

THE FOREIGN EXCHANGE ACT

The full wording of Act of the National Council of the Slovak Republic No. 202/1995 Coll. dated 20 September 1995, the Foreign Exchange Act and the act amending and supplementing Act of the Slovak National Council No. 372/1990 Coll. on infringements, as amended by Act No. 45/1998 Coll., Act No. 200/1998 Coll., Act No. 388/1999 Coll., Act No. 367/2000 Coll., Act No. 442/2000 Coll., Act No. 456/2002 Coll., Act No. 602/2003 Coll., Act No. 554/2004 Coll., Act No. 747/2004 Coll., Act No. 214/2006 Coll., Act No. 209/2007 Coll., Act No. 659/2007 Coll. and Act No. 567/2008 Coll.

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

SECTION I

PART ONE INTRODUCTORY AND BASIC PROVISIONS

Article 1 Object of the Act

This Act regulates the following:

- a) the rights and obligations of residents and non-residents when trading in foreign exchange assets, acquiring real estate, granting financial credits to abroad, accepting financial credits from abroad, investing abroad, fulfilling the reporting obligation, fulfilling the obligation to transfer funds to the Slovak Republic, and in other foreign exchange legal relationships regulated by this Act;
- b) the power of foreign exchange authorities;
- c) foreign exchange supervision.

Article 2 Definition of Selected Terms

For the purpose of this Act:

- a) 'country' shall mean the territory of the Slovak Republic;
- b) 'residents' shall mean legal persons permanently based ¹⁾ in the country, or natural persons with permanent residence ²⁾ in the country; an organisational unit of a resident based abroad is also considered to be resident of the country;
- c) 'non-residents' shall mean legal persons or natural persons who are not residents in the country; a non-resident may also be understood as an organizational unit of a non-resident in the country, with the exception of a branch office of a foreign bank³⁾ operating in the country on the basis of a banking licence, in which case it has the position of a resident, unless otherwise stipulated by this Act;
- d) 'foreign exchange assets' shall mean funds in foreign currencies, foreign securities;

- e) ‘securities’ shall mean documents or book-entries ⁴⁾ which replace them, and which relates to the right to a share in property ^{4a)} or the right to financial benefits ^{4a)};
- f) ‘domestic securities’ shall mean securities issued by a resident;
- g) ‘foreign securities’ shall mean securities issued by a non-resident;
- h) ‘financial credit’ shall mean the provision of funds in euros or foreign currency, repayable in financial form; a financial loan ⁵⁾ and financial leasing ^{5a)} shall also be considered to be forms of financial credit;
- i) ‘trade in foreign exchange assets’ shall mean the provision of services to third persons as part of a business activity, ⁹⁾ the subject of which is the purchase or sale of foreign exchange assets for own account or another person’s account in cash or non-cash form; the mediation or arrangement of such purchase or sale, including the receipt and delivery of instructions for its realisation or arrangement; the exchange of such assets is also deemed to be trade in foreign exchange assets; the repayment of a financial credit in a currency other than that in which the credit was granted, or accepted, is not considered to be an exchange of foreign exchange assets, if such repayment had been agreed on in a written credit agreement concluded before the credit was provided;
- j) ‘direct investment’ shall mean the utilization of funds or other appreciable property assets, or property rights, the purpose of which is to establish, acquire, or extend a permanent business relationship of a resident or residents acting in concert ^{5b)} investing in a business abroad, or of a non-resident or non-residents acting in concert ^{5b)} investing in a business located in the Slovak Republic, if the investment is made in one of the following ways:
 1. establishment or acquisition of a 100% share in a business;
 2. participation in a newly established or existing business, provided the investor owns or acquires at least 10% of the equity capital of the commercial company ⁶⁾, or at least a 10% share of the net worth ⁷⁾, or 10% of the voting rights;
 3. acceptance or granting of a financial credit by the investor for business purposes, if the investor has a share as per items 1 or 2 in the business, or if the credit is subject to an agreement on the distribution of profits or is connected with influence over the control of the company which is comparable with influence given by a share as per items 1 or 2;
 4. employment of profits earned from an existing direct investment in such an investment (hereinafter referred to as “reinvestment of earnings from direct investment”);
- k) ‘non-cash transactions in funds’ shall mean the conduct of transactions in foreign exchange assets, consisting in the purchase or sale of funds in one currency for funds in other currency for own account or another person’s account, through money transfer in non-cash form, or the mediation or arrangement of such sale or purchase, including the receipt and delivery of instructions for its realisation or arrangement;
- l) ‘currency exchange activity’ shall mean the conduct of transactions in foreign exchange assets, consisting in the purchase of funds in foreign currency for euros in cash, or the sale of funds in foreign currency for euros in cash;
- m) ‘foreign exchange services’ shall mean the provision of services to third persons as part of a business activity, ⁹⁾ the subject of which is the execution or mediation of cross-border transfers in euros or in foreign currency, or the operation of commercial agencies for the execution or mediation of such cross-border transfers;
- n) a ‘place of foreign exchange’ shall mean:
 1. a bank, a foreign bank or a branch of a foreign bank authorised to carry on activity under this Act in the scope under a special act ¹⁰⁾;

2. a legal or natural person who has been granted a foreign exchange licence under this Act, to trade in foreign exchange assets, or to render financial services in the foreign exchange area;
- o) 'person' shall mean a legal person or a natural person unless the individual provisions of this Act refer to only natural persons or legal persons.

Article 3

Natural persons-entrepreneurs ¹²⁾, when carrying out their business, have the same rights and obligations as resident legal persons.

Article 4

Foreign Exchange Authorities and their Power

(1) Foreign exchange authorities are the Ministry of Finance of the Slovak Republic (hereinafter referred to as the 'Ministry') and the National Bank of Slovakia.

(2) The Ministry exercises power pursuant to this Act in matters relating to other ministries and central bodies of state administration; budgetary and subsidized state organizations; special purpose state funds; legal persons established by separate law, which are connected, through financial ties, to the state budget of the Slovak Republic; local communities and the budgetary and subsidized organizations established by them, with the exception of Article 6(2); and in the case of credits granted or accepted by the Slovak Republic.

(3) The Ministry shall maintain foreign exchange records and documents pertaining to international negotiations on property claims, and shall implement the results of these negotiations within the country.

(4) The National Bank of Slovakia exercises power pursuant to this Act in matters relating to residents other than those specified in paragraph 2, and to non-residents.

Article 5

repealed as of 1 January 2004

Article 6

Foreign Exchange Licence

(1) The issue of a foreign exchange licence to trade in foreign exchange assets or to provide foreign exchange services is within the competence of the National Bank of Slovakia. A foreign exchange licence shall not be granted to banks, foreign banks or branches of foreign banks carrying on activity according to this Act in the scope according to a special act,¹⁰⁾ or to stockbrokers, branches of foreign stockbrokers, investment service intermediaries or fund management companies carrying on activity under this Act in the scope according to a special act.¹⁴⁾

(2) A foreign exchange licence is issued on the basis of a written application. A foreign exchange licence may not be transferred to another person or to a legal successor.

(3) Unless this Act stipulates otherwise, a natural person applying for a foreign exchange licence must meet the following conditions:

- a) be trustworthy person;
- b) be at least 18 years old;
- c) be eligible for legal acts;
- d) have full secondary education (comprehensive or technical)
- e) natural persons through which permitted activities will be conducted must meet the conditions set out in letters a) to d).

(4) Unless this Act stipulates otherwise, a legal person applying for a foreign exchange licence must meet the following conditions:

- a) the natural persons through which the permitted activity will be conducted, must meet the conditions set out in paragraph 3, letters a) to d);
- b) the natural person who is a statutory body or a member of a statutory body, must be a trustworthy person.

(5) A trustworthy person for the purposes of this Act shall be deemed a natural person who has not been convicted of a criminal business-related act or criminal act against property, a criminal act committed in connection with the performance of a managerial function or an intentional criminal act. This fact shall be proved and documented by an excerpt from the criminal register ¹⁵⁾ not older than three months, and if this is a foreign national, proved and documented by an analogous confirmation issued by the respective body of the state of his permanent residence or by a body of the state where the person usually resides.

(6) An applicant for a foreign exchange licence to conduct non-cash transactions in funds in foreign currency, must be an entrepreneur – legal person, and must meet the following conditions, along with those set out in paragraph 4:

- a) a contribution to share capital in the amount of at least Sk 10,000,000;
- b) a feasible business plan;
- c) coverage against risks and tools for the measuring, monitoring, and management of these risks;
- d) procedure for the preparation, conduct, conclusion, and settlement of transactions, including a mechanism and rules for price formation;
- e) material, technical, organisational, and personal conditions for activities related to the conduct of transactions;
- f) the natural person who is a statutory body or a member of a statutory body has:
 1. university education or
 2. full secondary comprehensive education and at least three years of experience in the area of economics;
 3. full secondary technical education and at least three years of experience in the area of economics.

(7) An applicant for a foreign exchange licence to provide foreign exchange services must be an entrepreneur – legal person, and must meet the following conditions, along with those set out in paragraph 4:

- a) a contribution to share capital in the amount of at least Sk 1,000,000;

- b) material, technical, organisational, and personal conditions for activities related to the provision of foreign exchange services;
- c) a contract signed with the person who shall be responsible for the cross-border transfers of funds;
- d) the natural person who is a statutory body or a member of a statutory body has:
 - 1. university education or
 - 2. full secondary comprehensive education and at least three years of experience in the area of economics;
 - 3. full secondary technical education and at least three years of experience in the area of economics.

(8) The applicant for a foreign exchange licence to provide currency exchange services, must meet the conditions set out in paragraphs 3 and 4; in the case of transactions in foreign exchange assets, the subject of which is the sale of funds in foreign currency for euros in cash, the applicant must meet also the following conditions:

- a) to conduct transactions in foreign exchange assets, the subject of which is the purchase of funds in foreign currency for euros in cash, uninterruptedly for at least 12 months, in accordance with the generally binding legal regulations and the foreign exchange licence;
- b) to prove that the person who will sell foreign currency on behalf of the applicant, has completed a training course in the identification of forged or altered banknotes organised by the National Bank of Slovakia or by a person appointed by the National Bank of Slovakia.

(9) The application for a foreign exchange licence must contain, in the scope of data specified in a separate law, ^{15a)} the designation of the person who submits the application. The application must clearly indicate what is requested, and must contain a true description of all major facts and appropriate evidence of stated particulars. The application must also contain data, in the scope specified in a separate law, ^{15a)} about persons other than the applicant, set out in paragraphs 3, 4, and 6 to 8, as well as about other participants in the proceeding, even without the consent of the persons concerned. The application must also contain data, in the scope specified in a separate law, ^{15a)} about the deputies of the participants in the proceeding, if any, even without the consent of the persons concerned. In the annex, the application must contain the documents necessary for the National Bank of Slovakia to decide in the matter, mainly documents reliably certifying compliance with the conditions set out in paragraphs 3, 4, and 6 to 8. The application must also contain a statement about the completeness, correctness, authenticity, and relevance of the submitted application, including its annexes, while responsibility for the said statement shall be held by the applicant. The application must also indicate the place and date of preparation and the applicant's officially verified signature.

(10) The conditions set out in paragraphs 3, 4, and 6 to 8, must be met throughout the period of validity of the foreign exchange licence. During this period, the holder of the licence is obligated to notify in writing the National Bank of Slovakia of any change or prepared change in the conditions or data given in the foreign exchange licence application, as soon as the change has come to his knowledge. The fulfilment of the individual conditions, changes or prepared changes therein, shall be documented and reported to the foreign exchange authority primarily through the presentation of documents that reliably certify the fulfilment, change or prepared change of the said conditions.

(11) The grant of a foreign exchange licence will not affect the obligations pursuant to a separate law.¹⁶⁾ A person who has been granted a concession ¹¹⁾ – trade licence

for an activity which is the subject of the foreign exchange licence, shall be obligated to deliver an officially verified copy of this concession to the National Bank of Slovakia, within ten days of the date of its coming into effect.

(12) The foreign exchange licence specifies the permitted scope of transactions in foreign exchange assets or the provision of foreign exchange services, the period for which the foreign exchange licence is granted, and the conditions that are to be met by the licensee throughout the validity period of the foreign exchange licence.

(13) No person will be allowed to trade in foreign exchange assets or to provide foreign exchange services without appropriate authorisation granted through a banking licence or a foreign exchange licence or a permit to conduct such activity under a separate law,¹⁴⁾ unless this Act stipulates otherwise. Such permit or foreign exchange licence is not required for foreign exchange services rendered or transactions in foreign exchange assets conducted by the National Bank of Slovakia.

(14) The National Bank of Slovakia shall keep a list of the places of foreign exchange that have been granted a foreign exchange licence; this list shall contain the scope of foreign exchange licences granted to individual places of foreign exchange. The list shall be made available at all organisational units of the National Bank of Slovakia. The National Bank of Slovakia shall also make this list public on the Internet web site of the National Bank of Slovakia.

(15) In a decree issued by the National Bank of Slovakia and promulgated in the Collection of Laws of the Slovak Republic (hereinafter referred to as 'Collection of Laws'), the National Bank of Slovakia may specify:

- a) the due form of an application for a foreign exchange licence according to paragraphs 6 to 9, including the annexes thereto;
- b) the details of the conditions set out in paragraphs 3, 4, and 6 to 8, and the way of indicating and documenting their fulfilment or change pursuant to paragraph 10.

PART TWO
RIGHTS AND OBLIGATIONS OF RESIDENTS
AND NON-RESIDENTS

Article 7
Rights of Residents and Non-Residents

(1) Unless this Act stipulates otherwise, a resident may enter into a contract with a non-resident and fulfil his contractual obligations in the euro currency or foreign currency.

(2) Unless this Act stipulates otherwise, a resident may acquire foreign exchange assets and property abroad, and may import and export both the euro currency and foreign currencies.

(3) Unless this Act stipulates otherwise, a non-resident may purchase foreign currency in the country, acquire other foreign exchange assets and real estate, and import or export the euro currency or foreign currency.

Article 8
Foreign Exchange Reporting Obligation

(1) A resident and a non-resident's organisational unit in the country are obligated to report, even without the consent of the persons concerned, data in the scope specified in a separate law^{15a)} and data on facts related to the following:

- a) collections, payments, and transfers vis-à-vis residents abroad and non-residents, related to direct investments, financial credits, securities and financial market operations, including financial market operations conducted by non-residents; this shall not apply to collections, payments, and transfers vis-à-vis non-resident's organisational unit in the country, related to direct investments, financial credits, securities and financial market operations, including financial market operations conducted through non-residents;
- b) the opening, and the balance of bank accounts abroad; this shall not apply to natural persons who are residents of the country during their stay abroad.

(2) A resident entrepreneur and a non-resident's organisational unit in the country are obligated to report, even without the consent of the persons concerned, data in the scope stipulated by a separate law^{15a)} and data on facts related to assets and liabilities vis-à-vis residents abroad and non-residents, except for assets and liabilities in relation to a non-resident's organisation unit in the country.

(3) The Central Depository of Securities, members of the Central Depository of Securities, securities dealers, branch offices of foreign securities dealers, asset management companies, pension asset management companies, and branches of foreign asset management companies shall be obligated, even without the consent of the persons concerned, to report to the National Bank of Slovakia data maintained by them or known to them on issuers and owners of securities in the scope stipulated by a separate law,^{15a)} data on securities issued by these issuers and on securities held by these owners as well as summary data on securities registered, kept in custody, or deposited by them, in a breakdown by the country of the issuer's registered office or residence, the type of security, its maturity, classification of the issuer's activities by economic sectors, and in the case of foreign securities, in a breakdown by the classification of the owner's activities by economic sector.

(4) The foreign exchange reporting obligation pursuant to paragraphs 1 to 3 is to be discharged by reporting complete, correct, reliable, and relevant data to the foreign exchange authority, free of charge and in time, directly or through a place of foreign exchange, as outlined in paragraph 8, or on request of the foreign exchange authority.

(5) The places of foreign exchange through the mediation of which the foreign exchange reporting obligation is fulfilled, are obligated to pass on to the foreign exchange authority without undue delay any information obtained within the scope of compliance with the reporting obligation, even without the consent of the persons concerned.

(6) Foreign exchange authorities and places of foreign exchange are obligated to handle the information obtained in complying with the reporting obligation so that the information could not be misused. Information concerning a specific person and enabling a direct or indirect identification of this person, may not be published or disseminated or used for other than statistical purposes without the written consent of the persons whom the information comes from and whom it concerns.

(7) Information obtained within the scope of compliance with the foreign exchange reporting obligation and the responsibility for the breach of the obligation set out in paragraph 6, are governed by a separate law.^{16a)}

(8) In a decree promulgated in the Collection of Laws, the National Bank of Slovakia shall specify the following:

- a) the structure of reports pursuant to paragraphs 1 to 3, including the scope, contents, structure, deadline, form, manner, procedure, and place of delivery of such reports, including a methodology for their preparation;
- b) method and date of delivery of the information mentioned in paragraph 5, to the foreign exchange authority.

Article 9
repealed as of 1 April 1998

Article 10
repealed as of 1 January 2004

Article 11
Other Obligations

(1) Cross-border transfers of funds may be made only through the National Bank of Slovakia, through places of foreign exchange according to a special act¹⁰⁾ or within the scope specified in the foreign exchange licence to provide foreign exchange services, or through payment systems within the scope specified in a permit issued under a separate law,^{16b)} unless a separate law^{16b)} stipulates otherwise; this is without prejudice to the provisions of Article 13(2).

(2) Residents and non-residents are obligated to present a special permit mentioned in Article 39(5), to the place of foreign exchange where required by this Act, and to document the purpose of the requested transfer and compliance with the foreign exchange reporting obligation, if required by the place of foreign exchange.

(3) Residents and non-residents are obligated, upon demand by the place of foreign exchange, to document compliance with the foreign exchange reporting obligation and to specify the purpose of transfers received from abroad, where the purpose is not already specified.

Article 12

Rights and Obligations of Places of Foreign Exchange

(1) A place of foreign exchange is obligated to demand the presentation of a special permit according to Article 39(5), prior to the transfer, where required by the Act.

(2) In connection with the execution of a particular transfer, the place of foreign exchange is authorised to demand that the evidence be provided of the fulfilment of the foreign exchange reporting obligation and that the documents evidencing the purpose of the requested transfer be presented.

(3) The place of foreign exchange is authorised to ask the recipient of a transfer from abroad to document compliance with the foreign exchange reporting obligation and to specify the purpose of the said transfer, where such purpose was not already stated.

(4) The place of foreign exchange may only conduct transactions which are in compliance with the provisions of this Act, generally binding legal regulations issued for the implementation of the Act, international treaties binding the Slovak Republic and which regulate the relationships governed by this Act in a different way, and foreign exchange licences and special permits mentioned in Article 39(5).

(5) The place of foreign exchange is obligated to notify, without undue delay, the relevant foreign exchange authority of any suspected violation of regulations, contracts, and decisions listed in paragraph 4 and of failures to meet the obligations set out in Article 11(2) and (3).

(6) By decree, which is to be promulgated by publication in the Collection of Laws, the National Bank of Slovakia shall stipulate the procedure to be used by places of foreign exchange when effecting payments to and from abroad, and transfers to non-residents.

Article 13

Trade in Foreign Exchange Assets

(1) Trade in foreign exchange assets or the provision of foreign exchange services shall be allowed only according to a special act ¹⁰⁾ or in the scope specified in the foreign exchange licence, or in a permit to operate according to a separate law, unless this Act stipulates otherwise.

(2) A person who is authorised to conduct certain transactions in foreign exchange assets or to provide foreign exchange services according to a separate law, ^{16c)} may conduct such transactions or provide such services without a foreign exchange licence only in the scope specified in a separate law. ^{16c)}

(3) In purchasing or selling funds in foreign currency, a place of foreign exchange not operating according to a special act ¹⁰⁾ may not offer or conduct non-cash transactions in funds in foreign currency without a foreign exchange licence to conduct non-cash transactions in foreign currencies.

(4) A place of foreign exchange which doesn't operate according to a special act and which has accepted funds from a customer in cash in connection with the purchase or sale of foreign currencies, may not transfer the counter value of these funds from its account to the customer's account without a foreign exchange licence to conduct non-cash transactions in foreign currencies.

(5) In purchasing or selling funds in foreign currency, a place of foreign exchange not operating according to a special act may not accept a counter value from a customer in the form of a non-cash transfer to his account, without a foreign exchange licence to conduct non-cash transactions in foreign currencies, except when accepting a counter value in connection with the purchase or sale of funds in foreign currency through a payment card.

(6) A place of foreign exchange authorised to purchase foreign currencies for euros in cash is also authorised to purchase cheques in foreign currency for euros, and a place of foreign exchange which is authorised to sell foreign currencies for euros in cash is also authorised to sell cheques in foreign currency for euros.

(7) Transactions in foreign exchange assets may be conducted only in offices or facilities the use of which has been approved by a building inspector pursuant to a separate law.¹⁷⁾

(8) A place of foreign exchange holding a foreign exchange licence to trade in foreign exchange assets or to provide foreign exchange services, is obligated:

- a) to keep a separate register of transactions in foreign exchange assets concluded and a separate register of foreign exchange services provided; such register must include data on the financial value of and the currencies involved in individual transactions in foreign exchange assets and on individual foreign exchange services provided, data on the customers for whom the individual transactions in foreign exchange assets were conducted or to whom the individual foreign exchange services were provided, in the scope specified in a separate law ^{17a)}, and data on the identification of individual customers pursuant to letter c);
- b) to keep a catalogue of payment means in paper or electronic form in the scope of its currency exchange activity (provided the place of foreign exchange renders currency exchange services);
- c) to identify the customer in a manner and in the scope of data set out in a separate law ^{17a)} for each transaction in foreign exchange assets and for each foreign exchange service; in providing currency exchange services, the place of foreign exchange is obligated to identify the customer for each transaction in foreign exchange assets in the amount exceeding EUR 1,000, unless a separate law ^{17b)} stipulates otherwise;
- d) to set the price that is to be paid by the customer for the conclusion of a transaction in foreign exchange assets or for the provision of a foreign exchange service;
- e) to legibly display, on its operating premises, information on prices mentioned in letter d), procedures and time limits for dealing with claims and complaints in connection with the conduct of transactions in foreign exchange assets and the provision of foreign exchange services, including information on costs related to complaints and on procedures to be followed in solving disputes pursuant to this Act and separate regulations ¹⁸⁾;
- f) to submit to the National Bank of Slovakia data on transactions in foreign exchange assets concluded and foreign exchange services provided, including data on their conclusion and provision;
- g) in conducting non-cash transactions in funds in foreign currency, the place of foreign exchange is obligated to ensure that the conduct, settlement, and internal control of such

transactions are separated in both organisational and personnel terms; also, separate sub-ledger records are to be kept of these transactions within the system of book-keeping.

(9) A place of foreign exchange which has been granted a foreign exchange licence to trade in foreign exchange assets or to provide foreign exchange services, is subject to obligations pursuant to a separate law.^{17b)}

(10) A place of foreign exchange which has been granted a foreign exchange licence to trade in foreign exchange assets or to provide foreign exchange services, is obligated to make available and provide to the foreign exchange authority, even without consent from the persons concerned, any information the place of foreign exchange has about transactions in foreign exchange assets and about foreign exchange services, including data on customers and data on other persons who were involved in the transactions in foreign exchange assets or the foreign exchange services or who are responsible for the transactions in foreign exchange assets or the foreign exchange services.

(11) The National Bank of Slovakia may specify the details of facts and requirements outlined in paragraph 8, as well as the scope, contents, dates, form, manner, procedure, and place of delivery of the data on transactions concluded in foreign exchange assets and the provision of foreign exchange services, in the form of a decree, which is, in full wording, to be promulgated in the Collection of Laws.

Article 14
repealed as of 1 January 2004

Article 15
repealed as of 1 January 2003

Article 15a
repealed as of 1 January 2001

Article 16
repealed as of 1 January 2003

Articles 17
repealed as of 1 January 2001

Article 18
repealed as of 1 January 2001

Article 19
repealed as of 1 May 2004

Article 19a

Acquisition of Real Estate within the Country

(1) A non-resident may acquire ownership rights to real estate located in the Slovak Republic with the exceptions mentioned in paragraph 2.

- (2) A non-resident may not acquire ownership rights
- a) to land which forms part of the agricultural land fund ¹⁹⁾ located outside the border of the built-up area of a municipality nor to land which forms part of the forest land fund²⁰⁾ located outside the border of a built-up area of a municipality; this limitation shall not be applicable to a non-resident who inherits the property and to a non-resident who is
 1. a citizen of the Slovak Republic;
 2. a citizen of a member state of the European Union and has the right to temporary residence on the basis of registration,²¹⁾ in the case of the acquisition of ownership rights to land which forms part of the agricultural land fund ¹⁹⁾ and which he has been managing ^{21a)} for at least three years following the date of the validity of the treaty on the accession of the Slovak Republic to the European Union;
 - b) to real estate whose acquisition is restricted by separate regulations.^{21b)}

Article 20

repealed as of 1 January 2004

Article 21

repealed as of 1 January 2004

Article 22

repealed as of 1 January 2001

Article 23

repealed as of 1 January 2003

PART THREE FOREIGN EXCHANGE SUPERVISION

Article 24 Foreign Exchange Supervision

(1) Foreign exchange supervision is implemented by foreign exchange authorities within the framework of their power; the foreign exchange supervision of how the entities listed in Article 4(2) discharge their reporting obligations set out in Article 8 is the responsibility of the National Bank of Slovakia.

(2) The foreign exchange authority shall supervise the fulfilment of obligations pursuant to this Act and the generally binding legal regulations issued in support of its implementation. In this connection, the authority is empowered to demand any cooperation necessary from persons subject to supervision, especially the presentation of the necessary documents and explanations.

(3) Where the foreign exchange supervision procedure occurs on site, the relations between the foreign exchange authority and the persons subject to supervision are governed by the provisions of a separate law,²³⁾ unless otherwise stipulated by this Act.

(4) Persons subject to supervision are required to provide any cooperation necessary to the foreign exchange authority in connection with the foreign exchange supervision.

(5) Should a foreign exchange authority detect deficiencies in a person's activities during on-site inspection, the person will be given^{23a)} an appropriate period of time to correct the shortcomings, or requested to terminate any unauthorized activities.

Article 24a Corrective Measures and Fines

(1) If the foreign exchange authority detects any shortcomings in the activities of a person consisting in the violation or circumvention of the provisions of this Act or other generally binding legal regulations issued for its implementation, in the non-observance or excess of the conditions stipulated in the foreign exchange licence or a special permit mentioned in Article 39(5), the foreign exchange authority may, depending on the seriousness, form, and degree of the misdeed, the nature, scope and period of the infringement, or other shortcomings detected:

- a) impose on the person a corrective measure, namely an obligation to eliminate the shortcomings within a prescribed time limit;
- b) restrict or suspend the person's activities or some of his activities according to the foreign exchange licence;
- c) revoke the person's foreign exchange licence;
- d) impose on the person a fine under conditions stipulated in paragraph 2.

(2) A fine pursuant to paragraph 1, letter d) may be levied in the following amounts:

- a) for a failure to comply with the reporting obligation or the requirement to collaborate with the foreign exchange authority during inspection – up to Sk 1,000,000;

- b) for a failure to comply with the deposit requirement – up to 0.3% of the amount of compulsory deposit for each commenced calendar day;
- c) for a failure to implement a corrective measure as imposed pursuant to paragraph 1, letter a) – up to Sk 500,000;
- d) for the conduct of an unauthorised activity or for other cases that are not mentioned under letters a) to c):
 - 1. up to 50% of the amount to which the detected shortcoming relates;
 - 2. up to Sk 10,000,000, if the amount to which the shortcoming relates cannot be determined.

(3) Corrective measures, fines, and other sanctions pursuant to paragraphs 1 and 2 may be imposed concurrently, even by a single decision; a fine may be also levied repeatedly. Responsibility according to separate regulations^{16a)} shall not be affected by the imposition of a fine.

(4) Appeal against a decision of the foreign exchange authority may be lodged in accordance with paragraphs 1 and 2. An appeal made as per paragraph 1, letter a) or b) shall not have a delaying effect.

(5) Measures pursuant to paragraphs 1 and 2 may be taken within one year of the date of detection of the shortcomings, but no later than within three years of the date of their occurrence.

(6) On the day of coming into effect of the decision to revoke a foreign exchange licence, the trade licence^{23b)} shall expire within the scope of the foreign exchange licence revoked.

(7) The foreign exchange authority shall notify, without undue delay, the relevant Trade Licensing Office of any legally enforceable decision issued in accordance with paragraph 1, letters a), b), or c).

(8) A fine imposed shall be payable within 30 days of the legally enforceable decision to levy a fine and the income from the fine shall be a revenue for the State Budget of the Slovak Republic.

(9) Fines imposed by the foreign exchange authority shall be enforced by the appropriate financial control body according to the registered office, place of business, or permanent residence of the person under inspection.

Article 25
repealed as of 1 January 2004

PART FOUR

Article 26 to 37 repealed as of 1 January 2004

PART FIVE SPECIAL PROVISIONS

Article 38

(1) The deposit obligation is an obligation on the part of legal persons and natural persons to deposit a specified percentage of the volume of the funds in a special account at the bank in the interest of currency stability for a certain period of time and concerns:

- a) inter-bank deposits of foreign banks at domestic banks and branches of foreign banks within the country;
- b) deposits made by foreign non-bank residents at domestic banks and branches of foreign banks in the country;
- c) financial credits made by non-residents to residents;
- d) funds resulting from an issue of domestic bonds and other securities issued abroad and which carry beneficiary rights.

(2) For the duration of a deposit obligation, legal and natural persons subject to this obligation may not freely dispose of the funds in this account and may not transfer their rights to dispose of such funds to another person.

(3) The Ministry and the National Bank of Slovakia shall issue generally binding legal regulations stipulating a deposit obligation, its duration, extent, and persons being exempted herefrom, together with other details regarding the implementation of the obligation set out paragraph 1, and are to state the bank in which the special account is to be kept.

Article 39

State of Emergency in the Foreign Exchange Economy

(1) In the event of an unfavourable development in the balance of payments posing a serious threat to foreign solvency or the internal monetary balance of the Slovak Republic, the Government of the Slovak Republic (hereinafter referred to as 'Government'), at the instigation of the National Bank of Slovakia, may declare a state of emergency²⁹⁾ in the foreign exchange economy. A decision on the National Bank of Slovakia proposal is to be announced without undue delay. The state of emergency begins on the day the Government makes a public announcement of the fact and ends on the day set by the Government at the time of the announcement, but at the latest three months from the day of such announcement.

(2) In a state of emergency in the foreign exchange economy, where foreign solvency of the Slovak Republic is seriously threatened, the following shall be prohibited:

- a) the acquisition, by residents as well as non-residents, of foreign exchange assets in return for euros; this prohibition does not apply to places of foreign exchange;
- b) the payment of any kind of compensation from the country to a foreign country, including transfers of funds between banks and their branches;

c) the deposit of funds in accounts abroad.

(3) In a state of emergency in the foreign exchange economy, where the internal monetary balance of the Slovak Republic is seriously threatened, the following shall be prohibited:

- a) the sale of domestic securities to non-residents;
- b) the acceptance of financial credits from non-residents;
- c) the opening of accounts in the country by non-residents and the deposit of funds in the accounts of non-residents;
- d) the transfer of funds from abroad between banks and their branches.

(4) In announcing a state of emergency in the foreign exchange economy, the Government shall, by naming the prohibitions that shall apply (those set out in paragraph 2 or 3, or in both), specify the particular state of emergency. At the same time, the Government, with the content of the National Bank of Slovakia, may specify entities or activities as being exempted from such prohibitions. The public announcement shall also state where the complete text of the decree may be viewed by the public.

(5) The foreign exchange authority may, in individual cases, where there is a risk to life or health of persons, or in the interests of improving the balance of payments and the stability of the currency, make special exemptions from the prohibitions set out in paragraph 2 or 3.

PART SIX
COMMON, TEMPORARY AND FINAL PROVISIONS

Article 40
Common Provisions

Unless this Act stipulates otherwise, proceedings before a foreign exchange authority and the decisions taken by the same in performing its jurisdiction under this Act, with the exception of Article 24(3) and (5), shall be governed by a separate law;³⁰⁾ proceedings and decisions in the first instance shall fall under the power of a unit determined by the Rules of Organisation of the National Bank of Slovakia. First-instance decisions and the authorisations for performance of on-site supervision shall be signed by the head of this unit or a deputy authorised thereby.

Article 41

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

Article 42
Relationship to International Treaties

The provisions of this Act shall apply only where an international treaty, to which the Slovak Republic is a party, does not stipulate otherwise.

Article 43
Temporary Provisions

(1) Where this Act continues to require their issue, foreign exchange permits issued pursuant to previous regulations are considered to be foreign exchange permits under the present Act.

(2) Persons listed in Article 2, letter o), items 2 and 3, who engage in activities on the basis of a foreign exchange permit according to the previous regulations, are required to apply to the foreign exchange authority for a foreign exchange licence according to this Act at the latest within one year from the date of its coming into force, otherwise the foreign exchange permit becomes invalid after elapse of that time. Provided the application is submitted on time, the foreign exchange permit shall expire on the day the decision on the application for foreign exchange licence comes into force.

Article 43a
Temporary Provisions Concerning the Acts effective from 1 January 2004

(1) Approval by the National Bank of Slovakia to the issue of a concession¹¹⁾ for currency exchange activity, issued before 1 January 2004, shall be regarded under this Act as a foreign exchange licence to conduct transactions in foreign exchange assets within the scope of purchases of funds in foreign currency for euros in cash. The restriction or suspension of an

activity according to such foreign exchange licence and the revocation of such foreign exchange licence shall be governed by the provisions of this Act.

(2) Foreign exchange licences issued according to the regulations heretofore in effect shall be deemed to be foreign exchange licences under this Act, provided a foreign exchange licence is still required according to this Act. The holders of such foreign exchange licences shall be obligated to deliver to the National Bank of Slovakia an officially verified copy of a trade licence or concession ¹¹⁾ for the activity that is the subject of the foreign exchange licence and to meet the conditions and requirements stipulated by this Act no later than 31 December 2004, otherwise the foreign exchange licence will expire at this date. Foreign exchange licences and foreign exchange permits issued under the regulations heretofore in effect, which are no longer required according to this Act, will expire on 31 December 2003.

(3) Proceedings before a foreign exchange authority commenced according to the regulations heretofore in effect and not completed before 1 January 2004, shall be completed according to the regulations heretofore in effect.

(4) Reports prepared in 2004 under the regulations heretofore in effect to discharge a reporting obligation for the year 2003, shall be compiled and presented according to the regulations heretofore in effect.

Article 43b

Interim Provisions to amendments effective from 1 January 2005

The foreign exchange licences or a part thereof issued pursuant to regulations hitherto, which are no longer required under this Act, cease to exist as from 1 January 2005.

Article 43c

Interim Provisions to amendments effective from 1 January 2006

(1) Proceedings initiated and not completed with finality before 1 January 2006 shall be completed in accordance with procedures prescribed by this Act and a separate law.³⁰⁾ Legal effects of acts, which occurred during such proceedings before 1 January 2006, shall endure.

(2) On-site supervision initiated and not completed before 1 January 2006 shall be completed under this Act and separate laws.²³⁾ Legal effects of acts, which occurred during such on-site supervision before 1 January 2006, shall endure.

Article 43d

Transitional provision for regulations effective as of 1 November 2007

Where a foreign exchange licence or any part of a foreign exchange licence was issued under previous regulations that are effective until 31 October 2007 and apply to trading in financial derivatives, that licence or part shall expire as of 1 November 2007.

Article 44

Repealing Provisions

The following are hereby repealed:

1. Act No. 528/1990 Coll., the Foreign Exchange Act, as amended by Act No. 228/1992 Coll., Act No. 228/1992 Coll., Act No. 264/1992 Coll., Act of the National Council of the Slovak Republic No. 26/1993 Coll., Act of the National Council of the Slovak Republic No. 106/1993 Coll., Act No. 161/1993 Coll., and Act of the National Council of the Slovak Republic No. 249/1994 Coll.
2. Decree of the Federal Ministry of Finance and the State Bank of Czech-Slovakia No. 303/1992 Coll., which implements the Foreign Exchange Act.
3. Decree of the Federal Ministry of Finance, the State Bank of Czech-Slovakia and the Federal Ministry of Foreign Trade No. 323/1990 Coll., stipulating the terms and conditions of property participation in business activities abroad and the transfer of property shares held by foreign exchange residents in foreign legal persons' business activities, to foreign exchange non-residents.
4. Article 36(1)(b) and (4) to (10) of Act of the National Council of Slovak Republic No. 566/1992 Coll. on the National Bank of Slovakia.

Article 44a

The following are hereby repealed:

1. Article 9 of the Decree of the Ministry of Finance of the Slovak Republic and the National Bank of Slovakia No. 203/1995 Coll., which implements certain provisions of The Foreign Exchange Act.
2. Decree of the Czech-Slovak State Bank dated October 1, 1992, which stipulates the procedure to be followed by resident legal persons when they receive a cash payment in foreign currency with respect to operational record keeping and financial reporting (registered in issue No. 103/1992 Coll.).
3. Decree of the National Bank of Slovakia No. 19 dated 17 June 1994, which sets out terms and conditions for certain foreign exchange transactions conducted by banks (Announcement No. 225/1994 Coll.).
4. Decree of the National Bank of Slovakia No. 6 dated 25 September 1995, which sets out limits for foreign exchange cash purchases by resident natural persons (Announcement No. 205/1995 Coll.).
5. Decree of the National Bank of Slovakia No. 7 dated 25 September 1995, which sets the extent of foreign exchange surrender obligation for resident legal persons (Announcement No. 206/1995 Coll.).

Article 44b

Repealing Provisions for Regulations Effective from 1 January 2004

Decree No. 390/1999 Coll. of the Ministry of Finance of the Slovak Republic and the National Bank of Slovakia, implementing certain provisions of the Foreign Exchange Act, as amended by Decree No. 477/2000 Coll. and Decree No. 522/2001 Coll., is hereby repealed.

SECTION II

Act of the National Council of the Slovak Republic No. 202/1995 Coll. dated 20 September 1995, the Foreign Exchange Act and the act amending and supplementing Act of the National Council of the Slovak Republic No. 372/1990 Coll. on infringements, as amended, became effective on 1 October 1995.

Act No. 45/1998 Coll. became effective on 1 April 1998.

Act No. 200/1998 Coll. became effective on 1 July 1998.

Act No. 388/1999 Coll. became effective on 31 December 1999, with the exception of Section I, Part 2, Article 8(1), which became effective on 1 January 2000.

Act No. 367/2000 Coll. became effective on 1 January 2001.

Act No. 442/2000 Coll. became effective on 1 January 2001.

Act No. 456/2002 Coll. became effective on 1 January 2003, with the exception of stipulations in Section I, item 4 [cancellation of Article 10], item 8 [the new title for Article 14], item 9 [the new wording of the introductory sentence in Article 14], item 10 [the new wording of Article 14, letter d), and item 15 [cancellation of Articles 20 and 21], which will become effective on 1 January 2004, and with the exception of stipulations in Section I, item 13 [cancellation of Article 19] and item 14 [insertion of new Article 19a], which became effective on the day of the coming into force of the treaty on the accession of the Slovak Republic to the European Community and the European Union (i.e. on 1 May 2004).

Act No. 602/2003 Coll. became effective on 1 January 2004, with the exception of stipulations in Section I, item 28 [amendment of Article 19a(2)(a)], which became effective on the day of the coming into force of the treaty on the accession of the Slovak Republic to the European Community and the European Union (i.e. on 1 May 2004).

Act No. 554/2004 Coll. became effective on 1 January 2005.

Act No. 747/2004 Coll. became effective on 1 January 2006.

Act No. 214/2006 Coll. became effective on 1 May 2006.

Act No. 209/2007 Coll. shall come 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. became effective on 1 January 2009.

Act No. 567/2008 Coll. became effective on 1 January 2009.

Footnotes to the references:

- 1) Article 2(3) and (4) of the Commercial Code.
- 2) Act No. 135/1982 Coll. on reporting and registration of citizen residency, as amended by Act No.441/2001 Coll.
Act No. 253/1998 Coll. on the reporting of citizen residency and on the Registry of Inhabitants of the Slovak Republic, as amended.
Act No. 48/2002 Coll. on the stay of foreign nationals and on changes and amendments to certain laws, as amended.
- 3) Article 2(5) and (8) of Act No. 483/2001 Coll. on banks and on changes and amendments to certain other laws.
- 4) Article 2(1) and Article 10(1) of Act No. 566/2001 Coll. on securities and investment services and on changes and amendments to certain other laws (Securities Act).
- 4a) Article 2(2)(a) to (k) and (r) of Act No. 566/2001 Coll.
- 5) Articles 657 and 658 of Act No. 40/1964 Coll., the Civil Code, as amended by Act No. 509/1991 Coll.
- 5a) Article 5(g) of Act No. 483/2001 Coll. on banks and on changes and amendments to certain other laws.
- 5b) Article 66b of the Commercial Code.
- 6) Article 56 of the Commercial Code.
- 7) Article 6(3) of the Commercial Code.
- 8) Cancelled as of 1 May 2006.
- 9) Article 2(1) of the Commercial Code.
- 10) Article 2(2), Articles 7 and 8 and Articles 11 and 12 of Act No. 483/2001 Coll. as later amended.
- 11) Article 10(1) and (2)(a) and Articles 50 to 56 of Act No. 455/1991 Coll. on trading (the Trading Act), as amended.
- 12) Article 2(2) of the Commercial Code.
- 13) E.g., Articles 27 to 40a of Act No. 92/1991 Coll. on conditions for the transfer of state property to other persons, as amended; Articles 34 to 36 of Act of the Slovak National Council No. 330/1991 Coll. on land parcel modifications, arrangement of land ownership, land registries, the land fund, and land parcel associations, as amended; Articles 4 to 21 of Act of the National Council of the Slovak Republic No. 387/1996

Coll. on employment, as amended; Articles 28 and 40 to 54a of Act of the National Council of the Slovak Republic No. 273/1994 Coll. on health insurance, the financing of health insurance, the establishment of the Public Health Insurance System, and on the establishment of sector, corporate, and public health insurance facilities, as amended; Articles 2 to 11 of Act of the National Council of the Slovak Republic No. 274/1994 Coll. on the Social Insurance System, as amended; Articles 122 to 129 of Act No. 413/2002 Coll. on social insurance; Act of the Slovak National Council No. 254/1991 Coll. on the Slovak Television, as amended; Act of the Slovak National Council No. 255/1991 Coll. on the Slovak Radio, as amended

- 14) Articles 54 to 56 and Article 61 of Act No. 566/2001 Coll., as later amended
Article 3 (3) and Article 6 (2) (m) of Act No. 594/2003 Coll. on collective investment and on the amendment of certain acts as amended by Act No. 213/2006 Coll.
- 15) Article 8 of Act No. 311/1999 Coll. on the Criminal Record Register, as amended by Act No. 418/2002 Coll.
- 15a) Article 34b(1)(a) to (c) of Act of the National Council of the Slovak Republic No. 566/1992 Coll., as amended by Act No. 602/2003 Coll.
- 16) Act No. 455/1991 Coll., as amended.
- 16a) E.g., Article 41 of Act of the National Council of the Slovak Republic No. 566/1992 Coll., as amended by Act No. 149/2001 Coll. Article 81, letter e) of the Labour Code, Articles 17 to 20 of the Commercial Code, as amended by Act of the National Council of the Slovak Republic No. 249/1994 Coll., and Article 122 of the Criminal Code, as amended.
- 16b) Act No. 510/2002 Coll. on payment systems and on changes and amendments to certain other laws.
- 16c) E.g., Act No. 507/2001 Coll. on postal services, Act No 80/1997 Coll. on Export-Import Bank of the Slovak Republic as amended.
- 17) Article 82 of Act No. 50/1976 Coll. on regional planning and building regulations (Building Act), as amended.
- 17a) Article 5(1)(a) to (c) of Act No. 367/2000 Coll. on protection against the laundering of proceeds from criminal activities and on changes and amendments to certain other laws, as amended.
- 17b) Act No 367/2000 Coll., as amended.
- 18) E.g., the Civil Court Procedures, Act No. 244/2002 Coll. on judicial procedure; Act of the National Council of the SR No. 233/1995 Coll. on court officers and distraintment (The Distraintment Code) and amending certain other laws, as amended.
- 18a) Cancelled as of 1 January 2001.
- 18b) Cancelled as of 1 May 2004.

- 19) E.g., Act of the National Council of the Slovak Republic No. 307/1992 Coll. on agricultural land fund preservation, as amended. (N. B.: This footnote shall be effective after the Slovak Republic's accession to the European Union.)
- 20) E.g., Act No. 61/1977 Coll. on forests, as amended. (N. B.: This footnote shall be effective after the Slovak Republic's accession to the European Union.)
- 21) Article 30 of Act No. 48/2002 Coll. on the stay of foreign nationals and on changes and amendments to certain other laws. (N. B.: This footnote shall be effective after the Slovak Republic's accession to the European Union.)
- 21a) Act No. 105/1990 Coll. on private business, as amended. (N. B.: This footnote shall be effective after the Slovak Republic's accession to the European Union.)
- 21b) E.g., Act No. 44/1988 Coll. on the protection and exploitation of mineral resources (the Mining Act), as amended, Act No. 184/2002 Coll. on water and on changes and amendments of certain other acts (The Water Act), Act of the national Council of the Slovak Republic No. 277/1994 Coll. on healthcare, as amended, Act of the National Council of the Slovak Republic No. 287/1994 Coll. on the preservation of nature and landscape, as amended, Act No. 135/1961 Coll. on roads, as amended, Act No. 27/1987 on the protection of monuments and historic sites, as amended by Act No. 183/2000 Coll. (N. B.: This footnote shall be effective after the Slovak Republic's accession to the European Union.)
- 22) Repealed as of 1 January 2003.
- 23) Act of the National Council of the Slovak Republic No. 566/1992 Coll., as amended Act No. 747/2004 Coll. on Supervision of the Financial Market and on amendments and supplements to certain laws.
- 23a) Article 8 (2d) of Act No. 747/2004 Coll.
- 23b) Article 57(1)(e) of Act No. 455/1991 Coll., as amended.
- 24) to 28) Repealed as of 1 January 2001.
- 29) Article 119(d) and Article 118 of the Constitution of the Slovak Republic.
- 30) Articles 12 to 34 of Act No. 747/2004 Coll.,

**Annex to Act of the National Council
of the Slovak Republic
No. 202/1995 Coll. as amended**

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

Council Directive 88/361/EEC of 24 June 1988 for the implementation of Article 67 of the Treaty (OJ L 178 of 8.7.1988).