

# **Deposit Protection Act**

The full wording of the Act of the National Council of the Slovak Republic No. 118/1996 Coll. dated 20 March 1996 on the protection of bank deposits and amending certain other laws, as amended by Act No.154/1999 Coll., Act No. 397/2001 Coll., Act No. 492/2001 Coll., Act No. 340/2003 Coll., Act No. 186/2004 Coll., Act No. 554/2004 Coll., Act No. 650/2004 Coll., Act No. 747/2004 Coll., Act No. 578/2005 Coll., Act No. 209/2007 Coll., Act No. 421/2008 Coll., Act No. 659/2007 Coll. and Act No. 552/2008 Coll.

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

## **Section I**

### **PART ONE BASIC PROVISIONS**

#### **Article 1 Purpose of the Act**

The purpose of the Act is to prescribe measures for the protection of deposits held in accounts with <sup>1)</sup> and branch offices of foreign banks <sup>1)</sup> and to provide for compensation for those deposits, in the event of inaccessibility.

#### **Article 2 Introductory Provisions**

(1) A Deposit Protection Fund (hereinafter referred to as the "Fund") is to be set up to provide for the accumulation of financial contributions (hereinafter referred to as "contributions") from banks and branch offices of foreign banks for eventual compensation of deposits held in banks and branch offices of foreign banks and for their management in accordance with the Act.

(2) The Fund is a legal entity and is registered in the Companies Registry. Details of the Fund's activities and organisation will be governed by the Fund Statutes in accordance with the provisions of the Act.

(3) The Fund is not a state fund as defined in separate legislation. <sup>2)</sup>

#### **Article 3 Definition of Terms**

(1) A deposit under the Act is understood to be the liability of a bank or a branch office of a foreign bank towards a natural person or a legal entity (hereinafter referred to as

"depositor"), to repay funds deposited with the bank or a branch office of a foreign bank by the depositor in a banking transaction <sup>2a)</sup> carried out in his own name and for his own account or which the bank or a branch office of a foreign bank accepted as a payment <sup>2b)</sup> in favour of the depositor, including interest and other benefits related to the custody of the funds, including deposits described in paragraph 2.

(2) A deposit under the Act is also understood to be:

- a) a deposit, which, according to records made by a bank or branch office of a foreign bank in its information system<sup>2c)</sup> or in the depositor's proof of deposits before the day when the deposits became inaccessible, as described in paragraph 5, is held in the name of a number of depositors with minimum identification data for each of them as stipulated in paragraph 4, letter a) (hereinafter referred to as "joint deposit"),
- b) funds kept in a notarial custody<sup>3)</sup> deposited with a bank or branch office of a foreign bank provided that the beneficiary of the funds is, or should be a person, whose deposits are protected by the Act, and the notary administering the funds has delivered written notification containing data about such depositors, including minimum identification data for each of the depositors as stipulated in paragraph 4, letter a), delivered to the relevant bank or a branch office of a foreign bank before the day when they became inaccessible as stipulated in paragraph 5.

(3) Deposits described in paragraphs 1 and 2, with the exception of deposits described in paragraph 4, are protected in the scope and under conditions stipulated in the Act if the depositor is

- a) a natural person,
- b) a foundation,<sup>4)</sup> non-investment fund,<sup>4a)</sup> non-profit organisation providing community services,<sup>5)</sup> civic association,<sup>5a)</sup> or an association of residential and non-residential property owners,<sup>5b)</sup>
- c) a legal entity, not listed in letter b), with the exception of:
  1. a bank,<sup>5c)</sup> securities dealer <sup>5d)</sup> who is not a bank, performing institution,<sup>5da)</sup> mediating institution,<sup>5db)</sup> issuer of electronic means of payments,<sup>5dc)</sup> operator of a payment system <sup>5dd)</sup> and other payment system participant,<sup>5de)</sup> central depository of book-entry securities<sup>5df)</sup> and other participant in an financial instrument payment and settlement system,<sup>5dg)</sup> stock exchange,<sup>5e)</sup> commodities exchange,<sup>5f)</sup> trustee company including property in an investment unit fund,<sup>5g)</sup> pension assets management company including assets in the pension fund,<sup>5ga)</sup> an insurance company,<sup>5h)</sup> reinsurance company,<sup>5h)</sup> supplementary retirement insurance company,<sup>5i)</sup> supplementary retirement insurance company <sup>5ia)</sup> including assets in the supplementary pension fund, post company,<sup>5j)</sup> a legal entity running a lottery or other similar games, <sup>5k)</sup> or the Export-Import Bank of the Slovak Republic,
  2. a Slovak legal entity not listed in item 1 or foreign legal entity involved in business identical or partly identical with that of legal entities mentioned in item 1,<sup>5l)</sup>
  3. a commercial company or cooperative (hereinafter referred to as "commercial company"), which is not mentioned in items 1 and 2 and which
    - 3a. is, according to special legislation<sup>5m)</sup>, obligated to have financial statements approved by an auditor, and
    - 3b. failed to deliver to a bank or a branch office of a foreign bank in which accounts it holds deposits, in the time limit set in Article 26(5), an unambiguous written notification whether it is obligated to have its financial statements approved by an auditor or not <sup>5m)</sup>,

4. the State, a State fund, municipality, regional district, or a body financed partially or fully by them including public authorities,<sup>5n)</sup>
5. a legal entity established by an act<sup>5o)</sup> of parliament not listed in items 1 to 4.
6. a legal entity that controls the bank or the foreign bank or is controlled by the bank or foreign bank in the accounts of which it holds deposits.<sup>5p)</sup>

(4) The Act does not cover:

- a) a deposit, which, according to records made by a bank or a branch office of a foreign bank in its information system<sup>2c)</sup> or in the depositor's proof of deposits before the date when the deposits became inaccessible, as described in paragraph 5, is not held in the name of the depositor as identified with the following minimum data:
  1. name, surname, personal ID<sup>7a)</sup> or date of birth and depositor's permanent residential address, if the depositor is a natural person,
  2. name, personal ID, if issued, and address if the depositor is a legal entity, whose deposits are protected under the Act, as well as the name of the official registry or other official file in which is the legal person registered,<sup>7aa)</sup> and the entry number in this registry or official file,
- b) bearer deposit or the balance of a cancelled bearer deposit account<sup>7b)</sup>, primarily in the form of bearer passbook deposit or bearer certificate of deposit or bearer treasury bill certificate.
- c) investment trust certificate,<sup>7c)</sup> deposit in the form of a security listed on the stock exchange,<sup>7d)</sup> financial instrument, other security or derivative instrument accepted by a securities dealer or foreign securities dealer for carrying out an investment service<sup>7e)</sup> and client's assets protected by the Investment Guarantee Fund pursuant to a separate law<sup>7f)</sup>.
- d) a deposit in the form of bond, bill of exchange or a cheque,
- e) a joint deposit, if the conditions stipulated in Par 2, letter a), are not met,
- f) deposit, in the form of notarial custody<sup>3)</sup>, if the conditions stipulated in paragraph 2, letter b) are not met,
- g) deposit used as a source contributing to the equity capital<sup>7g)</sup> of the bank.

(5) A deposit is considered inaccessible, when:

- a) deposited in an account at a bank or a branch office of a foreign bank, which has been declared unable to refund deposits in accordance with Article 8, paragraph 3,
- b) deposited in a bank or a branch office of a foreign bank where, on the basis of an order issued by a bankruptcy court in a bankruptcy proceeding, in accordance with a separate law<sup>6)</sup>, manipulation of deposits has been suspended, and where the order came into effect before the announcement made in accordance with Article 8, paragraph 3.

(6) For the purpose of the Act, banks<sup>1)</sup> and branch offices of foreign banks<sup>1)</sup> are considered to be institutions to which an obligation under Article 4 of the Act applies and which participate in the deposit protection under Article 4 of the Act; for the purpose of the Act, banks and branch offices of foreign banks are considered to be also legal entities, which have had their banking licence revoked or the banking licence<sup>7)</sup> expired during their participation in the deposit protection scheme according to this Act, until all deposits protected by the Act were compensated.

## **Article 4**

### **Participation of Banks in Deposit Protection**

(1) In accordance with the Act on the protection of deposits, banks that accept deposits are required to participate in the deposit protection scheme and to pay contributions for this purpose to the Fund, unless this legislation stipulates otherwise.

(2) Branch offices of foreign banks are required to participate in the protection of deposits and to pay contributions in full accordance with the Act, if they hold deposits:

- a) which are neither protected nor insured in the country of origin of the foreign bank, or
- b) which are protected or insured in the country of origin of the foreign bank but to a lesser extent than specified under the Act; this provision is not applicable to branches of foreign banks benefiting from the single banking license under the law of the European Union.

(3) A branch office of a foreign bank is not obligated to participate in the protection of deposits in accordance with the Act where the deposits are protected in the country of origin of the bank at least to the extent as required by the Act and on condition that reciprocity is guaranteed; this provision is not applicable to branches of foreign banks benefiting from the single banking license under the law of the European Union.

(4) In the case of a bank registered in the Slovak Republic, the obligation to participate in the deposit protection scheme does not apply in respect of deposits accepted by a foreign branch office of the bank in a country other than a Member State of European Union or another Member State of the European Economic Area (hereinafter the "Member State"), and in which a legal obligation exists to protect or insure deposits, in accordance with laws of that country, without taking into account the deposit protection scheme in the Slovak Republic.

(5) Compensation paid in respect of inaccessible deposits at a branch office of a foreign bank that is already a participant in the protection or insurance of deposits in the country of origin of the foreign bank, may not exceed the compensation amount specified by the Act.

(6) To the extent and under terms laid down in the Act, deposits at banks and branch offices of foreign banks (hereinafter referred to as "banks") are protected and the Fund is obligated to provide compensation for them should they become inaccessible.

(7) The requirement to participate in the system for the protection of deposits in accordance with the Act comes into effect on the day the bank accepts the first deposit protected by this legislation.

(8) The level and scope of deposit protection may not be used for promoting purposes<sup>8)</sup>; this prohibition applies equally to differences in the scope of and on the level of the protection of deposits in the Member States. This, however, does not affect Article 12, paragraph 4, letter e), and paragraph 5a of the Act.

## **PART TWO CONTRIBUTIONS TO THE FUND**

### **Article 5 Types of Contribution**

(1) Banks are obligated to pay the following contributions to the Fund:

- a) initial contribution,

- b) annual contribution,
- c) extraordinary contribution.

(2) The initial contribution is a one-off contribution.

(3) The annual contribution is the bank's recurrent contribution.

(4) An extraordinary contribution is a contribution made by the bank, for the purpose of supplementing the Fund, specifically for the refund of inaccessible deposits or due to repayment a loan used to pay compensation for inaccessible deposits.

## **Article 6 Contribution Amount**

(1) The initial contribution is 1,000,000 Sk.

(2) The amount of annual contribution applicable in any year is determined by the Fund, for all banks, one year in advance, at the latest by 20<sup>th</sup> of December of the preceding year, and is equal for all banks. The Fund specifies a level between 0.1% to 0.75% of the amount of deposits protected by this legislation in line with the average deposit balance for the preceding quarter before the due date of the annual contribution or respective part of the annual contribution. The Fund specifies details of the calculation of the average deposit balance quarterly and notifies banks accordingly in writing. The annual contribution in the years in which

- a) the Fund is repaying a loan used for compensation payments for inaccessible deposits shall be determined by the Fund in the minimum amount of 0.35%, or, with prior written approval of the National Bank of Slovakia, 0.2% of the total value of deposits with the bank that are protected by this Act, expressed as average value of such deposits with the bank in the calendar quarter preceding the due date of the annual contribution or respective quarterly contribution,
- b) the Fund is neither repaying a loan provided for the compensation payments for inaccessible deposits nor possess sufficient funds for compensation payments at the minimum of 1.5% of the total value of deposits protected by this legislation, shall be determined by the Fund in the minimum amount of 0.2% of the total value of deposits with the bank that are protected by this Act expressed as average value of such deposits with the bank in the quarter preceding the due date of annual contribution or respective quarterly contribution.

(3) The amount of an extraordinary contribution is set by this Act or determined by the Fund [Article 17, paragraph 1 (j)] for all banks under equal conditions, from 0.1% to 1.0% of the amount of deposits protected by this legislation, according to their average balance for the calendar quarter preceding the due date of the extraordinary contribution.

## **Article 7 Contribution Schedule**

(1) The bank is required to pay the initial contribution within 30 days of the

commencement of the obligation to participate in the protection of deposits as stated in Article 4 paragraph 7.

(2) The bank is required to pay its annual contribution in regular quarterly instalments, at the latest on the 20th day of the first month of each calendar quarter, unless this Act does not set an earlier date of the annual contribution or of its part.

(3) Banks are required to pay extraordinary contributions by the dates set by the Fund, unless the due date of extraordinary contribution is not set by this Act.

(4) Banks pay their contribution in euros. In order to protect deposits in foreign currencies, into the euros shall apply the foreign exchange reference rate set and published by the European Central Bank or the National Bank of Slovakia<sup>9)</sup> ruling on the reporting day for banks for assessing the average deposit balance for the preceding quarter according to Article 6 paragraph 2.

(5) A bank in which deposits became inaccessible according to Article 3, paragraph 5, is no longer required to make contributions to the Fund, which would have become due after the date deposits in the bank became inaccessible.

(6) A bank which does not make its contributions to the Fund in the correct amount and on time, is obligated to pay penalty interest assessed on the outstanding amount of the contribution in accordance with a special regulation<sup>9a)</sup>.

(7) The provision in paragraph 6 does not affect the bank's responsibility pursuant to separate regulations<sup>9b)</sup>.

## **PART THREE COMPENSATION FOR INACCESSIBLE DEPOSITS**

### **Article 8 Inability to Repay Deposits**

(1) If a bank is not able to meet its obligations in respect of deposits within 48 hours, despite the application of all available funds, including the regulatory minimum reserve<sup>10)</sup>, it is required to notify the National Bank of Slovakia and the Fund of the same at the latest on the following working day.

(2) If an NBS administrator is appointed to the bank<sup>11)</sup> and circumstances stated in paragraph 1 arise, the administrator will make the notification as defined in paragraph 1.

(3) The National Bank of Slovakia shall deem the bank incapable of paying out deposits within three working days of having received the notification stated in paragraph 1, when a permanent lack of liquidity is confirmed and when all other attempts to redress the temporary lack of liquidity have failed. The National Bank of Slovakia can also declare the bank incapable of paying out deposits on own initiative should its investigations reveal matters presented in this paragraph, without notice in accordance with paragraphs 1 and 2.

(4) When declaring the bank's incapability to pay out deposits the general rules of

administrative proceedings;<sup>12)</sup> do not apply. It is impossible to lodge an application for remedial measure against this decision and this decision shall be excluded from judicial review.<sup>12aa)</sup> The decision-making referred to in paragraph (3) shall be a competence of the Bank Board of the National Bank of Slovakia

(5) The National Bank of Slovakia shall notify the bank or the administrator and the Fund of a decision on the declaration as described in paragraph 3.

(6) On the day when the deposits in the bank become inaccessible pursuant to Article 3, paragraph 5, until the completion of compensation payments pursuant to Article 10, paragraphs 1 and 2, repayment, transfers<sup>12a)</sup> and other manipulation of deposits in the bank, assigning claims against the bank from inaccessible deposits to other parties and netting of claims between the bank and other parties is suspended, unless the legislation stipulates otherwise. In the same period, the bank is forbidden to accept other deposits, make loans, issue bank guarantees and documentary letters of credit and enter into other deals, which would increase the bank's receivables or liabilities towards other parties; repayment of loans together with interest and fees granted by the bank is, however, not suspended. On the same day the bank is also required to suspend the handling of bankcards on accounts at the bank.

## **Article 9**

### **Compensation for Inaccessible Deposits**

(1) A depositor is entitled to compensation for an inaccessible deposit as stated in Article 3, paragraph 5, in euros. A third party whose deposits are protected pursuant to this Act is entitled to the compensation instead of the depositor if so stated in the Act.

(2) The Fund shall compensate one depositor or other person authorized hereunder for an inaccessible deposit protected hereunder, whose amount is determined in accordance with paragraphs 3 and 4 and in accordance with Article 10(8), to the full extent of the deposit.

(3) For the purpose of determining the amount of compensation, all inaccessible deposits of the depositor at a bank are totalled, including shares in joint accounts and notarial custody accounts protected by this legislation, on the day, when, pursuant to Article 3 paragraph 5, the deposits become inaccessible. For each joint account, it is assumed that the account holders are entitled to equal portions of the deposit, unless proven otherwise. Interest and other items accrued on the deposits are calculated for the purpose of the Act up to the day on which, pursuant to Article 3 paragraph 5, the deposits became inaccessible. The resulting total amount of inaccessible deposits, is then, for the purpose of compensation calculation, reduced by any forfeited deposits<sup>13a)</sup>, as well as by all liabilities of the depositor towards the bank, according to the balance on the day, when, pursuant to Article 3 paragraph 5, the deposits became inaccessible; any later changes to this conditions shall not be taken into account. The calculated compensation amount shall be rounded up to whole eurocents.

(4) Where the amount of the deposit in, or depositor's liabilities to, the bank is contested and can not be proven otherwise, the deposit record of the bank is final, unless stated otherwise in a separate law<sup>13b)</sup>.

(5) A depositor is entitled to compensation as stated in paragraphs 1 and 2 also in cases when the deposit maturity date is beyond the end of the prescribed period for the

payment of compensation, as stated in Article 10, paragraphs 1 and 2. This does not apply to cases where a ban on deposit transactions has been imposed or repayment of the deposit restricted in accordance with special instructions;<sup>14)</sup> after removal of the restriction with due regard to the circumstances of the case, compensation may be paid to a depositor or a third party, subject to the entitlement having been established by the relevant body.

(6) Depositors with a special relationship to the bank as stated in special regulations<sup>15)</sup> at any time in the year prior to the day the deposits became inaccessible are not entitled to compensation; this also applies to forfeited deposits. For this period the Fund may require, in accordance with Article 12, paragraph 1, a list of such persons from the bank.

(7) Compensation may not be claimed by depositors who

- a) in part or entirely caused the bank's incapability to repay deposits due to criminal activities for which they have been duly convicted in a court of law,
- b) made deposits of illicit proceeds from criminal activities, which have been declared as such in a court of law.

(8) The Fund will suspend payment of compensation to depositors listed in paragraph 7 letter a) during a criminal court case involving persons accused of illegal activities, where this could have had an impact on the bank's inability to repay deposits. Furthermore, the Fund will suspend compensation for those deposits where it becomes apparent during the criminal process, that the deposits are as described in paragraph 7, letter b).

(9) Pursuant to Article 6 of the Act, banks are required to contribute to the Fund for deposits described in paragraphs 6, 7 and 8.

(10) Disputes related to payment of compensation under the Act, will be settled by court of law.

## **Article 10**

### **Payment of Compensation**

(1) Within five working days at the latest of receiving the notification stated in Article 8, paragraph 3, or a court order or ruling as stated in Article 3, paragraph 5, letter b), the Fund will decide the commencement, duration, and method of compensation payments. The Fund will announce its decision on compensation payments to the bank or administrator without undue delay.<sup>15aa)</sup>

(2) Compensation must be completed within three months at the latest, of the announcement made in accordance with Article 8, paragraph 3, or receipt of a court order or ruling according to Article 3, paragraph 3, letter b). In exceptional and justified cases, the Fund may extend this period, with prior consent of the National Bank of Slovakia, by a further three months, and the extension may be renewed; however, the compensation payments must be completed within one year from the day the deposits became inaccessible as described in Article 3, paragraph 5, if not otherwise stated in paragraph 9.

(3) The bank or the administrator is obligated to announce the facts as stated in paragraph 1, together with the declaration in accordance with Article 8, paragraph 3, or in accordance with a court order or ruling as in Article 3 paragraph 5 letter b), in the media, and in public areas of the bank, on the next working day after having received the Fund's decision as stated in paragraph 1.

(4) In general, the Fund will arrange for compensation of inaccessible deposits to be made through a bank. It is authorised to instruct the bank accordingly. These instructions are binding for the bank.

(5) A natural person or an entity with a claim for compensation payment must prove his identity relevant to the type of deposit, and that he is entitled to compensation; this is done by a proof of deposit or decision by relevant court or other authorised body. A natural person claiming a compensation payment must prove his identity; a legal entity claiming compensation must also submit the relevant extract from Companies Register not older than one month before the date of the claim. The legal representative of the depositor must present proof of his own identity or present documentary proof confirmed by a notary authorising the right to proxy; where the claim is not being made by a statutory representative, the document must contain a certified signature of the statutory body of the legal entity. If the depositor or his legal representative, acts through an agent with a power of attorney, the agent must present proof of his identity and submit the power of attorney with a notarial certified signature; if the agent is a legal entity the power of attorney must also contain the certified signature of the statutory body of the legal entity. Where the power of attorney or other document evidencing the authorisation of the agent is, in part or as a whole, written in a foreign language, an officially certified translation<sup>15ab)</sup> into the Slovak language must be presented together with that document. The process of compensation payments does not take into account possible restrictions on transferability, except for conditioning payment with the consent of a third party; the legislation also applies to a letter of credit opened in favour of third parties, in line with a separate regulation.<sup>15a)</sup> Such compensation will be paid only with the written consent of the third party and with a certificated signature. Identity may be demonstrated by:

a) valid identity card,<sup>15b)</sup>

b) valid passport,<sup>15c)</sup> diplomatic passport,<sup>15c)</sup> special passport,<sup>15c)</sup> or for a foreign national, a residency permit<sup>15d)</sup> for the Slovak Republic.

(6) In the announcement by the Fund mentioned in paragraph 1 above, terms for paying compensation via a non-cash method may be stated.

(7) The compensation is normally paid out as a lump sum.

(8) The amount of compensation for a deposit in foreign currency will be calculated in the euros at the foreign exchange reference rate set and published by the European Central Bank or the National Bank of Slovakia<sup>9)</sup> ruling on the day of commencement of compensation payments.

(9) If the depositor or third party as stated in Article 9, paragraph 5, is prevented from submitting a claim for compensation during the period specified in paragraphs 1 and 2, for reason of illness or other demonstrable reason,<sup>15e)</sup> the Fund may pay the compensation after the expiration of the said period as well, on the basis of a reasonable request in writing for the provision of compensation delivered by the legitimated natural person or the entity pursuant to Article 9, paragraph 5, as soon as possible, but within three years from the day, when, pursuant to Article 3, paragraph 5, the deposits became inaccessible.

(10) In order to provide evidence of the fulfilment of conditions and requirements stated in paragraphs 5 and 9a, a natural person or an entity claiming for compensation payment or their agent are obligated to present, for the purpose of copying, scanning or other recording:

- a) personal identification data<sup>15eaa)</sup> on the identification document including picture portrait, title, name, surname, maiden name, personal ID, date of birth, place of birth, permanent residential address, temporary residential address, record on restrictions to his legal capacity, kind and number of the identification card, issuing authority, date of issue and term of validity, if the depositor is a natural person;
- b) identification data in the scope as stated in Article 3, paragraph 4, letter a), second item, if the depositor is a legal person;
- c) contact telephone number, facsimile number and e-mail address, where they exist,
- d) documents and data on deposits with and other payables and liabilities vis-à-vis the bank which deposits were declared inaccessible, and documents and data on the power of attorney and the fulfilment of other requirements and conditions necessary for the assessment and documentation legitimating the claim for compensation and repayment of compensation for inaccessible deposit protected by the law.

(11) Compensation for inaccessible deposits may not be provided and paid out,<sup>15eaa)</sup> where the natural person or an entity claiming for compensation payment or their agent failed to adhere to all requirements and conditions necessary for the assessment and documentation of the entitlement for compensation for inaccessible deposit and repayment of compensation for inaccessible deposit protected by the law.

## **Article 11**

### **Termination and Transfer of Certain Rights**

(1) With effect from the date of compensation to the depositor, the claim on the bank is regarded as settled in the amount of the compensation paid as stated in Article 9. On that date, creditor rights are transferred to the Fund and are equal to the amount of compensation paid by the Fund to the depositor.

(2) The Fund may also claim from the bank expenses incurred in connection with compensation payment.

(3) Unless otherwise stated in the Act, the legal relationship between the Fund and the bank, (on behalf of which the Fund paid compensation for inaccessible deposits) is subject to a separate guarantee regulation.<sup>15ea)</sup>

(4) The right of the depositor or other authorised person to claim from a bank in which deposits became inaccessible, the repayment of that part of the deposit for which no compensation from the Fund has been paid, is not affected by a compensation payment from the Fund.

## **Article 11a**

(1) Payment of compensation for inaccessible deposit, accrued interest and other material benefits determined according to Article 9, paragraph 3, and the amount of a deposit for which compensation has not been provided, will be recorded in the bank's books and in the official deposit documents, stating the deposit balance. Savings book or other form of security, which have been compensated in full, are to be cancelled without being returned to depositor.<sup>15f)</sup> Deposit cancellation connected with repayment of compensation for an

inaccessible deposit in full amount of the claim is free-of-charge.

(2) The Fund may raise all objections towards the depositor, which a bank would itself have been able to raise, unless the Act states otherwise.

## **PART FOUR THE FUND**

### **Article 12**

#### **Rights and Obligations of the Fund and Obligations of the Banks**

(1) In order to perform its functions, the Fund may request a bank to supply all documents directly related to Fund's activities. The bank in which deposits became inaccessible is obligated to supply to the Fund, without undue delay: specimens of all the documents on deposits, information on deposits and payables of each of the clients including calculation referred to in Article 9, paragraph 3, of the amount of compensation for inaccessible deposits protected by the law, of individual depositors and other authorised persons, a list of all natural persons and entities to which stipulations in Article 9, paragraph 6 apply as well as other information and documents in paper or electronic form as requested and instructed to do so by the Fund. Should the Fund reveal any discrepancies in supplied information, it shall rectify them or inform the bank in which deposits became inaccessible about the revealed discrepancies; in such a case, the bank is obligated to rectify the named discrepancies without undue delay, and to supply to Fund the rectified information; the Fund shall check the removal of discrepancies in rectified information and undertake necessary measures so as to ensure the repayment of compensations. The Fund is entitled to conduct inspection of the bank which has been declared incapable of refunding deposits and also of the bank, where compensation payments are to be made, according to general conditions of compensation payments (Article 12, paragraph 3) and related Fund instructions. The Fund or bank authorised by the Fund shall keep all documents pertaining to the compensation of inaccessible deposits in accordance with separate regulations.<sup>15g)</sup>

(2) The Fund may ascertain information and documents referred to in paragraph 1, by the way of its own investigation in the bank and has the right to verify accuracy and integrity of information and documents supplied to the Fund by the bank. The Fund may conduct investigation on information subject to banking confidentiality in a bank other than the bank, in which deposits became inaccessible or through which the Fund ensures the repayment of compensations, with the prior written approval of the National Bank of Slovakia. When there is some doubt as to accuracy and integrity of information provided by the bank in the period prior to deposits becoming inaccessible, the Fund may request the National Bank of Slovakia to verify in detail related confidential information.

(3) The Fund shall issue general conditions for the payment of compensation, upon prior approval by the National Bank of Slovakia, which must, in particular, include detailed procedures for claiming compensation and the method of documenting entitlement to compensation.

(4) Banks are obligated to:

- a) pay contributions to the Fund on the prescribed date and in the amount due,
- b) provide information to the Fund, as stated in paragraph 1, observing deadlines and methods

determined by the Fund,

- c) publish in Slovak, information about deposit protection as stated in the Act, including regulations for compensation as stated in paragraph 3, and display at a public area of the bank.
- d) submit without delay to the Fund and the National Bank of Slovakia an order/ruling of a court of law according to Article 3, paragraph 5, letter b),
- e) make a separate record in their IT systems of deposits covered by this legislation.

(5) Banks may not publish information about deposit protection in any other way than as stated in paragraph 4, letter c) or in a way and under conditions regulated by a separate regulation.<sup>1)</sup>

(6) In order to carry out its functions and tasks stipulated by the Act, the Fund is entitled to co-operate and exchange information with the National Bank of Slovakia, bodies involved with the Fund in making compensation payments and with bank deposit protection and investment protection institutions abroad.

### **Article 13**

#### **Fund Resources and their Application**

(1) Fund resources are:

- a) contributions from banks in accordance with Article 5,
- b) revenues from the application of funds in accordance with paragraph 4, including revenue from government securities, purchased according to paragraph 4, letter a),
- c) loans, as stated in paragraph 2,
- d) monies, acquired by the Fund from the exercise of rights transferred to the Fund in accordance with Article 11.
- e) repayable assistance funds and government subsidies to support the fulfilment of the tasks of the Fund and the deposit protection system pursuant to this Act, within the scope and under conditions set by separate regulations<sup>15h)</sup> and the State Budget Act for the relevant year.
- f) other revenue pursuant to separate legislation.

(2) The Fund may apply to Investment Guarantee Fund or to the National Bank of Slovakia<sup>15ha)</sup> or other banks for a loan. The Fund may approach a bank of foreign origin for a loan with the prior approval of the National Bank of Slovakia. For loans extended to the Fund, a State guarantee may be granted<sup>15h)</sup> pursuant to a separate regulation.<sup>15i)</sup>

(3) The Fund's liquid assets are kept in a special account at the National Bank of Slovakia.

(4) Using its own financial resources, the Fund may create a special fund for providing compensations for inaccessible bank deposits. Apart from compensation for deposits in accordance with Article 9, the Fund's resources may be used for:

- a) purchase of government securities with a maturity of up to one year from the date of purchase,
- b) loan repayments, as stated in paragraph 2,
- c) repayments of repayable assistance funds referred to in paragraph 1, letter e),
- d) administrative expenditure of the Fund,

e) payment of other expenses, regulated by separate legislation.

(5) Fund assets use will be dealt with in detail in the Fund's statutes in accordance with the Act.

#### **Article 14**

(1) The Fund is obligated to keep books of accounts in a satisfactory manner, duly audited, and to prepare an annual financial statement in accordance with a separate regulation.<sup>16)</sup>

(2) The annual financial statement of the Fund shall be approved by an auditor.

#### **Article 15**

##### **The Governing Bodies of the Fund**

The Fund Bodies are the:

- a) Board of the Fund,
- b) Executive Board of the Fund,
- c) Supervisory Board of the Fund.

#### **Article 16**

##### **Board of the Fund**

(1) The Board of the Fund is the Fund's supreme governing body.

(2) The Board of the Fund has seven members and their term of office is four years. Three members of the Board are elected and dismissed by representatives of banks, which are subject to contribution obligation, pursuant to Article 3, at the meeting of representatives, unless the law states otherwise. Two members of the Board are representatives of the National Bank of Slovakia, who are appointed and dismissed by the Governor of the National Bank of Slovakia. Two other members of the Board are representatives of the Ministry of Finance of the Slovak Republic (hereinafter the "Ministry"), who is on the Ministry staff, and who may be appointed and dismissed by the Minister of Finance. Each member of the Board has one vote.

(3) Bank representatives are nominated by the statutory body of the relevant bank and who, at meetings of representatives, have voting rights proportional to the amount of contributions paid to the Fund and in relation to the period since the last meeting of bank representatives. Each bank may, at the meeting of representatives, elect only one member of the Board. An absolute majority of votes of all representatives of banks is required to elect or dismiss a board member elected by representatives of banks. A detail procedure of how to elect or dismiss members of the Board elected by representatives of banks and details on nominations and proposals for dismissal may be adopted by an absolute majority of all votes at a meeting of representatives of banks. Each meeting and results of the Board member elections are to be recorded in the minutes, and are to be verified by a notary.

## **Article 17**

### **Duties of the Board**

(1) Duties of the Board of Fund (hereinafter referred to as the “Board”) include mainly:

- a) electing and dismissing members of the Executive Board,
- b) electing and dismissing members of the Supervisory Board, unless otherwise stipulate in the law,
- c) electing and dismissing the Chairman and Vice-Chairman of the Board,
- d) approving Board and Executive Board procedures,
- e) approving Fund statutes,
- f) approving the Fund budget; including expenditure, as stated in Article 13, paragraph 4, letter d),
- g) approving the annual financial statement of the Fund,
- h) approving the annual report of the Fund for the previous year, before submission to the National Bank of Slovakia and the Finance Ministry of the Slovak Republic,
- a) ch) ruling on compensation payments from the Fund, in accordance with the Act, and determining the procedure to be followed,
- i) formulating the annual financial policy of the Fund,
- j) ruling on the amount of regular and extraordinary contributions and due dates for payment of extraordinary contributions,
- k) approving the general conditions for compensation of inaccessible deposits in banks,
- l) approving rules for procedures of the Fund including procedures of its bodies and other persons when ensuring the repayment of compensations for inaccessible deposits protected by the law.
- m) approving salaries of members of the governing bodies of the Fund, and staff wages policy.

(2) The Board resolutions shall be signed by at least two Board members, one of whom must be the Chairman or Vice-Chairman of the Board.

## **Article 18**

### **The Executive Board of the Fund**

(1) The Executive Board of the Fund comprises the Chairman of the Board and two members, who may be elected and dismissed by the Board of the Fund.

(2) The Chairman and other members of the Executive Board are employees of the Fund.

## **Article 19**

### **Duties of the Executive Board**

(1) The Executive Board is in charge of the day-to-day running of the Fund, including implementing the resolutions of the Board of the Fund.

(2) The Executive Board acts on behalf of the Fund, as defined in the Fund statutes. The legality of statutes requires the signature of at least two members of the Executive Board. The statutes will further define in which cases, and to what extent, the members of the

Executive Board may act on behalf of the Fund and delegate the right to act on behalf of the Fund.

## **Article 20**

### **Supervisory Board of the Fund**

(1) The Supervisory Board consists of seven members who serve for a term of four years.

(2) Three members of the Supervisory Board are representatives of the banks, who are elected and dismissed by the Board upon the recommendation of the banks. Two members of the Supervisory Board are representatives of the National Bank of Slovakia, appointed and dismissed by the NBS Governor. Two members of the Board are staff representatives of the Ministry, appointed and dismissed by the Minister of Finance.

(3) The Supervisory Board elects the Chairman and Deputy Chairman from among its members.

(4) Neither members of the Board, nor other employees of the Fund may be members of the Supervisory Board of the Fund.

## **Article 21**

### **Duties of the Supervisory Board**

(1) The Supervisory Board oversees the activities and general efficiency of the Fund, the Board, and the Executive Board, and whether its decisions and actions are in compliance with the law and other generally applicable legal regulations, the general conditions for compensation refund of inaccessible deposits in banks, issued according to Article 12, paragraph 3, and including Fund statutes.

(2) Members of the Supervisory Board are entitled to inspect all documents related to Fund activities and request information about all activities pertaining to the use of its funds.

(3) The Supervisory Board submits quarterly reports to the Board and the National Bank of Slovakia about its findings; in the case of any contravention of the Act, general conditions for compensation of inaccessible deposits in banks issued according to Article 12, paragraph 3, and Fund statutes, the Supervisory Board notifies the mentioned authorities within three days at the latest from its finding.

## **Article 21a**

### **Fund Administration Office**

The administration of the Fund involves duties related to professional, organisational, administrative and technical activities and day-to-day running of the Fund and its bodies. The Administration Office is run by the Executive Board Chairman and Fund employees. The Fund statutes shall lay down in detail the responsibilities of this Office.

## **Article 22**

### **Supervision of Fund Activities**

(1) The Fund is subject to supervision <sup>17)</sup> by the National Bank of Slovakia to ensure compliance with the provisions of the Act.

(2) Should the National Bank of Slovakia find any contravention of the provision of the Act by the Fund, it can, as a remedial measure, request dismissal of the members of the body of the Fund who have been found responsible for the irregularity. The Fund body, or individual who has appointed or elected this/these members is obligated to comply with the request without delay.

### **Article 22a**

In addition to data specified in a separate regulation <sup>17a)</sup>, the Companies Register lists the name, surname, permanent address and personal ID of the members of the Fund Bodies.

## **PART FIVE**

### **JOINT AND INTERIM PROVISIONS**

### **Article 22b**

(1) In order to ensure the operation of the system of deposit protection in the Slovak Republic, the accumulation of financial contributions from banks within the Fund, the payment of compensation for inaccessible deposits that are protected by law, the protection and enforcement of the Fund's rights in relation to depositors, banks, and other persons, and to perform and document the activities and tasks of the Fund according to this law or separate regulations <sup>15g)</sup>, the Fund is authorised to ascertain, collect, record, store, use, and otherwise process <sup>18a)</sup> personal data on the customers of banks, persons subject to Article 9, paragraph 6, and persons or the agents of persons claiming compensation for an inaccessible deposit, even without notifying the persons concerned <sup>18)</sup> and without their consent; in so doing, the Fund is entitled to make copies of documents of identity, using automated or non-automated means, and to process personal identification numbers <sup>7a)</sup> and other data and documents specified in Articles 3, 9, 10, 12 and in Article 26, paragraph 2.

(2) For the purposes mentioned in paragraph 1, banks are obligated to make available and supply <sup>18a)</sup> to the Fund for processing, even without notifying the persons concerned <sup>18)</sup> and without their consent, personal data and documents as per paragraph 1, in cases specified by this law and a separate regulation. <sup>18b)</sup> The personal data and documents set out in paragraph 1 may be also made available <sup>18)</sup> to the Fund for processing without informing the persons concerned and without their consent, for purposes specified in paragraph 1, by persons who are subject to the provisions of Article 12, paragraph 6, or Article 27, paragraph 1.

(3) The Fund is authorised to make available and supply <sup>18a)</sup>, without notifying the persons concerned <sup>18)</sup> and having their consent, personal data and documents from its information system, specified in paragraph 1, to banks and other persons who are subject to Article 12(6), or Article 27(1), for purposes set out in paragraph 1. Such personal data and

documents may be made available and sent abroad only to institutions involved in the systems of bank deposit protection and investment protection in the Member States.

#### **Article 22ba**

(1) A branch office of a foreign bank which accepts deposits on the territory of the Slovak Republic and enjoys the benefits of a single banking licence according to the law of the European Union, on conditions laid down by this Act, may participate voluntarily in the deposit protection scheme in the Slovak Republic to secure increased protection of deposits in the scope in which the deposit protection under the rules of the deposit protection scheme in the Slovak Republic exceeds the highest total possible compensation for inaccessible protected deposits under the rules of the deposit protection scheme in the Member State, on the territory of which the relevant foreign bank has its seat (hereinafter referred to as the "home deposit protection scheme"). For the purposes of such participation, a written contract is required between the Fund, the institution of the home deposit protection scheme and the foreign bank, the branch office of which participates in the deposit protection scheme in the Slovak Republic.

(2) If a branch office of a foreign bank which accepts deposits on the territory of the Slovak Republic and enjoys the benefits of a single banking licence according to the law of the European Union, participates voluntarily in the deposit protection scheme in the Slovak Republic, then the subject of payment of the annual contribution or of the extraordinary contribution to the Fund and the subject of the provision of compensation from the deposit protection scheme in the Slovak Republic shall only be deposits accepted on the territory of the Slovak Republic and protected by this Act, and to such extent only to which the deposit protection under the rules of the deposit protection scheme in the Slovak Republic exceeds the highest total possible compensation for inaccessible protected deposits under the rules of the home deposit protection scheme.

(3) If deposits deposited in a branch office of a foreign bank which participates voluntarily in the deposit protection scheme in the Slovak Republic become inaccessible under the rules of the home deposit protection scheme, then depositors and other persons entitled to compensation for inaccessible protected deposits, which were accepted on the territory of the Slovak Republic must have an option to exercise and prove the right to compensation for inaccessible protected deposits and to the payment of compensation for inaccessible protected deposits.

(4) Provisions of this Act shall apply to any branch office of a foreign bank which participates voluntarily in the deposit protection scheme in the Slovak Republic; such a branch office of the foreign bank is obligated to publish in its business premises also information on the protection of deposits under the home deposit protection scheme, in Slovak language, including the rules of the home deposit protection scheme, on the protection of deposits and on the provision of compensation for inaccessible deposits.

(5) Participation of a branch office of a foreign bank in the deposit protection scheme in the Slovak Republic shall be terminated by written notice of the contract concluded pursuant to par. 1; the notice period is one year and starts to lapse on the first day of the calendar year following the day when written notice is delivered provably to the other contracting parties. The Fund may terminate the contract only in case that the other contracting parties have failed to carry out their obligations under the contract concluded pursuant to par. 1, or in case that the relevant foreign bank or its branch office has failed to fulfil obligations according to this Act. Before the termination of participation of a branch

office of a foreign bank in the deposit protection scheme in the Slovak Republic, the annual contribution and the extraordinary contribution must be paid to the Fund in an amount pursuant to Article 22c par. 2 c) and d). A branch office of a foreign bank for which voluntary participation in the deposit protection scheme in the Slovak Republic ceased to exist based on notice shall publish information on this in its business premises, in Slovak language, not later than on the start of the notice period up to termination of their participation in the deposit protection scheme in the Slovak Republic; part of such information shall also be the date when participation of the branch office of a foreign bank in the deposit protection scheme in the Slovak Republic ceases to exist.

### **Article 22c**

(1) A bank that is taking part in the deposit protection scheme under this Act and for which, because of a merger or consolidation with a foreign bank, sale of the business or its part to a foreign bank, or for another reason <sup>18ba)</sup> the participation should terminate or be significantly reduced in the deposit protection scheme under this Act, whereby the bank itself or its legal successor will continue to conduct banking activities on the territory of the Slovak Republic and take part in the deposit protection scheme in another country (Article 4, paragraphs 2 and 3), shall be obligated in the interest of protection of depositors to ensure that this change is made without reducing the extent of protection of deposits that are deposited in this bank, and at least twelve months before this change takes place it shall be obligated in all its business premises on the territory of the Slovak Republic to visibly publicize a clear and detailed information for depositors in the Slovak language

- a) about preparations and planned date when a change of the bank's participation in the deposit protection scheme will take place and about its consequences for depositors; this information must be publicized in business premises of the bank or its legal successor and continually updated until twelve months elapse from the change of the bank's participation in the deposit protection scheme,
- b) about the deposit protection scheme that after the change of participation of the bank in the deposit protection scheme will secure protection of deposits deposited in this bank, in particular a precise identification of this deposit protection scheme, rules of deposit protection and rules for providing compensation for inaccessible deposits in this system, including the place and deadlines to apply for payment of compensation; this information must be published in business premises of the bank or its legal successor and updated continually while it performs banking activities on the territory of the Slovak Republic.

(2) A bank to which paragraph 1 applies is obligated before the change of its participation in the deposit protection scheme pursuant to paragraph 1 to

- a) notify in writing the Fund and the National Bank of Slovakia of the precise date of the change of its participation in the deposit protection scheme and document to them that this change will be carried out without reducing the extent of protection of deposits compared with deposit protection under this Act,
- b) to each depositor for the deposits of which the change of the deposit protection scheme applies, to deliver a separate written notice of such change, which must contain also the date of such change and information on all consequences ensuing for the depositor and his deposits from the change of the deposit protection scheme; if the depositor decides to

withdraw his deposits or transfer them elsewhere, the bank shall be obligated to enable the depositor to do so without applying whatever sanctions toward the depositor, also in case of deposits that are not yet payable,

- c) in a verifiable way settle to the Fund the not yet paid annual contribution or not yet paid part of the annual contribution for the calendar year during which the change takes place in the deposit protection scheme pursuant to paragraph 1,
- d) in a verifiable way settle to the Fund an extraordinary contribution amounting to
  - 1. the upper limit of the range of the extraordinary contribution rate (Article 6, paragraph 3), if as of the day of change of the bank's participation in the deposit protection scheme pursuant to paragraph 1, because of a shortage of funds a loan has not been repaid that was provide to the Fund to secure the payment of compensation for inaccessible deposits, or
  - 2. the middle of the range of the extraordinary contribution rate (Article 6, paragraph 3), if as of the day of change of the bank's participation in the deposit protection scheme pursuant to paragraph 1, point 1 does not apply to the bank and because of a shortage of funds in the Fund, own financial resources of the Fund have not been accumulated to secure the payment of compensation for inaccessible deposits equal at least 1.5 percent of the total volume of deposits protected under this Act.

(3) Fulfillment of duties of the bank stipulated in paragraphs 1 and 2 is a deferral condition for a change <sup>18bb)</sup> of the participation of this bank in the deposit protection scheme under this Act.

(4) If members of bodies of the Fund are representatives of a bank for which participation ceased in the deposit protection scheme under this Act, with the termination of participation in the deposit protection scheme, membership ceases for representatives of this bank in bodies of the Fund.

(5) Information for depositors pursuant to paragraph 1, letter b) shall be published in all its business premises on the territory of the Slovak Republic also by

- a) a foreign bank that pursuant to a special regulation <sup>18bc)</sup> performs banking operations on the territory of the Slovak Republic through its branch or without setting up a branch, whereby it had not been participating and is not participating in the deposit protection scheme under this Act,
- b) a foreign financial institution that pursuant to a special regulation <sup>18bc)</sup> performs banking operations on the territory of the Slovak Republic and which is a subsidiary of a foreign bank.

### **Procedure for the Introduction of the Deposit Protection Scheme**

#### **Article 23**

(1) Banks that are obligated to participate in the deposit protection system must pay their initial contribution into the Fund's account within thirty days of the Act coming into force.

(2) Banks are obligated to pay the first instalment of the annual contribution to the Fund account within twenty days of receiving notification of the amount of the annual contribution, as stated in Article 6, paragraph 2.

## **Article 24**

The National Bank of Slovakia shall hold the inaugural meeting of the Fund Board within thirty days of the coming into force of the Act.

## **Article 25**

(1) In the case of deposits in Slovenská sporiteľňa, a.s., Investičná a rozvojová banka, a.s., and Všeobecná úverová banka, a.s. (Slovak Savings Bank, the Investment and Development Bank, the General Credit Bank), including anonymous deposits set up before coming into force of the Act, the State shall guarantee the value of all deposits for a period of 18 months after the coming into force of the Act.

(2) Within one year of the Act coming into force, at the request of depositors, the banks listed in paragraph 1 are obligated to transfer, at their own expense, anonymous deposits to deposit accounts, as stated in Article 3, paragraph 1, under the same conditions as for an anonymous deposit account opened on the day when the request for transfer was made. Banks listed in paragraph 1 are obligated to display a public notice to this effect on their premises.

(3) Prior to the date the Slovak Republic becomes a member state of the European Union, Article 16, paragraph 2, Article 17 (b) and Article 20, paragraph 1 and 2 do not apply.

(4) Prior to the date the Slovak Republic becomes a member state of the European Union, the Board shall number seven members and the Supervisory Board, five members. Two members of the Board may be appointed and dismissed from among staff members of the Ministry by the Minister of Finance; and five members may be appointed and dismissed by the governor of the National Bank of Slovakia; two of whom shall be from the National Bank of Slovakia and three shall be nominated by banks as their representatives. The Minister of Finance shall have the right to appoint and dismiss two members of the Supervisory Board from among the staff of the Ministry; the governor of the National Bank of Slovakia shall have the right to appoint and dismiss three members of the Supervisory Board, two of whom shall be from the National Bank of Slovakia, and one shall be nominated from the banking sector.

(5) Pursuant to paragraph 4, the Board shall hold the inaugural meeting of banking representatives within thirty days of the expiration of its term of office, as stipulated in Article 16, paragraph 3. At this first meeting, the bank representatives shall have voting rights proportional to the amount of contributions paid to the Fund for the period from the setting up of the Fund until the date of the first meeting.

## **Article 26**

(1) At the occasion of opening a special current account of the "notarial deposit" <sup>3)</sup> type or at the time of the next transaction, the notary public <sup>3)</sup> who is the owner of this account is obligated to notify the bank in writing, whether any of the monies deposited in the account belong to persons, whose deposits are protected by this legislation. If this account has monies belonging to persons, whose deposits are protected by this legislation, from the date of

such notification, the bank shall treat the deposit as any other deposit subject to deposit protection.

(2) For the purpose of calculating the amount of compensation from the Fund in respect of a deposit in such account, the notary<sup>3)</sup> who is the owner of the account shall advise the Fund of the sums in the account deposited by individual persons and provide the Fund with verification of this information.

(3) Compensation for a deposit shall be paid in exactly the same way as if each of the natural persons had had the money, to which they are entitled pursuant to paragraph 1 and 2, deposited in their own name.

(4) A notary designated to act in probate proceedings as a judicial commissioner in relation to inheritance where an inaccessible deposit deposited with a bank belongs, he shall report immediately in writing, to the relevant bank and to the Fund, identification data on the particular deposit and identification data on the decedent and on the participants in probate proceedings whose deposits are protected by this Act, on each of these persons at least in the scope of data pursuant to Article 3 par. 4 a). If a notary issues a confirmation of inheritance where the inaccessible deposit deposited with a bank belongs, he shall send immediately a copy of such confirmation to the relevant bank and to the Fund after such a confirmation becomes effective as a valid resolution on inheritance; if probate proceedings in relation to inheritance where the inaccessible deposit deposited with a bank belongs have not finished before the notary with the issue of a confirmation of inheritance, then the notary shall inform immediately the relevant bank and the Fund of this fact.

(5) For the purpose of distinguishing between deposits protected under this Act and deposits exempted from the deposit protection pursuant to Article 3, paragraph 3, letter c), item 3a, a commercial company not mentioned in Article 3, paragraph 3, letter b) and letter c), the first and second items, except a joint stock company, is obligated to deliver to the bank or branch office of the foreign bank in which accounts it holds deposits, an unambiguous written notification stating whether it is obligated to have its financial statements approved by an auditor or not<sup>5m)</sup> within 15 days after the end of each accounting period for which the commercial company compiles financial statements; the day of the end of the respective accounting period must be stated in the notification. Where a commercial company not mentioned in Article 3, paragraph 3, letter b) and letter c), the first and second items, except a joint stock company, fails to meet its reporting obligation vis-à-vis the bank within the time limit set out in the first sentence, its deposits with the bank shall be exempted from the protection under this Act till the first day of the calendar quarter following the day in which the commercial company delivered to the bank the written notification pursuant to the first sentence. If the commercial company not stated in Article 3, paragraph 3, letter b) and letter c), the first and second items, except a joint stock company, delivers to the bank the written notification pursuant to the first sentence after the day in which deposits in this bank became inaccessible pursuant to Article 3, paragraph 5, no compensation pursuant to this Act shall be provided for deposits of this commercial company.

## **Article 26a**

(1) A claim for compensation and the amount of compensation payable for an inaccessible bank deposit protected under this law, shall be judged and determined according

to the legal regulations valid on the day on which the deposit became inaccessible according to Article 3, paragraph 5.

(2) The activities and tasks of the Fund prescribed by this law shall not be performed for business purposes.<sup>18c)</sup>

## **Article 27 Confidentiality**

(1) Members of the Board, the Supervisory Board of the Fund, Fund employees, the bank staff through whom the Fund repays compensation and other individuals involved in Fund operations, shall maintain confidentiality about all matters related to banks and their clients which they encounter in the course of business or in direct connection herewith. The obligation of secrecy shall extend beyond the term of membership of the Board, the Supervisory Board of the Fund, or other employment of a similar nature or other legal relationship with Fund.

(2) The Board can release from confidentiality the Board, Executive Board or Supervisory Board members in case of public interest; other persons listed in paragraph 1 may be released from the obligation of confidentiality by the Executive Board.

## **Article 28 Insurance of Banks**

Banks may insure their deposits over and above the level of deposit protection required by the Act by taking out insurance with a legal entity authorised by the Ministry to carry on such insurance business.<sup>19)</sup>

## **Article 28a Interim provisions to amendments effective from December 1, 2001**

(1) For a deposit protected by this legislation, which became inaccessible under Article 3, paragraph 5, prior the date the Slovak Republic becomes a member of the European Union, a depositor or a third party authorised in accordance with the Act, is entitled to compensation from the Fund in the amount pursuant to Article 9 paragraph 2, letter a); in total, however, at the time of the deposit becoming inaccessible from December 1, 2001 until June 30, 2002 included, up to a maximum of 30 times the average monthly salary, and, should the deposit become inaccessible after June 30, 2002, a maximum of 40 times the average monthly salary in the Slovak Republic for the last four quarters, as quoted by the Statistical Office of the Slovak Republic on the day when the deposits became inaccessible. These multiples are rounded-up to the next 100 korunas.

(2) Should the multiple pursuant to paragraph 1 be higher than the amount equivalent to 20,000 Euro in Slovak korunas, at the exchange rate of the NBS on date the deposits, pursuant to Article 3, paragraph 5 became inaccessible, the depositor or third party authorised

in accordance with the Act, is entitled to compensation from the Fund in an amount not greater than 20,000 Euro converted to Slovak korunas.

(3) Compensation entitlement and the amount of a deposit protected by this legislation, which became, pursuant to Article 3, paragraph 5 inaccessible before December 1, 2001 is to be determined according to rules valid until December 1, 2001.

(4) The annual contribution of Building Societies <sup>20)</sup> for the period from December 1, 2001 to December 31, 2002, is 50% of the annual contribution of other banks, pursuant to Article 6, paragraph 2; from January 1, 2003 to December 31, 2003, it will be 75% of the annual contribution for other banks, pursuant to Article 6, paragraph 2, and from January 1, 2004 until December 31, 2004, it will be 90% of the annual contribution for other banks, pursuant to Article 6, paragraph 2.

### **Article 28b**

#### **Interim provisions to amendments effective from January 1, 2005**

(1) A commercial company not mentioned in Article 3, paragraph 3, letter b and letter c, first and second item, except a joint stock company, is obligated to deliver, by 15 January 2005 at the latest, to the bank or the branch office of a foreign bank in which accounts it holds deposits, an unambiguous written notification whether it is obligated to have its ordinary financial statements compiled in 2004 for the previous accounting period approved by an auditor or not.<sup>5m)</sup>

(2) For the purpose of calculating the quarterly instalment of the annual contribution, deposits held by legal entities protected under Article 3, paragraph 3, letter c, shall be included in the average amount of deposits for the first time for the fourth calendar quarter of 2004.

### **Article 28ba**

#### **Interim provisions to amendments effective from the date of coming into effect of this Act**

The amount of contribution of all banks for 2006 required under this Act shall be determined by the Fund by December 27, 2005 at the latest.

### **Article 28bb**

#### **Transitional provision**

A refund shall be granted for a deposit protected hereunder, which became inaccessible before the effective date of this Act, in accordance with regulations effective until the effective date of this Act; the provision of Article 28a(3) shall not be affected thereby.

## **Article 28c**

Legal acts of the European Communities and the European Union listed in the Annex are hereby adopted.

## **Section VI**

This Act shall come into force on July 1, 1996.

Act No. 154/1999 Coll. came into force on July 1, 1999.

Act No. 397/2001 Coll. came into force on the day of its announcement (October 5, 2001).

Act No. 492/2001 Coll. came into force on December 1, 2001, with the exception of Article 1, item 4, provision 3, paragraph 3, letter c), and Article 1, item 17, provision 9, paragraph 2, letter b), which will come into force after the European Union accession agreement with the Slovak Republic comes into force.

Act No. 340/2003 Coll. came into force on September 1, 2003.

Act No. 186/2004 Coll. came into force on May 1, 2004.

Act No. 544/2004 Coll. came into force on January 1, 2005.

Act No. 650/2004 Coll. came into force on January 1, 2005.

Act No. 747/2004 Coll. came into effect on 1 January 2006, with the exception of Section I, Article 45, paragraph 5, the third sentence, which came into effect on 1 February 2005.

Act No. 578/2005 Coll. came into effect on 16 December 2005.

Act No. 209/2007 Coll. came into force on 1 November 2007, except for Section I points 2, 6, 7, 11 to 14, 16, 18, 23 to 25, 27, 57, 58, 60, 73 to 81, 91, 93 to 96, 100 to 102, 106, 116, 117, 124 to 136, 139, 144 to 151 and 154 to 165, Section II, Section IV points 5 to 8, Section V points 2, 27, 41, 42, 44, 49, 50, 56, 57, 65 and 66, and Section VI points 1, 3, 5 to 8, 10 to 32 and 34 to 39, which came into force on 1 May 2007.

Act No. 659/2007 Coll. came into force on 1 January 2008, except for the provisions of Section II, point 2 [Article 2(1)(a) and (b)], point 6 [Article 3], points 8 and 9 [Article 4(4), Article 6(1)(a)], point 12 [Article 6(2)(e)], points 28 to 30 [Articles 15, 16 and 17(1)], point 32 [Article 17c], point 34 [Article 17h(2)], point 37 [Articles 20 and 21], point 45 [Article 28], point 51 [Article 31(1)] and point 58 [Articles 38 and 39], the provisions of Section III, point 1 [Article 5(6)], the provisions of Section IV, point 2 [Article 93(3)], points 4 and 5 [Article 108(1) and Article 109(1)], point 13 [Article 157(1), fourth sentence], point 14 [Article 162(3)], point 17 [Article 223(3)] and point 21 [Article 369(1)], the provisions of Section V, point 5 [Article 40(10)] and point 7 [Article 42(7)], the provisions of Section VI, point 4 [Article 3 (2)(c), point 1], point 35 [Article 76(2)], point 39 [Article 85(4)], points 41 to 43 [Article 87(2) and (3) and Article 88(8)] and point 63, the provisions of Section VII, point 3 [Article 3(1)(c) point 1], the provisions of Section VIII, point 2 [Section I, Article 48(2)], the provisions of Section X, point 1 [Article 2(2)(c), points

1 and 2, Article 38(1), Article 67(2), Article 87(2)(d)] and points 10 to 12 [Article 84(2) and (3), Article 85a(2) and (4), Article 87(2)(i)], the provisions of Section XI, the provisions of Section XII, point 2 [Article 7(4)] and points 4 to 7 [Article 9(1), Article 9(2)(b), Article 9(3), Article 10(8)], the provisions of Section XIII, point 1 [Article 4(4)(d),], point 3 [Article 8(3)], points 5 and 6 [Article 21a(2)(b), Article 30(2)] and points 10 to 12 [Article 75, Article 77(2) to (5), Article 78a] and point 13, the provisions of Section XIV, the provisions of Section XV, points 1 and 2 [Article 23(11), Article 75(2)], the provisions of Section XVI, point 2 [Article 61], the provisions of Section XVII points 1 to 6 [Article 56(1), Article 64(5), Article 116(8), Article 129(2), Article 138(1)(a), and Article 138(25)], and the provisions of Section XVIII and Sections XXII to XXVI which shall enter into force on the euro introduction date in the Slovak Republic.

Act No. 421/2008 Coll. shall become effective on the date when promulgated.

Act No. 552/2008 Coll., Section IX, shall become effective on the date when promulgated.

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**Footnotes to the references:**

- 1) Banking act No. 483/2001 Coll., as amended.
- 2) Act of the National Council of the Slovak Republic No. 303/1995 Coll. on budget regulations, as amended.
- 2a) Article 2, paragraphs 1 and 2, and Article 23, paragraph 4, of Act No. 483/2001 Coll., as amended.
- 2b) Article 2, paragraphs 1 and 6, and Article 21, paragraph 1, first sentence, of Act No. 510/2002 Coll. on the payment system and amending certain other laws.  
Article 780, paragraph 1, of the Civil Code.  
Article 709, paragraph 1, and Article 719 of the Commercial Code.
- 2c) Article 4, paragraph 1, letter g), of Act No. 428/2002 Coll. on the protection of personal data.
- 3) Article 70, paragraph 2, of Act of the National Council of the Slovak Republic No. 323/1992 Coll. on notaries (The Notarial Code), as amended by Act No. 526/2002 Coll.
- 4) Act No. 34/2002 Coll. on foundations and amending certain other laws, as amended by Act No. 147/1997 Coll.
- 4a) Act No. 147/1997 Coll. on non-investment funds and amending Act No. 207/1996 Coll.
- 5) Act No. 213/1997 Coll. on non-profit organisations providing community services.
- 5a) Act No. 83/1990 Coll. on civic associations, as amended.
- 5b) Act of the National Council of the Slovak Republic No. 182/1993 Coll. on ownership of residential and non-residential property, as amended.
- 5c) Act No. 483/2001 Coll., as amended.  
Act of the National Council of the Slovak Republic No. 310/1992 Coll. on building societies, as amended.
- 5d) Act No. 566/2001 Coll. on securities and investment services and amending certain other laws (Securities Act), as amended.
- 5da) Article 2, paragraph 8, of Act No. 510/2002 Coll.
- 5db) Article 2, paragraph 9, of Act No. 510/2002 Coll.
- 5dc) Article 21, paragraph 2 of Act No. 510/2002 Coll.
- 5dd) Article 31, paragraph 1, letter c), and paragraph 5, Article 38, paragraphs 1 and 3, and Article 61 of Act No. 510/2002 Coll.
- 5de) Article 31, paragraph 7, Article 32, paragraphs 1 to 4, Article 40, paragraphs 1 and 2, and Article 50, paragraphs 1 and 2, of Act No. 510/2002 Coll.
- 5df) Articles 99 to 111 of Act No. 566/2002 Coll., as amended by Act No. 510/2002 Z.z
- 5dg) Article 99, paragraph 3, letter h), and paragraph 15 of Act No. 566/2001 Coll., as amended by Act No. 510/2002 Coll.
- 5e) Act No. 429/2002 on stock exchange.
- 5f) Commodities exchange Act No. 229/1992 Coll., as amended by Act of the National Council of the Slovak Republic No. 249/1994 Coll.
- 5g) Act No. 385/1999 Coll. on collective investments and amending certain other laws, as amended by Act No. 186/2004 Coll.
- 5ga) Act No. 43/2004 Coll. on Old-Age Pension Savings and amending certain other laws as amended.
- 5h) Act No. 95/2002 on insurance and amending certain other laws.
- 5i) Act of the National Council of the Slovak Republic No. 123/1996 Coll. on supplementary

- retirement insurance, as amended by Act No. 409/2000 Coll.
- 5ia) Act No. 650/2004 Coll. on supplementary retirement savings and amending certain other laws.
- 5j) Act No. 507/2001 on postal services.
- 5k) Act of the National Council of the Slovak Republic No. 194/1990 Coll. on lotteries and other similar games, as amended.
- 5l) E.g. Article 2, paragraphs 7 and 8, of Act No. 483/2001 Coll., Article 54, paragraphs 3 and 4, and Article 163, paragraphs 1 and 6, of Act No. 566/2001 Coll., as amended by Act No. 510/2002 Coll., Article 3, paragraphs 11 and 12, Article 4, paragraph 4 to 8, Articles 75 to 80 and Article 81, paragraph 2, of Act No. 594/2003 Coll., Article 4, paragraphs 5 and 6, and Article 11, paragraphs 5 and 6, of Act No. 95/2002 Coll., Article 30 of Act of the Slovak National Council No. 123/1996 Coll., as amended by Act No. 409/2000 Coll.
- 5m) Articles 3 and 19 of Act No. 431/2002 Coll. on accounting, as amended.
- 5n) E.g. Act No. 96/2002 Coll. on the financial market supervision and amending certain other laws, Act of the National Council of the Slovak Republic No. 136/2001 Coll., on the free market protection, as amended by Act No. 347/1990 Coll. on public administration, as amended and Act No. 335/1991 Coll. on courts and judges, as amended.
- 5o) E.g. Article 80, paragraph 1, of Act No. 566/2001 Coll.
- 5p) Article 44, paragraph 5, letter l), of Act No. 483/2001 Coll., as amended by Act No. 554/2004 Coll.
- 6) Act No. 328/1991 Coll. on bankruptcy and settlement, as amended.
- 7) Articles 63 and 64 of Act No. 483/2001 Coll.
- 7a) Article 2 of Act of the National Council of the Slovak Republic No. 301/1995 Coll., on personal IDs.
- 7aa) E.g. Article 3a and Articles 27 to 33 of the Commercial Code, Article 2, paragraph 2, and Articles 10 and 11 of Act No. 34/2002 Coll., Article 9, paragraphs 1 and 2, and Article 10 of Act No. 147/1997 Coll., Article 9, paragraphs 1 and 2, and Article 11 of Act No. 213/1997 Coll., as amended by Act No. 35/2002 Coll., Articles 6, 7, 9, and 9a, of Act No. 83/1990 Coll., as amended, Article 6, paragraph 1, and Article 7 of Act of the National Council of the Slovak Republic No. 182/1993 Coll., as amended, and Article 5, paragraphs 1 and 2, of Act of the National Council of the Slovak Republic No. 222/1996 Coll. on organisation of local State administration and amending certain other laws.
- 7b) Articles 782, 785, 879d, and Article 879e, paragraph 5, of the Civil Code.
- 7c) Articles 35 to 74 of Act No. 594/2003 Coll.
- 7d) Article 25, paragraphs 1 to 3, of Act No. 429/2002 Coll.
- 7e) Articles 5 and 6 and Article 8, letter d), of Act No. 566/2001 Coll., as amended by Act No. 510/2002 Coll.
- 7f) Article 80, paragraph 1, Article 81, paragraphs 1 and 2, and Article 82, paragraph 1 of Act No. 566/2001 Coll.
- 7g) Article 7, paragraph 2, letter a) and Article 30 of Act No. 483/2001 Coll.
- 8) Act No. 147/2001 Coll. on advertising, as amended.
- 9) Section 12(12.1) of the Protocol on the Statute of the European System of Central Banks and the European Central Bank (OJ C 321 E of 29 December 2006). Article 28(2) of Act of the National Council of the Slovak Republic No. 566/1992 Coll. as amended..
- 9a) Article 517, paragraph 2, of the Civil Code.  
Article 3 of Ruling of the Government of the Slovak Republic No. 87/1995 Coll., regulating some of the Provisions of the Civil Code.

- Article 77, paragraph 2, of Act No. 510/2002 Coll.
- 9b) E.g. Articles 50 to 65 of Act No. 483/2001 Coll.
- 10) Article 20 of Act of the National Council of the Slovak Republic No. 566/1992 Coll.
- 11) Articles 53 to 62 of Act No. 483/2001 Coll.
- 12) Act No. 71/1967 Coll. on administrative proceedings (Administrative Procedure Code), as amended.
- Act No. 747/2004 Coll. on financial market supervision (including amendments to certain acts), as amended. .
- 12a) Articles 2 to 30 of Act No. 510/2002 Coll.
- <sup>12aa)</sup> Article 248(d) of the Civil Proceedings Code
- 13a) Articles 101 and 785 of the Civil Code, as amended.
- Article 397 of Act No. 513/1991 Coll., the Commercial Code.
- 13b) Article 781, paragraph 2, of the Civil Code.
- 14) For example Article 76, paragraph 1 letter e), Article 175e, paragraph 1 a 2, Article 305, letter b) of Act No. 99/1963 Coll., the Civil Court order, as amended.
- 15) Article 35, Act No. 483/2001 Coll.
- 15a) Articles 682 to 691 of the Commercial Code, as amended.
- 15aa) Articles 54 and 55 of Act No. 483/2001 Coll.
- Articles 54 and 55 of Act No. 483/2001 Coll.
- Article 8, Article 14, paragraph 1, letters a) and l) and Article 50, paragraph 3, letter a), and paragraph 4, of Act No. 328/1991 Coll., as amended.
- 15ab) Act No. 36/1997 Coll. on legal experts and interpreters, as amended by Act No. 238/2000 Coll.
- Article 8, Article 14, paragraph 1, letters a) and l), and Article 50, paragraph 3, letter a), and paragraph 4, of Act No. 328/1991 Coll., as amended.
- 15b) Act of the National Council of the Slovak Republic No. 162/1993 Coll. on personal IDs, as amended.
- 15c) Act No. 381/1997 Coll. on travel documents.
- 15d) Act No. 48/2002 Coll. on stay of foreign nationals and amending certain other laws, as amended.
- 15e) E.g. Article 784 of the Civil Code.
- 15ea) Articles 492 and Article 546 to 550 of the Civil Code.
- 15eaa) Article 7, paragraph 3, and Article 10, paragraph 1, letter d) of Act No. 428/2002 Coll.
- 15f) Article 9 of the Ministry of Finance Regulation No. 47/1964 Coll. on monetary services to the public, as amended by the State Bank of Czechoslovakia Regulation No. 31/1990 Coll.
- 15g) E.g. Act No. 431/2002 Coll., Act No. 395/2002 Coll. on archives and registries and amending certain other laws.
- 15h) Article 8(1)(i) and (2), and Article 13(1)(e) of Act No. 523/2004 Coll. on the budgetary rules for public administration (including amendments to certain acts), as amended.
- Articles 8 to 13 of Act No. 386/2002 Coll. on the national debt and state guaranties, and amending Act No. 291/2002 Coll. on the State Treasury (including amendments to certain acts), as amended.
- 15ha) Articles 18, 19, 23 and 27 (2) of Act of the National Council of the Slovak Republic No. 566/1992 Coll. as amended
- 15i) Article 2, paragraph 3, and Articles 8 to 13 of Act No. 386/2002 Coll.
- 16) Act No. 431/2002 Coll.

- 17) Article 36, Act of the National Council of the Slovak Republic No. 566/1992 Coll. as amended.  
Act No.747/2004 Coll. on financial market supervision and amending certain other laws.
- 17a) Article 28, paragraph 1 letters a) through e) of the Commercial Code, as amended by Act of the National Council of the Slovak Republic No. 171/1995 Coll.
- 18) Article 4, paragraph 5, and Article 7, paragraph 3, of Act No. 428/2002 Coll.
- 18a) Article 4, paragraph 1, letters a), b), and c), Article 7, paragraph 3, paragraph 5, second sentence, and paragraph 6, second sentence, Article 8, paragraph 2, and Article 10, paragraph 10, of Act No. 428/2002 Coll.
- 18b) Article 91, paragraph 3, of Act No. 483/2001 Coll.
- 18ba) E.g. Article 69 and 69a, Articles 476 to 488 of the Commercial Code.
- 18bb) Article 36, paragraphs 1 and 2, first sentence, Article 39 and Article 492 of the Civil Code,
- 18bc) Article 11, paragraphs 1 to 3 of Act No. 483/2001 Coll. in the wording of Act No. 603/2003 Coll.
- 18c) Article 2, paragraph 1, of the Commercial Code.
- 19) Act of the National Council of the Slovak Republic No. 24/1991 Coll. on insurance, as amended.
- 20) Article 2 paragraph 2, Act of the National Council of the Slovak Republic No. 310/1992 Coll. on building societies, as amended.

**Annex to Act of the National Council  
of the Slovak Republic  
No. 118/1996 Coll. as amended.**

**LIST OF ADOPTED LEGAL ACTS  
OF THE EUROPEAN COMMUNITIES AND THE EUROPEAN UNION**

Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 on deposit-guarantee schemes. (OJ L 135 of 31.05.1994).