

THE FOREIGN EXCHANGE ACT

The full wording of Act No 202/1995 Coll. of the National Council of the Slovak Republic of 20 September 1995 – the Foreign Exchange Act (and amending Act No 372/1990 Coll. on non-indictable offences), as amended by Act No 45/1998 Coll., Act No 200/1998 Coll., Act No 388/19999 Coll., Act No 367/2000Coll., 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., Act No 567/2008 Coll., Act No 492/2009 Coll., Act No 140/2014 Coll., Act No 374/2014 Coll., Act No 357/2015 Coll., Act No 91/2016 Coll., Act No 125/2016 Coll. and Act No 177/2018 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 based¹ in the country, or natural persons with permanent residence² 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;

- (e) ‘securities’ shall mean documents or book-entries⁴ 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) repealed as from 1 January 2004
- (ch) ‘financial credit’ shall mean the provision of funds in euros or foreign currency, repayable in financial form; a financial loan⁵ and financial leasing^{5a} shall also be considered to be forms of financial credit;
- (i) ‘trade in foreign exchange assets’ shall not mean the provision of services to third persons as part of a business activity⁹ to the extent of money exchange business;
- (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) ‘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;
- (l) 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;
 3. repealed as from 1 January 2004.
- (m) ‘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 Národná banka Slovenska.

(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) Národná banka Slovenska 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 from 1 January 2004.

Article 6 Foreign Exchange Licence

(1) The issue of a foreign exchange licence to trade in foreign exchange assets is within the competence of Národná banka Slovenska. A foreign exchange licence shall not grant 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, asset management companies, foreign asset management companies, carrying on activity under this Act to the extent laid down by separate laws regulating the financial market.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 a fit and proper person;
- (b) be at least 18 years old;
- (c) have legal capacity;
- (d) have full secondary education (comprehensive or technical);
- (e) natural persons through who 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) be a fit and proper person;
- (b) natural persons through who the permitted activity will be conducted, must meet the conditions set out in paragraph 3(a) to (d);

(c) the natural person, who is a statutory body or a member of the statutory body, must be a fit and proper person.

(5) A fit and proper person for the purposes of this Act is deemed a 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. The fitness and propriety are proved by a criminal record check certificate; where this concerns a foreign national, the fitness and propriety are proved and documented by a document, not older than three months, equivalent to the criminal record check certificate issued by a competent authority in the country in which this person is a national or by a competent authority in the country in which the person usually resides, along with its certified translation into Slovak. For the purposes of demonstrating and reviewing their fitness and propriety, natural persons who are nationals of the Slovak Republic shall provide in writing Národná banka Slovenska with the information¹⁵ necessary for requesting their criminal record check certificate; the provision and verification of this information, the verification of identity, and the requesting, issuing and transmitting of the criminal record check certificate are subject to the provisions of Article 40 and separate regulations^{15aa} by virtue of Národná banka Slovenska's competence to request criminal record check certificates.^{15aa}

(6) 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 Národná banka Slovenska or by a person appointed by Národná banka Slovenska.

(7) 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 and 4, 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 Národná banka Slovenska to decide in the matter, mainly documents reliably certifying compliance with the conditions set out in paragraphs 3 and 4. 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.

(8) The conditions set out in paragraphs 3 and 4, 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 Národná banka Slovenska 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.

(9) 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 certificate¹¹ – 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 certificate to Národná banka Slovenska, within ten days of the date of its coming into effect.

(10) The foreign exchange licence specifies the permitted scope of transactions in foreign exchange assets, 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.

(11) No person will be allowed to trade in foreign exchange assets without appropriate authorisation granted through a banking licence or a foreign exchange licence or a permit to conduct such activity under a separate law¹⁴), unless this Act stipulates otherwise. Such permit or foreign exchange licence is not required for transactions in foreign exchange assets conducted by Národná banka Slovenska.

(12) Národná banka Slovenska 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 Národná banka Slovenska. Národná banka Slovenska shall also make this list public on the Internet web site of Národná banka Slovenska.

(13) In a decree issued by Národná banka Slovenska and promulgated in the Collection of Laws of the Slovak Republic (hereinafter referred to as the ‘Collection of Laws’), Národná banka Slovenska may specify:

- (a) the due form of an application for a foreign exchange licence according to paragraphs 6 and 7, including the annexes thereto;
- (b) the details of the conditions set out in paragraphs 3, 4 and 6, and the way of indicating and documenting their fulfilment or change pursuant to paragraph 8.

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 Národná banka Slovenska 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, Národná banka Slovenska 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.

Articles 9 and 10 repealed as from 1 April 1998.

Article 11 Other Obligations

(1) Cross-border transfers of funds may be made only through Národná banka Slovenska, through places of foreign exchange according to a separate law¹⁰ 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 this Act, generally binding legal regulations issued for the implementation of the Act, international treaties binding the Slovak Republic which regulate the relationships governed by this Act in a different way, and with foreign exchange licences, special permits mentioned in Article 39(5) and foreign exchange permits.

(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, Národná banka Slovenska 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 shall be allowed only according to a separate regulation¹⁰ or in the scope specified in the foreign exchange licence, or in a permit to operate according to a separate law,¹⁴ unless this Act stipulates otherwise.

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

(3) 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.

(4) 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

(5) A place of foreign exchange that has been granted a foreign exchange licence to trade in foreign exchange assets shall:

- (a) keep a separate register of transactions in foreign exchange assets; such register must include data on the financial value of and the currencies involved in the individual transactions in foreign exchange assets, information, in the scope specified in a separate law,^{17a} on the customers with whom the individual transactions in foreign exchange assets were conducted and information on the identification of individual customers pursuant to letter (c);
- (b) in its currency exchange activity, keep a catalogue of payment means, on paper or in electronic form, in the scope of its currency exchange activity;
- (c) 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; in providing currency exchange services, the place of foreign exchange shall identify the customer in such manner for each transaction in foreign exchange assets in the amount exceeding EUR 1,000, unless a separate law^{17a} stipulates otherwise;
- (d) to set the price that is to be paid by the customer for the execution of a transaction in foreign exchange assets;

- (e) to legibly display for its customers, on its operating premises, information on prices mentioned in letter (d), procedures and time limits for handling claims and complaints in connection with the execution of transactions in foreign exchange assets, including information on costs related to complaints and on procedures to be followed in resolving disputes pursuant to this Act and separate regulations;¹⁸
- (f) submit to Národná banka Slovenska data on transactions in foreign exchange assets conducted, including data on their conducting.

(6) A place of foreign exchange that has been granted a foreign exchange licence to trade in foreign exchange assets shall be subject to obligation pursuant to a separate law.^{17b}

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

(8) Národná banka Slovenska may adopt and promulgate in the Collection of Laws a provision laying down details of the facts and requirements laid down in paragraph 5, as well as the scope, contents, time limits, form, method, procedure, and place of delivery of the information on the transactions in foreign exchange assets conducted.

Article 14 repealed as from 1 January 2004.

Articles 15 and 16 repealed as from 1 January 2003.

Articles 15a, 17 and 18 repealed as from 1 January 2001.

Article 19 repealed as from the day of the entry into force of the Treaty concerning the accession of the Slovak Republic to the European Union.

Article 19a

Non-residents may acquire ownership rights to real estate located in the Slovak Republic, except real estate whose acquisition is restricted by separate regulations.¹⁹

Articles 20 and 21 repealed as from 1 January 2004.

Article 22 repealed as from 1 January 2001.

Article 23 repealed as from 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 Národná banka Slovenska.

(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.

(6) and (7) repealed as from 1 January 2004.

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(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 EUR 100,000;
- (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(a) – up to EUR 50,000;
- (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 EUR 1,000,000, 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(a) or (b) shall not have a delaying effect.

(5) Corrective measures and fines pursuant to paragraphs 1 and 2 may be imposed within two years from when the deficiencies were identified, but not later than ten years after their initial occurrence. The limitation periods under the first sentence shall be discontinued due to the occurrence of facts that constitute a reason for the termination of the limitation period in accordance with a separate law,^{23aa} while a new limitation period starts to run from the time of discontinuance of the previous limitation period. Deficiencies in the activities of a supervised person specified in the protocol of the conducted on-site inspection shall be considered ascertained as at the day when the on-site inspection was completed in accordance with a separate law.^{23ab}

(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(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 administered by the Government Audit Office;^{23c} for that purpose, the foreign exchange authority shall send its final decisions to levy a fine to the Government Audit Office.

Article 25 repealed as from 1 January 2004.

PART FOUR repealed as from 1 January 2004.

Articles 26 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37 repealed as from 1 January 2004.

PART FIVE SPECIAL PROVISIONS

Article 38 Deposit Obligation

(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 stability of the financial system of the Slovak Republic 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 Národná banka Slovenska 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 in paragraph 1, and shall 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 stability of the financial system of the Slovak Republic, the Government of the Slovak Republic (hereinafter referred to as the 'Government'), at the instigation of Národná banka Slovenska, may declare a state of emergency²⁹ in the foreign exchange economy. A decision on the Národná banka Slovenska's 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 stability of the financial system 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 Národná banka Slovenska, 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 financial system of the Slovak Republic, make special exemptions from the prohibitions set out in paragraph 2 or 3.

PART SIX COMMON, TRANSITIONAL AND FINAL PROVISIONS

Article 40

(1) Unless this Act provides otherwise, the provisions of separate regulations on supervision of the financial market³⁰ shall apply mutatis mutandis to the exercise of supervision conferred on Národná banka Slovenska under this Act, provided that competent authority with regard to exercising on-site supervision and remote supervision and the first-instance proceeding and deciding under this Act shall be the organisational unit designated by the organisational regulations of Národná banka Slovenska. First-instance decisions and authorisations to carry out on-site supervision shall be signed by the head of the appropriate unit or an employee of that unit appointed thereby. The general regulation on administrative procedure³¹ shall not apply to proceedings on matters conferred by this Act on Národná banka Slovenska.

(2) The provisions of the separate regulation³² shall apply mutatis mutandis to charges payable for the different types of services or proceedings of Národná banka Slovenska provided for in this Act and the separate regulations on supervision of the financial market.³⁰

Article 41

This Act transposes legally binding acts of the European Union as listed in the Annex.

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

Transitional 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(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.

(3) repealed as from 1 January 2009.

Article 43a

Transitional provisions for amendments in force from 1 January 2004

(1) Approval by Národná banka Slovenska 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 Národná banka Slovenska an officially verified copy of a trade licence or concession¹¹ 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

Transitional provisions for amendments in force 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

Transitional provisions for amendments in force 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 provisions for amendments in force from 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 43e

Transitional provisions for amendments in force from 1 December 2009

Holders of a foreign exchange licence to provide foreign exchange services or holders of a foreign exchange licence to conduct non-cash transactions in funds that was granted under the former legislation and is valid as at 30 November 2009 shall submit to Národná banka Slovenska their applications for authorisation for payment services under the separate regulations on payment services³³⁾ no later than 30 September 2010, otherwise their foreign exchange licence shall lapse on that date and Národná banka Slovenska shall notify the lapse of their foreign exchange licence to the court keeping the Commercial register with a view to bringing the registration entry in the Commercial register into conformity with the actual situation. Where the application for authorisation for payment services was filed on time, the foreign exchange licence shall lapse only on the date the decision regarding the application for authorisation for payment services so filed becomes final, and Národná banka Slovenska shall notify the lapse of the foreign exchange licence to the court keeping the Commercial register with a view to bringing the registration entry in the Commercial register into conformity with the actual situation. Until the date when the foreign exchange licences to provide foreign exchange services and the foreign exchange licences to conduct non-cash transactions in funds lapse, the holders of such licences shall be authorised to provide under such licences payment services in accordance with the separate regulations on payment services³³⁾; the temporary provision of payment services under such foreign exchange licence as well as the exercise of supervision of holders of such foreign exchange licence, including imposition of corrective measures or sanctions on such holders of a foreign exchange licence, shall be subject to this Act, separate regulations on payment services³³⁾ and separate regulations on supervision of the financial market.³⁰⁾

Article 43f

Transitional provisions for amendments in force from 1 June 2014

(1) The provisions of this Act as in force from 1 June 2014 shall also govern legal relations established before 1 June 2014; the establishment of these legal relationships, as well as claims arising from them before 1 June 2014, shall, however, be treated in accordance with legislation in force until 31 May 2014.

(2) Proceedings that commenced but were not finally concluded before 1 June 2014 shall be brought to their conclusion in accordance with this Act as in force from 1 June 2014 and with a separate regulation;³⁰ time-limits that have not expired before 1 June 2014 shall be subject to this Act as in force from 1 June 2014 and to a separate regulation.³⁰ The legal effects of actions that took place in proceedings before 1 June 2014 shall be preserved.

(3) On-site inspections that commenced but were not completed before 1 June 2014 shall be completed in accordance with this Act as in force from 1 June 2014 and with a separate law.³⁰ The legal effects of actions that took place during an on-site inspection before 1 June 2014 shall be preserved.

Article 43g

Transitional provision for amendments in force from 1 June 2016

Proceedings that commenced but were not finally concluded before 1 July 2016 shall be brought to their conclusion in accordance with regulations in force until 30 June 2016.

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 264/1992 Coll., Act No 26/1993 Coll., Act No 106/1993 Coll., Act No 161/1993 Coll., and Act No 249/1994 Coll.
2. Decree No 303/1992 of the Federal Ministry of Finance and the State Bank of Czechoslovakia, which implements the Foreign Exchange Act.
3. Decree No 323/1990 of the Federal Ministry of Finance, the State Bank of Czechoslovakia and the Federal Ministry of Foreign Trade 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 No 566/1992 Coll. on Národná banka Slovenska.

Article 44a

The following are hereby repealed:

1. Article 9 of the Decree No 203/1995 of the Ministry of Finance of the Slovak Republic and the National Bank of Slovakia, which implements certain provisions of the Foreign Exchange Act.
2. Decree of the Czechoslovak State Bank of 1 October 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 Národná banka Slovenska 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 No 6 of Národná banka Slovenska of 25 September 1995, which sets out limits for foreign exchange cash purchases by resident natural persons (Notification No 205/1995 Coll.).
5. Decree No 7 of Národná banka Slovenska of 25 September 1995, which sets the extent of foreign exchange surrender obligation for resident legal persons (Notification No 206/1995 Coll.).

Article 44b

Repealing provisions for amendments in force from 1 January 2004

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

SECTION II

This Act entered into force on 1 October 1995.

Act No 45/1998 Coll. entered into force on 1 April 1998.

Act No 200/1998 Coll. entered into force on 1 July 1998.

Act No 388/1999 Coll. entered into force on 31 December 1999, with the exception of Section I point 2 Article 8(1), which entered into force on 1 January 2000.

Act Nos 367/2000 Coll. and 442/2000 Coll. entered into force on 1 January 2001.

Act No 456/2002 Coll. entered into force on 1 January 2003, with the exception of Section I points 4, 8 to 10 and 15, which entered into force on 1 January 2004, and with the exception of Section I points 13 and 14, which entered into force on the day of entry into force of the Treaty concerning the accession of the Slovak Republic to the European Communities and the European Union.

Act No 602/2003 Coll. entered into force on 1 January 2004, with the exception of Section I point 28, which entered into force on the day of entry into force of the Treaty concerning the accession of the Slovak Republic to the European Union.

Act No 554/2004 Coll. entered into force on 1 January 2005.

Act No 747/2004 Coll. entered into force on 1 January 2006.

Act No 214/2006 Coll. entered into force on 1 May 2006.

Act No 209/2007 Coll. entered into force on 1 November 2007.

Act No 659/2007 Coll. entered into force on the day of the adoption of the euro in the Slovak Republic.

Act No 567/2008 Coll. entered into force on 1 January 2009.

Act No 492/2009 Coll. entered into force on 1 December 2009.

Act No 140/2014 Coll. entered into force on 1 June 2014.

Act No 374/2014 Coll. entered into force on 1 January 2015.
Act No 357/2015 Coll. entered into force on 1 January 2016.
Act Nos 91/2016 Coll. and 125/2016 Coll. entered into force on 1 July 2016.
Act No 177/2018 Coll. entered into force on 1 September 2018, with the exception of
Section XIX point 2, which entered into force on 1 January 2019.

Michal Kováč [signed]
Ivan Gašparovič [signed]
Vladimír Mečiar [signed]

ANNEXES
SCHEDULE OF TRANSPOSED LEGALLY BINDING ACTS
OF THE EUROPEAN UNION

Council Directive 88/361/EEC of 24 June 1988 for the implementation of Article 67 of the Treaty (OJ Special Edition, chapter 10/ Vol. 1; OJ L 178 of 8 July 1988).

Endnotes:

- 1 Article 2(3) and (4) of the Commercial Code.
- 2 Act No 253/1998 Coll. on residence reporting and resident registration in the Slovak Republic, as amended.
Act No 404/2011 Coll. on the residence of foreigners (and amending certain laws), as amended.
- 3 Article 2(5) and (8) of Act No 483/2001 Coll. on banks (and amending certain laws).
- 4 Article 2(1) and Article 10(1) of Act No 566/2001 Coll. on securities and investment services (and amending certain laws) (the 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 amending certain laws).
- 5b Article 66b of the Commercial Code.
- 6 Article 56 of the Commercial Code.
- 7 Article 6(3) of the Commercial Code.
- 9 Article 2(1) of the Commercial Code.
- 10 Article 2(2) and Articles 7, 8, 11 and 12 of Act No 483/2001 Coll., as amended.
- 11 Article 10(1) and (2)(a) and Articles 47 and 49 of Act No 455/1991 Coll. on small business activity (the Trade Licensing Act), as amended.
- 12 Article 2(2) of the Commercial Code.
- 13 For example: 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 No 330/1991 Coll. on land consolidation, settlement of land ownership, land registries, the Land Fund and land associations, as amended; Articles 4 to 21 of Act No 387/1996 Coll. on employment, as amended; Articles 28 and 40 to 54a of Act No 273/1994 Coll. on health insurance, health insurance financing, the establishment of the General Health Insurance Company (VšZP), and the establishment of sectoral, industry-specific, corporate, and public health insurance providers, as amended; Articles 2 to 11 of Act No 274/1994 Coll. on the Social Insurance Agency, as amended; Articles 122 to 129 of Act No 413/2002 Coll. on social insurance; Act No 254/1991 Coll. on Slovak Television, as amended; Act No 255/1991 Coll. on Slovak Radio, as amended.
- 14 For example: Articles 54 to 56 of Act No 566/2001 Coll., as amended, Articles 7 and 18 of Act No 186/2009 Coll. on financial intermediation and financial advisory services (and amending certain laws), as amended by Act No 129/2010 Coll.; Article 27 of Act No 203/2011 Coll. on collective investment, as amended by Act No 206/2013 Coll.
- 15 Article 10(4) and (5) of Act No 330/2007 Coll. on the Criminal Register (and amending certain laws), as amended by Act No 91/2016 Coll.
- 15a Article 34b(1)(a) to (c) of Act No 566/1992 Coll., as amended by Act No 602/2003 Coll.
- 15aa Article 34a(1) and (2) and Article 34b of Act No 566/1992 on Národná banka Slovenska, as amended; Article 10(1), (5), (6), (7), (10) and (11) and Article 12 of Act No 330/2007 Coll., as amended; Act No 747/2004 Coll., as amended.
- 16 Act No 455/1991 Coll., as amended.
- 16a For example: Article 41 of Act No 566/1992 Coll., as amended by Act No 149/2001 Coll.; Article 81(e) of the Labour Code; Articles 17 to 20 of the Commercial Code, as amended by Act No 249/1994 Coll.; and Article 122 of the Criminal Code, as amended.

- 16b Act No 510/2002 Coll. on payment systems (and amending certain laws).
- 16c For example, Act No 507/2001 Coll. on postal services, Act No 80/1997 Coll. on the Export-Import Bank of Slovakia, as amended.
- 17a Act No 297/2008 on the prevention of money laundering and terrorist financing (and amending certain laws), as amended.
- 17b Act No 367/2000 Coll., as amended.
- 18 For example: the Civil Dispute Procedure Code; Act No 244/2002 Coll. on arbitration proceedings; Act No 233/1995 Coll. on court executors and execution activities (and amending certain laws) (the Execution Code), as amended.
- 19 For example Act No 49/2002 Coll. on the protection of monuments and historic sites, as amended; Act No 543/2002 Coll. on nature and landscape protection, as amended; Act No 220/2004 Coll. on the protection and use of agricultural land (and amending Act No 245/2003 Coll. on integrated pollution prevention and control and amending certain laws), as amended; Act No 326/2005 Coll. on forests, as amended; Act No 140/2014 Coll. on the acquisition of ownership of agricultural land (and amending certain laws).
- 23 Act No 566/1992 Coll., as amended; Act No 747/2004 Coll. on financial market supervision (and amending certain laws).
- 23a Article 8 (2)(d) of Act No 747/2004 Coll.
- 23aa Article 19(4) of Act No 747/2004 Coll., as amended.
- 23ab Article 10(5) of Act No 747/2004 Coll.
- 23b Article 57(1)(e) of Act No 455/1991 Coll., as amended.
- 23c Article 4 of Act No 357/2015 Coll. on financial controls and audits (and amending certain laws); Article 3(1) and (2) of Act No 374/2014 on state claims (and amending certain laws).
- 29 Article 119(d) and Article 118 of the Constitution of the Slovak Republic.
- 30 Act No 747/2004 Coll., as amended.
Article 1(3), Article 6(2)(c) and (k), Articles 8, 34a, 34b, 36, 37 and 41 of Act No 566/1992 Coll., as amended.
- 31 Act No 71/1967 Coll. on administrative proceedings (the Administrative Procedure Code), as amended.
- 32 Articles 41 and 42 of Act No 747/2004 Coll., as amended.
- 33 For example: Act No 492/2009 Coll. on payment services (and amending certain laws).