, or submit to such measures as may be considered necessary;
- b) order the safekeeping of any documents, which may be used in evidence.

(2) The National Bank of Slovakia shall cancel the decision under para 1, as soon as the reason for such decision has ceased to exist; otherwise the decision shall lose its effect on the date the decision came into effect.

(3) An appeal against a decision to impose measures under para 1 shall not defer implementation of the decision.

#### **Article 40I**

The National Bank of Slovakia may impose a fine of up to Sk 10,000 on any person interfering with the course of the proceedings, especially where the person fails to obey the summons; declines to furnish testimony without due cause; refuses to submit a requested document, or to submit to an inspection.

#### **Article 40j**

- (1) The decision shall include the judgement, substantiation, and instructions for an appeal.
- (2) Judgement shall include resolution of the case, together with an indication of legal regulations referred to in arriving at a decision. The judgement shall also state requirements, if any, which must be met in the resolution of the case; the fulfilment of the requirements shall be communicated to the National Bank of Slovakia.
- (3) The substantiation shall include the facts that served as a basis for the decision, and legal regulations referred to in arriving at a decision.
- (4) The instructions for an appeal shall include a statement indicating whether the decision is final, or whether it may be appealed against, together with the deadlines and the relevant authorities which may accept as appeal.
- (5) The decision made in writing shall state the body which made the decision, the date of decision, and the names and addresses of the parties involved. The decision must be authorized with the rubber stamp of the National Bank of Slovakia, and the signature, full name and position of the person authorized.

#### **Article 40k**

- (1) The decision shall be conveyed to the party involved in the proceedings in writing. The date of delivery shall be deemed as the date of pronouncement.
- (2) A decision against which there is no right of appeal, is deemed to come into effect upon delivery.
- (3) A decision may be implemented once delivery has taken place, provided there is no right of appeal, or where an appeal would not defer implementation of a decision.

#### **Article 40l**

- (1) Proceedings of the first degree shall be conducted by the banking supervision body of the National Bank of Slovakia.
- (2) The banking supervision body of the National Bank of Slovakia shall decide in the matter of application for approval pursuant to this Act not later than three months from the date of delivery of a completed application; in the

case of an application for a banking licence, a decision shall be made within six months from the date of receipt of a completed application.

(3) The party may appeal against the decision of the National Bank of Slovakia, provided it has not waived the right to appeal in a written or oral statement; withdrawal of an appeal is considered to be a waiver. An appeal-waiver can not be withdrawn. An appeal, shall not, however, defer the implementation of a decision, if not otherwise stated in this Act.

(4) The appeal shall be submitted to the banking supervisory body of the National Bank of Slovakia, which made the decision.

(4) The appeal may be submitted within 15 days of the date of delivery of the decision.

(5)

#### **Article 40m**

(1) The banking supervision body of the National Bank of Slovakia may decide upon an appeal, provided it fulfils all the requirements of an appeal body.

(2) In the event the banking supervision body of the National Bank of Slovakia, which has issued the particular decision, has failed to reach a decision upon the appeal in para 1; the appeal shall be submitted, along with the results of the proceedings, documentation, and the opinion of the supervision body on the appeal to the Bank Board of the National Bank of Slovakia, within 30 days of the date when the National Bank of Slovakia received the appeal.

#### **Article 41**

(1) Appeals against the decisions of the banking supervisory division of the National Bank of Slovakia shall be decided by the Bank Board of the National Bank of Slovakia. On the basis of the appeal against a decision made by the banking supervision body of the National Bank of Slovakia, the Bank Board of the National Bank of Slovakia may grant a licence; make changes in the licence granted under Article 4 para 3, Article 5 para 2 or Article 36 para 1 exclusively in agreement with the Ministry, and the appeal against a decision made by the banking supervision division of the National Bank of Slovakia shall, after consultation with the Ministry, be decided by the Bank Board of the National Bank of Slovakia after consultation with the Ministry.

(2) The Bank Board of the National Bank of Slovakia may amend or cancel the decision, provided there are reasons for doing so; otherwise the appeal shall be dismissed and the decision upheld.

(3) An appeal decision is final.

(4) A decision which has entered into effect may be reviewed by the Bank Board of the National Bank of Slovakia on its own or other person's initiative. A final decision made in accordance with Article 4 para 3, Article 5 para 2 or Article 36 para 1 may be amended or cancelled by the Bank Board of the National Bank of Slovakia in agreement with the Ministry. A final decision issued after consultation with the Ministry may be reviewed by the Bank Board of the National Bank of Slovakia after consultation with the Ministry. The appealed decision may be amended or revoked, where such decision has resulted in a breach of law, or other generally binding legal regulations; and within three years from the date the decision came into effect. The decision of the Bank Board shall not bear the right of further appeal.

#### **Article 41a**

The legality of the decisions made by the National Bank of Slovakia under this Act, may be reviewed by a court of law pursuant to separate regulations<sup>10)</sup>; the authority for review of such decisions shall be assigned to the Supreme Court of the Slovak Republic.

#### **Article 41b**

Where the party involved in the proceedings fails to comply with the obligation imposed by the decision, within the specified period of time, the National Bank of Slovakia may propose judicial enforcement of the decision.

## **PART TEN**

### **Temporary and Final Provisions**

#### **Article 42**

Legal entities operating as banks or savings banks under the Act No. 158/1989 Zb. on banks and savings banks, shall be considered as banks under this Act, on the day this Act comes into force.

#### **Article 43**

Loans provided by banks on the basis of regulations hitherto in force shall be considered bank credits under this Act.

#### **Article 44**

Deposits of natural persons with banks and the interest accrued on such deposits shall be guaranteed under the relevant Act<sup>12)</sup>.

#### **Article 44a**

(1) Slovenska sporitelna, a.s. and other banks which granted loans prior to 1st January 1990, or banks which took over receivables derived from such loans, which have been classified as high-risk bank receivables due to the risk that they will not be repaid at full par value and in due time, will undergo a process of loan portfolio restructuring with the participation of the State.

(2) The Government, or the Ministry, on a mandate issued by the Government, is authorized to grant to the bank defined in para 1, special guarantees for the purpose of restructuring its credit portfolio.

#### **Article 45**

If, in accordance with legal regulations applying before the coming into force of this Act, a bank was obliged to provide credits under pre-determined conditions and in consequence suffers a loss of capital, the bank shall henceforth be entitled to compensation for this loss from the State budget to which its levies or taxes are due.

#### **Article 45a**

(1) If a bank suffers a loss, after 1st February 1992, on obligatory loans granted under legal regulations issued before 1st February 1992, the bank shall be entitled to compensation for such loss from the State budget, in an amount which can be documented by credit agreements under conditions stipulated in paras 2 and 3.

(2) The bank is obliged to notify the Ministry of the estimated amount of capital loss for the next fiscal year in good time before preparation of the State budget.

(3) The Ministry shall compensate the bank for the loss of property, provided that the bank has met its obligations pursuant to para 2, in the prescribed amount, up to the amount laid down in the law on the state budget for the relevant year. The bank is obliged to document the actual amount of the capital loss to the Ministry within 5 calendar days of the end of the relevant month, and the Ministry shall compensate the bank for the loss within 15 days after the loss is documented, unless the two parties agree otherwise.

#### **Article 45b**

By 31st December 1997, the banks shall have replaced their issued bearer shares with registered book-entry shares; provisions of a separate Act<sup>11)</sup> shall not apply to this procedure.



#### **Article 45c**

(1) The National Bank of Slovakia may request that licensed banks and branches of foreign banks should, within a reasonable period of time, comply with the conditions set forth in the decree issued by the National Bank of Slovakia pursuant to the provisions of Article 4 para 1 and Article 5 para 4 of this Act.

(2) A licence to operate as a bank issued before the date when this Act came into force, shall be deemed to be a licence to establish a bank under the provisions of this Act.

(3) Banks and the branches of foreign banks are required to hold a banking licence under this Act. They must submit an application for such licence to the National Bank of Slovakia within six months from the date when this Act came into force. Where a bank or a branch office of a foreign bank, fails to submit such application before expiration of the above period, it shall lose its right to perform banking activities on the basis of a licence to operate as a bank issued under hitherto valid regulations, and the National Bank of Slovakia will take appropriate measures pursuant to Article 35 paras 3 and 4. Where a bank or a branch office of a foreign bank submits an application in due time, it will be authorized to perform banking activities on the basis of a licence to operate as a bank issued under the previous regulations, until the date when the decision of the National Bank of Slovakia on this application enters into effect. In this connection, the provisions of Article 10 para 1 do not apply.

(4) The banking licence granted on the basis of an application pursuant to para 3, shall specify the range of banking activities in accordance with the previous regulations, provided they comply with the present Act.

#### **Article 45d**

Proceedings commenced in accordance with regulations hitherto effective shall be regarded as proceedings under this Act. The legality of decisions made prior to this Act, shall remain in force.

#### **Article 45e**

Provisions of this Act also govern legal relationships established before this Act comes into effect; however, the establishment of such legal relationships, as well as any claims arising therefrom before this Act comes into effect will be governed by regulations effective hitherto.

#### **Article 45f**

(1) If a bank or a branch of a foreign bank had its licence to establish, and a licence to operate as a bank granted under previous regulations, these licences are together deemed to be a banking licence pursuant to this Act.

(2) A bank or a branch of a foreign bank which was granted a licence to establish a bank before the coming into effect of this Act, is required to file an application for a banking licence under this Act with the National Bank of Slovakia, at least six months from the date this Act comes into effect, otherwise the licence to establish a bank becomes void. If the application for a banking licence is filed in time, the licence to establish a bank becomes null and void on the date the respective decision of the National Bank of Slovakia comes into effect. If the National Bank of Slovakia declines the application for a banking licence, the procedure is similar to that laid down in Article 35, paras 3 and 4.

#### **Article 45g**

(1) Legal persons or natural persons who, from the date this Act comes into effect, have accepted deposits from other persons without a banking licence are allowed not more than 6 months from the date this Act comes into effect to adjust their legal circumstances to the provisions of this Act.

(2) Provisions of this Act even apply to legal relationships existing before this Act takes effect; however, the form, as well as any claims arising therefrom will be governed by regulations effective at that times.

#### **Article 45h**

(1) The government bonus for mortgage loans granted before the coming into existence of this Act shall be provided pursuant to Article 36s, on the terms and conditions stipulated in this Act, exclusively for interest due in the period after this Act comes into effect.

(2) The 1999 government bonus shall be 6% p.a.

#### **Article 46**

The Act No. 158/1989 Zb. on banks and savings banks is hereby repealed.

#### **Article 47**

This Act becomes effective on 1st February 1992.

Act No. 264/1992 Zb., which amends and supplements the Civil Code, revokes the law pertaining to the State Notary Office and procedures before the State Notary Office (Notarial Code), and amends certain other laws, became effective on 1st January 1993.

Act No. 249/1994 Z. z. of the National Council of the Slovak Republic, pertaining to measures contra the laundering of income earned from criminal activities, especially organized crime, and which amends certain other laws, became effective on 1st October 1994.

Act No. 374/1994 Z. z. of the National Council of the Slovak Republic, concerning certain measures designed to improve the budget performance of the Slovak Republic in 1995, and amendments to certain laws, became effective on 1st January 1995, with the exemption of Article XV item 14 and Article XVI item 15, which became effective on 1st July 1995.

Act of the National Council of the Slovak Republic No. 58/1995 Z. z. on the State Budget of the Slovak Republic for 1995, which amended and augmented certain other laws, became effective on 1st April 1995; with the exception of Articles III and VII, which became effective on the day when they were promulgated, i.e. on 30th March 1995.

Act No. 233/1995 Z.z. of the National Council of the Slovak Republic on court officers and distraints (Distraintment Regulation) and on amendments and supplements to other laws, became effective on 1st December 1995.

Act No. 58/1996 Z. z. of the National Council of the Slovak Republic, which amends and supplements Banking Act No. 21/1992 Zb. with subsequent amendments, became effective on 1st March 1996.

Act No. 118/1996 Z. z. of the National Council of the Slovak Republic on protection of bank deposits, became effective on 1st March 1996.

Act of the National Council of the Slovak Republic No. 386/1996 Z. z. on the State Budget of the Slovak Republic for 1997, and certain amendments to other laws, became effective on 1st January 1997; except Article II item 27, and Article XXI para 2, which became effective on the day when they were promulgated, i.e. on 31st December 1997.

Act No. 12/1998 Z. z., which amended and augmented Act No. 328/1991 on bankruptcy and creditor compensation, as amended by subsequent regulations, and certain amendments to other laws, became effective on 1st February 1998.

Act No. 44/1998 Z. z., which amended and augmented Act No. 21/1992 Zb. on banks, as amended by subsequent regulations and the Act of the National Council of the Slovak Republic No. 1/1993 Z. z. on Collection of Laws of the Slovak Republic, became effective on 21st February 1998.

Act No. 170/1998 Z.z., which amended and augmented Act No. 21/1992 Zb. on banks, as amended by subsequent regulations, became effective on 12th June 1998.

Act No. 252/1999 Z.z. became effective on 11 October 1999.

\* Corporate bodies (translator's note)

1) Act No. 513/1991 Zb. Commercial Code.

1a) E.g. Act No. 248/1992 Zb. on investment companies and investment funds, with subsequent amendments.

1b) E.g. Act No. 530/1990 Zb. on bonds, with subsequent amendments, Act No. 248/1992 Zb. with subsequent amendments; Act No. 600/1992 Zb. on securities, with subsequent amendments.

1c) Article 21, paras 3 and 4, and Article 28 para 4 of the Commercial Code.

1d) Act No. 71/1967 Zb. on administrative proceedings (Administrative Procedures)

2) Act No. 566/1992 Zb. on the National Bank of Slovakia, with subsequent amendments, passed by the National Council of the Slovak Republic.

2a) Article 2 of Decree No. 275/1994 Z.z. of the National Bank of Slovakia, stipulating procedures for payments and the settlement of accounts between banks.

2b) For instance, Articles 59, 223 and 673 of the Commercial Code

2c) Article 24, para 1, of Act No. 286/1992 Zb. on income tax, with subsequent amendments.

2ca) For example, Act No. 124/1996 Z.z. of the National Council of the Slovak Republic on the State Housing Fund as amended by Act No. 1/1997 Z.z. of the National Council of the SR; Act No. 40/1994 Z.z. on the State Fund for the Support of Agriculture and Food Industry, with subsequent amendments.

2d) Article 2 of the National Council of the Slovak Republic Act No. 310/1992 Z. z. on house saving schemes.

3) Article 1 para 1 of the Act No. 1/1993 Z. z. on the Collection of Laws of the Slovak Republic, passed by the National Council of the Slovak Republic.

3a) Articles 173 and 174 of the Commercial Code.

3b) Articles 22 and 23 of the Accountancy Act No. 563/1991 Zb.

3c) Article 476 and subsequent articles of the Commercial Code.

4) Act No.188/1994 Z. z. on the protection of economic competition, passed by the National Council of the Slovak Republic.

- 5) Article 116 of the Act No. 40/1964 Zb., Commercial Code, with subsequent amendments.
- 5a) Act No. 600/1992 Zb., with subsequent amendments.
- 5aa) Article 27 para 5 of the Labour Code, with subsequent amendments.
- 5b) Article 28 letter a) of the Act No. 566/1992 Zb. passed by the National Council of the Slovak Republic.
- 5c) Article 36 of the Act No. 566/1992 Zb. passed by the National Council of the Slovak Republic.
- 6) Act No. 563/1991 Zb. on accountancy.
- 6a) Article 21 of the Act No. 563/1991 Zb. with subsequent amendments.
- 6b) Article 6 para 4 and Article 22 para 2 of Act No. 563/1991 Zb. with subsequent amendments.
- 7) Act No. 566/1992 Zb. of the National Council of the Slovak Republic, on the National Bank of Slovakia, with subsequent amendments. Act No. 202/1995 Z. z. of the National Council of the Slovak Republic, Foreign Exchange Act, which amends and augments the Act No. 372/1990 Zb. on infringements, with subsequent amendments. Act No. 118/1996 Z. z. of the National Council of the Slovak Republic on the protection of bank deposits with amendments to other laws.
- 7a) Articles 191 of the Commercial Code.
- 7aa) For example, Articles 497 to 507 and Articles 708 to 719 of the Commercial Code as amended by later regulations; Articles 778 to 787 of the Civil Code.
- 7ab) Article 25 para 1 of Act No. 118/1996 Z.z. of the National Council of the Slovak Republic on protection of deposits and amendments to certain laws.
- 7b) Article 46 and subsequent articles of the Act No. 328/1991 Zb. on bankruptcy and arrangement, with later amendments.
- 7bb) Article 2 para 2 of the Act No. 513/1991 Zb. Commercial Code.
- 7c) Article 7 para 2 of the Decree No. 100/1993 Z. z. of the Slovak Government, pertaining to the Commercial Code.
- 7ca) Act No. 111/1990 Zb. on State enterprises with subsequent amendments.
- 7d) Article 14 of the Act No. 530/1990 Zb. with subsequent amendments.
- 7dd) Article 12 paras 4 and 5 of the Act of the National Council of the Slovak Republic No. 118 / 1996. Z. z.
- 7de) Article 8 para 6 of Act No. 118/1996 Z.z. of the National Council of the Slovak Republic.
- 7e) Article 20 para 1 letter a) of the Act No. 530/1990 Zb. with subsequent amendments.
- 7ea) Article 1 para 3 of the Announcement of the Federal Ministry of Technical Development and Investment No. 85/1976 Zb. on details of property development proceedings, and Building Procedures
- 7f) Article 18 of the Act No. 530/1990 Zb. with subsequent amendments.
- 7g) Act No. 530/1990 Zb. with subsequent amendments.
- 7gg) Article 15 para 1 of Act No. 182/1993, passed by the National Council of the Slovak Republic, relating to the ownership of apartments and non-residential premises, with subsequent amendments.

- 7h) Article 16 paras 4 and 5 and Article 20 para 4 of the Act No. 530/1990 Zb. with subsequent amendments.
- 7ch) The Act No. 600/1992 Zb. with subsequent amendments. Act No. 530/1990 Zb. with subsequent amendments.
- 7i) Article 22 para 3 of the Act No. 530/1990 Zb. with subsequent amendments.
- 7ia) Act No. 10/1996 Z.z. of the National Council of the Slovak Republic on Inspection in State Administration.
- 7ib) Act No. 162/1993 Z.z. of the National Council of the Slovak Republic on identity cards with subsequent amendments; Act No. 381/1997 Z.z. on Passports;
- 7j) Act No. 310/1992 Zb. on building savings, passed by the National Council of the Slovak Republic.
- 8) Act No. 99/1963 Zb. on civil proceedings, with subsequent amendments.
- 9) Act No. 141/1961 Zb. on Criminal Procedure (Code of Criminal Procedure) with subsequent amendments.
- 9a) Act No. 233/1995 Z.z. of the National Council of the Slovak Republic on court officers and distrains (Distraintment Regulation) and on amendments and supplements to other laws, with subsequent amendments.
- 9b) Article 4 para 3 of the Act No. 171/1993 Z. z. on the Police Corps, with subsequent amendments.
- 9c) Act No. 600/1992 Zb. with subsequent amendments. Act No. 530/1990 Zb. with subsequent amendments. Act No. 24/1991 Zb. on insurance companies with subsequent amendments, passed by the Slovak National Council. Article 37 of the Act of the National Council of the Slovak Republic No. 566 / 1992 Zb.
- 9d) Article 32 of the Act No. 566/1992 Zb., passed by the National Council of the Slovak Republic.
- 9e) Act No. 328/1991 Zb. on bankruptcy and creditor compensation, as amended by subsequent regulations.
- 9f) Article 3 para 3 and Article 12 para 1 of Act No. 118/1996 Z.z. of the National Council of the Slovak Republic, as amended by Act No. 154/1999 Z.z.
- 9g) For example, the United Nations Agreement on the struggle against illegal trade in narcotic and psychotropic substances (Announcement No. 462/1991 Zb.)
- 9h) Act No. 249/1994 Z.z. of the National Council of the Slovak Republic on the campaign against the laundering of proceeds from the most serious, particularly organised, forms of criminal activity, and on amendments to other laws specified in Act No. 58/1996 Z.z. of the National Council of the Slovak Republic
- 9i) For example, Act No. 36/1967 Zb. on Experts and Interpreters; Act No. 73/1992 Zb. of the National Council of the Slovak Republic on Auditors and the Slovak Chamber of Auditors, with subsequent amendments.
- 9j) Article 24 para 8 of Act No. 100/1996 Z.z. of the National Council of the Slovak Republic on the Protection of State Secrets, Official Secrets, Encoded Information and on amendments to the Criminal Code with subsequent amendments.
- 9k) Act No. 36/1997 Zb.
- 10) Articles 244 and 247 of the Rules of Civic Proceedings.
- 11) Articles 186 and 187 of the Commercial Code.

12) Act of the National Council of the Slovak Republic No. 118 / 1996 Z. z.

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**Note:**

*This English language version of the Act is for guidance only and while every care has been taken in its preparation, the National Bank of Slovakia, its officers and agents accept no responsibility or liability for losses arising from errors in translation. The Slovak language version is the legal version of this Act.*