



## NATIONAL BANK OF SLOVAKIA AND ITS LEGISLATIVE ACTIVITY

*The National Bank of Slovakia, as the central bank of the Slovak Republic, was established on 1st January 1993 on the basis of Act of the National Council of the Slovak Republic No. 566/1992 Zb. on the National Bank of Slovakia (the "NBS Act"). It is a classic central bank under public law. On the basis of the NBS Act it performs all the basic functions of a state central bank. This means that it is a bank of issue, the bank of banks, the bank for the state and is the administrator of the foreign exchange reserves of the Slovak Republic. Part of its role is also banking supervision over commercial banks operating on the basis of a banking license granted by the National Bank of Slovakia pursuant to Act No. 483/2001 Z.z. on banks and amending certain other laws, as amended. Given the fact that the main and basic objective of the National Bank of Slovakia is to maintain price stability, the National Bank of Slovakia in its*

*activities has substantial independence from state bodies codified in the NBS Act. The fulfillment of its tasks is ensured independently of government instructions, where, however, it supports the economic policy of the government.*

*A fact confirming the National Bank of Slovakia's independence is also its management according to a budget approved exclusively by the Banking Board of the National Bank of Slovakia without the intervention of other state bodies. As regards the control of its activity, the National Bank of Slovakia is obliged to submit to the National Council of the Slovak Republic a semi-annual report on monetary development in the Slovak Republic and an annual report on the result of its budgetary management. Its closing of accounts is verified by an auditor appointed by the Supreme Control Authority of the Slovak Republic.*

The special standing of the National Bank of Slovakia in the field of banking, foreign exchange management, currency and money circulation is highlighted also by the fact that in these fields the NBS Act gives the NBS also legislative responsibilities.

According to the NBS Act it submits draft acts to the government in the field of currency and money circulation. The National Bank of Slovakia together with the Ministry of Finance of the Slovak Republic also submits to the Government draft acts in the field of foreign exchange management and banking. A further legislative activity of the National Bank of Slovakia is the preparation and issuing of other generally binding legal decrees such as decrees and provisions of the National Bank of Slovakia. The National Bank of Slovakia can however issue these generally binding legal regulations only on the basis of the powers granted in the Act.

This competence and the position of the National Bank of Slovakia ensue primarily from the NBS Act.

**Decrees** of the National Bank of Slovakia are published and issued in their full wording in the Collection of Laws of the Slovak Republic similarly as acts.

**Provisions** of the National Bank of Slovakia are

published by the National Bank of Slovakia in the form of a notification in the Collection of Laws of the Slovak Republic, where the complete wording is published in the official bulletin of the National Bank of Slovakia, which may be viewed at all organisational units of the National Bank of Slovakia.

In the scope of its legislative competences the National Bank of Slovakia has throughout its existence cooperated with the Ministry of Finance of the Slovak Republic in preparing various acts and issued a number of generally binding legal regulations.

**The last list of these acts and other generally binding legal regulations was published in the BIATEC Journal No. 2/2001 and was compiled with effect as at 15.1.2001. In this issue we present the updated list including changes valid as at 28.2.2003**

In this period fundamental legislative changes have been made in the field of banking. A new Banks Act has been issued along with a new Act on the System of Payments. Principal changes were made also in the NBS Act and the Deposit Protection Act. On the basis of these legislative changes various decrees and provisions of the National Bank of Slo-



vakia implementing these acts have also been amended and Decree No. 275/1994 Z. z. on the principles of the system of payments between banks in the wording of Decree No. 351/1999 Z.z. has been cancelled.

### ACTS

#### **Acts in force as at 28. 2. 2003, the preparation and amendment of which fall within the legislative competence of the National Bank of Slovakia.**

1. Act of the National Council of the Slovak Republic No. 566/1992 Zb. on the National Bank of Slovakia as amended (last amendment Act No. 149/2001 Z.z.),

2. Act No. 483/2001 Z.z. on banks and amending certain other laws in the wording of Act No. 430/2002 Z.z. and on Act No. 510/2002 Z.z.,

3. Act of the National Council of the Slovak Republic No. 310/1992 Zb. on home savings as amended (last amendment Act No. 677/2002 Z.z.),

4. Act of the National Council of the Slovak Republic No. 202/1995 Z.z. the Foreign exchange Act and the Act, by which is amended the Act of the National Council of the Slovak Republic No. 372/1990 Zb. on misdemeanors as amended (last amendment Act No. 456/2002 Z.z.),

5. Act of the National Council of the Slovak Republic No. 118/1 996 Z.z. on deposit protection and amending certain other laws as amended (last amendment of Act No. 492/2001 Z.z.),

6. Act No. 510/2002 Z.z. on the payment systems and amending certain other laws.

The National Bank of Slovakia on the basis of powers given in these stated acts issues other generally binding legal regulations. This concerns in particular provisions of the National Bank of Slovakia directing commercial banks in the performance of their banking activity, or which arrange the rules of the foreign exchange regime and decrees arranging in more detail the issuing of banknotes and coins,

#### **Decrees and Provisions of the National Bank of Slovakia in force as at 28. 2. 2003 issued in the legislative competence of the National Bank of Slovakia:**

### DECREES

1. Decree No. 390/1999 Z.z., by which are performed certain provisions of the Foreign Exchange Act in the wording of Decree No. 522/2001 Z.z.,

2. Decree No. 456/2001 Z.z., by which are arranged

details on the conditions under which there may be issued and used reproductions of banknotes, commemorative coins, coins, business coinage and securities issued by the National Bank of Slovakia, as well as objects that through their design resemble these, including lists of them in electronic form,

3. Decree No. 464/2001 Z.z., by which are arranged the conditions under which business subjects may process banknotes and coins for other entities, the procedure of banks and business subjects in processing banknotes and coins,

4. Decree No. 465/2001 Z.z., by which are arranged details on the procedure in the receiving and handling of legal tender and details on the provision of replacements for incomplete banknotes or otherwise damaged banknotes and coins,

5. Decree No. 600/2001 Z.z. on the register of mortgage loans and on the details on the position and activity of the mortgage administrator and his representative.

### PROVISIONS

1. NBS Provision No. 233/1993 on the expansion of settlements in freely convertible currency in re-export operations,

2. NBS Provision No. 12/1996, by which is arranged the manner of administering the register of bank loans and guarantees and the scope of notification of data entered in the register of bank loans and guarantees (NBS Notification No. 345/1996) in the wording of NBS Provision No.1/1997 (NBS Notification No. 109/1997),

3. NBS Provision No. 1/1998, by which are arranged for foreign exchange positions the conditions for performing certain trades in foreign exchange assets (NBS Notification No. 98/1998 Z.z.), in the wording of NBS Provision No. 5/2002 (NBS Notification No. 531/2002 Z.z.),

4. NBS Provision No. 9/1998, by which are arranged the required details in the application by a bank for prior consent to acquiring shares or an ownership interest in a legal entity that is not a bank and the conditions for granting this prior consent (NBS Notification No. 297/1998 Z.z.),

5. NBS Provision No. 13/1998, by which are arranged the conditions for dealing in foreign exchange funds performed by banks on the internal foreign exchange market (NBS Notification No. 325/1998 Z.z.)

6. NBS Provision No. 2/1999, by which are arranged lists of matters comprising the subject of a state secret or official secret in the conditions of the National Bank of Slovakia (NBS Notification No. 36/1999 Z.z.),



7. NBS Provision No. 3/1999 on the cancellation of the National Bank of Slovakia Provision No. 11/1998 on the foreign exchange position of banks and branches of foreign banks for currency purposes (NBS Notification No. 50/1999 Z.z.) (this Provision was cancelled without replacement),

8. NBS Provision No. 4/1999 on the cancellation of the National Bank of Slovakia Provision No. 1/1996 by which is arranged the minimum amount of liquid funds, as amended (NBS Notification No. 51/1999 Z.z.),

9. NBS Provision No. 6/1999, by which are arranged the conditions for regulating the balance of payments of the Slovak Republic (Notification NBS No. 358/1999 Z.z.) in the wording of NBS Provision No. 12/2002 (NBS Notification No. 701/2002 Z.z.),

10. NBS Provision No. 1/2000, by which is arranged the procedure of foreign exchange positions in effecting payments to abroad, from abroad and in respect of foreigners (NBS Notification No. 9/2000 Z.z.),

11. NBS Provision No. 12/2001, stipulating the requisites of an application for authorisation to operate as a bank (NBS Notification No. 589/2001 Z.z.),

12. NBS Provision No. 13/2001, stipulating the requisites of an application for a banking license by a foreign bank wishing to undertake banking activities at a branch in the Slovak Republic (NBS Notification No. 590/2001 Z.z.),

13. NBS Provision No. 14/2001, stipulating the requisites of an application for the registration of a representative office of a foreign bank or a similar foreign financial institution that performs banking activities (NBS Notification No. 591/2001 Z.z.),

14. NBS Provision No. 15/2001, stipulating the requisites of an application for prior approval to establish a foreign branch by a bank (NBS Notification No. 592/2001 Z.z.),

15. NBS Provision No. 16/2001, stipulating the requisites of an application for prior approval, and the conditions for granting prior approval, pursuant to Article 28, paragraph 1, of Banking Act, No. 483/2001 Coll., and on changes and amendments to certain laws (NBS Notification No. 593/2001 Z.z.),

16. NBS Provision No. 17/2001 on required disclosures in reports in order to identify other persons having a special relationship to a bank or a branch of a foreign bank due to their relationship with the reporting person (NBS Notification No. 594/2001 Z.z.),

17. NBS Provision No. 18/2001, specifying the prescribed contents of a detailed audit-report for

banks and branches of foreign banks (NBS Notification No. 595/2001 Z.z.)

18. NBS Provision No. 1/2002 on rules for the safe operation of banks and branches of foreign banks in dealing in funds in a foreign currency, with gold and financial instruments (NBS Notification No. 474/2002 Z.z.),

19. NBS Provision No. 2/2002 on the liquidity of banks and the liquidity of branches of foreign banks and related rules on their safe operation and reports (NBS Notification No. 475/2002 Z.z.),

20. NBS Provision No. 3/2002 on rules for transparent banking conduct and related reports (NBS Notification No. 476/2002 Z.z.),

21. NBS Provision No. 4/2002 on rules for the safe operation of banks and branches of foreign banks in providing loans (Notification NBS No. 521/2002 Z.z.),

22. NBS Provision No. 6/2002 on Adequacy of Banks' Own Funds of Financing (NBS Notification No. 695/2002 Z.z.),

23. NBS Provision No. 7/2002 on classification of assets and liabilities of banks and branches of foreign banks, their re-valuation, formation and dissolution of reserves, and related reporting (NBS Notification No. 696/2002 Z.z.),

24. NBS Provision No. 8/2002 on asset exposure of banks (NBS Notification No. 697/2002 Z.z.),

25. NBS Provision No. 9/2002 on the manner of the formation, structure and list of constant symbols used in the system of payments (NBS Notification No. 698/2002 Z.z.),

26. NBS Provision No. 10/2002 on the report submitted by the issuer of an electronic money means of payment to the National Bank of Slovakia (NBS Notification No. 699/2002 Z.z.),

27. NBS Provision No. 11/2002 on reports submitted by the operator of the system of payments to the National Bank of Slovakia (NBS Notification No. 700/2002 Z.z.),

28. NBS Provision No. 13/2002 on disclosure of information by banks and branch offices of foreign banks, and the method of publication of annual reports by banks and branch offices of foreign banks operating in the Slovak Republic (NBS Notification No. 702 /2002 Z.z.),

29. NBS Provision No. 14/2002 on the submission of statements by banks and branches of foreign banks to the National Bank of Slovakia for statistical purposes (NBS Notification No. 703/2002 Z.z.),

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