

THE FOREIGN EXCHANGE ACT

The full text of Act No 202/1995 of 20 September 1995 – the Foreign Exchange Act (including amendments to Act No 372/1990 on non-indictable offences, as amended), as amended by Act No 45/1998, Act No 200/1998, Act No 388/1999, Act No 367/2000, Act No 442/2000, Act No 456/2002, Act No 602/2003, Act No 554/2004, Act No 747/2004, Act No 214/2006, Act No 209/2007, Act No 659/2007, Act No 567/2008, Act No 492/2009, Act No 140/2014, Act No 374/2014, Act No 357/2015, Act No 91/2016, Act No 125/2016, and Act No 177/2018.

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

ARTICLE I

DIVISION ONE INTRODUCTORY AND BASIC PROVISIONS

Section 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.

Section 2 Definition of selected terms

For the purpose of this Act:

- (a) ‘country’ means the territory of the Slovak Republic;
- (b) ‘residents’ 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’ mean legal 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 provided by this Act;
- (d) ‘foreign exchange assets’ mean funds in foreign currencies;

- (e) ‘securities’ 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’ mean securities issued by a resident;
- (g) ‘foreign securities’ mean securities issued by a non-resident;
- (h) repealed as from 1 January 2004;
- (ch) ‘financial credit’ means 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’ means the provision of services to third persons as part of a business activity⁹ to the extent of money exchange business;
- (j) ‘direct investment’ means 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 points 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 points 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’ means 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’ means:
 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 another 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’ means a legal or natural person unless the individual provisions of this Act refer to only natural or legal persons.

Section 3

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

Section 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 another act, 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 Section 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.

Section 5 - repealed as from 1 January 2004.

Section 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 another 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 other acts 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 provides otherwise, a natural person applying for a foreign exchange licence must meet the following conditions:

- (a) be a trustworthy 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 subparagraphs (a) to (d).

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

- (a) be a trustworthy 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 trustworthy person.

(5) A trustworthy 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 trustworthiness is proved by a criminal record check certificate; where this concerns a foreign national, the trustworthiness is 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 trustworthiness, 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 Section 40 and other acts^{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 legislation of general application 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 another act,^{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 another act,^{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 another act,^{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 another act.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 another act,¹⁴ unless this Act provides 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.

DIVISION TWO RIGHTS AND OBLIGATIONS OF RESIDENTS AND NON-RESIDENTS

Section 7 Rights of residents and non-residents

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

(2) Unless this Act provides 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 provides 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.

Section 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 another act^{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 another act^{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 another act,^{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 other acts.^{16a}

(8) In a decree promulgated in the Collection of Laws, Národná banka Slovenska shall specify the following:

- i. 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;
- ii. method and date of delivery of the information mentioned in paragraph 5, to the foreign exchange authority.

Sections 9 and 10 repealed as from 1 April 1998.

Section 11 Other obligations

(1) Cross-border transfers of funds may be made only through Národná banka Slovenska, through places of foreign exchange according to another act¹⁰ or through payment systems within the scope specified in a permit issued under another act,^{16b} unless another act^{16b} provides otherwise; this is without prejudice to the provisions of Section 13(2).

(2) Residents and non-residents are obligated to present a special permit mentioned in Section 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.

Section 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 Section 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, legislation of general application 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 Section 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 Section 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.

Section 13 **Trade in foreign exchange assets**

(1) Trade in foreign exchange assets shall be allowed only according to another act¹⁰ or in the scope specified in the foreign exchange licence, or in a permit to operate according to other acts,¹⁴ unless this Act provides otherwise.

(2) A person, who is authorised to conduct certain transactions in foreign exchange assets according to other acts,^{16c} may conduct such transactions without a foreign exchange licence only in the scope specified in other acts.^{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 another act.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 another act,^{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 subparagraph (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 another act^{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 another act^{17a} provides 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 subparagraph (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 other acts;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 another act.^{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.

Section 14 repealed as from 1 January 2004.

Sections 15 and 16 repealed as from 1 January 2003.

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

Section 19 repealed as from the date of the entry into force of the 2003 Treaty of Accession of the Slovak Republic to the European Union.

Section 19a

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

Sections 20 and 21 repealed as from 1 January 2004.

Section 22 repealed as from 1 January 2001.

Section 23 repealed as from 1 January 2003.

DIVISION THREE FOREIGN EXCHANGE SUPERVISION

Section 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 Section 4(2) discharge their reporting obligations set out in Section 8 is the responsibility of Národná banka Slovenska.

(2) The foreign exchange authority shall supervise the fulfilment of obligations pursuant to this Act and legislation of general application 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 other acts,²³ unless otherwise provided 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.

Paragraphs 6 and 7 repealed as from 1 January 2004.

Section 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 legislation of general application 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 Section 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 subparagraphs (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 other acts^{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 no 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 another act,^{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 another act.^{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.

Section 25 repealed as from 1 January 2004.

DIVISION FOUR repealed as from 1 January 2004.

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

DIVISION FIVE SPECIAL PROVISIONS

Section 38 Deposit obligation

(1) The deposit obligation is an obligation on the part of legal 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 legislation of general application 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.

Section 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.

DIVISION SIX COMMON, TRANSITIONAL AND FINAL PROVISIONS

Section 40

(1) Unless this Act provides otherwise, the provisions of other acts on financial market supervision³⁰ 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 another act³² apply mutatis mutandis to charges payable for the different types of services or proceedings of Národná banka Slovenska provided for in this Act and other acts on financial market supervision.³⁰

Section 41

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

Section 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.

Section 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 Section 2(o) points 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 its date of effect, 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 enters into force.

Paragraph 3 repealed as from 1 January 2009.

Section 43a
Transitional provisions
for regulations in effect 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 legislation 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 legislation 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 legislation heretofore in effect and not completed before 1 January 2004, shall be completed according to legislation heretofore in effect.

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

Section 43b
Transitional provisions
for regulations in effect from 1 January 2005

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

Section 43c
Transitional provisions
for regulations in effect 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 other acts.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 other acts.²³ Legal effects of acts, which occurred during such on-site supervision before 1 January 2006, shall endure.

Section 43d
Transitional provisions
for regulations in effect from 1 November 2007

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

Section 43e
Transitional provisions
for regulations in effect 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 other acts 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 other acts on payment services;³³ 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, other acts on payment services³³ and other acts on financial market supervision.³⁰

Section 43f
Transitional provisions
for regulations in effect from 1 June 2014

(1) The provisions of this Act as in effect 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 effect 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 effect from 1 June 2014 and with another act;³⁰ time-limits that have not expired before 1 June 2014 shall be subject to this Act as in effect from 1 June 2014 and to other acts.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 effect from 1 June 2014 and with other acts.³⁰ The legal effects of actions that took place during an on-site inspection before 1 June 2014 shall be preserved.

Section 43g
Transitional provision
for regulations in effect 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 legislation in effect until 30 June 2016.

Section 44
Repealing provisions

The following are hereby repealed:

1. Act No 528/1990 – the Foreign Exchange Act, as amended by Act No 228/1992, Act No 264/1992, Act No 26/1993, Act No 106/1993, Act No 161/1993, and Act No 249/1994.
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. Section 36(1)(b) and (4) to (10) of Act No 566/1992 on Národná banka Slovenska.

Section 44a

The following are hereby repealed:

1. Section 9 of 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).
3. Decree No 19 of Národná banka Slovenska of 17 June 1994, which sets out terms and conditions for certain foreign exchange transactions conducted by banks (Announcement No 225/1994).
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).

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).

Section 44b
Repealing provisions
for regulations in effect from 1 January 2004

Decree No 390/1999 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 and 522/2001, is hereby repealed.

ARTICLE II

This Act took effect on 1 October 1995.

Act No 45/1998 took effect on 1 April 1998.

Act No 200/1998 took effect on 1 July 1998.

Act No 388/1999 took effect on 31 December 1999, with the exception of Article I, point 2 [Section 8(1)], which took effect on 1 January 2000.

Act Nos 367/2000 and 442/2000 took effect on 1 January 2001.

Act No 456/2002 took effect on 1 January 2003, with the exception of Article I, points 4, 8 to 10 and 15, which took effect on 1 January 2004, and with the exception of Article I, points 13 and 14, which took effect on the date of the entry into force of the 2003 Treaty of Accession of the Slovak Republic to the European Communities and the European Union.

Act No 602/2003 took effect on 1 January 2004, with the exception of Article I, point 28, which took effect on the date of the entry into force of the 2003 Treaty of Accession of the Slovak Republic to the European Union.

Act No 554/2004 took effect on 1 January 2005.

Act No 747/2004 took effect on 1 January 2006.

Act No 214/2006 took effect on 1 May 2006.

Act No 209/2007 took effect on 1 November 2007.

Act No 659/2007 took effect on the date of the adoption of the euro in the Slovak Republic.

Act No 567/2008 took effect on 1 January 2009.

Act No 492/2009 took effect on 1 December 2009.

Act No 140/2014 took effect on 1 June 2014.

Act No 374/2014 took effect on 1 January 2015.

Act No 357/2015 took effect on 1 January 2016.

Act Nos 91/2016 and 125/2016 took effect on 1 July 2016.

Act No 177/2018 took effect on 1 September 2018, with the exception of Article XIX, point 2, which took effect on 1 January 2019.

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

ANNEXES
SCHEDULE OF LEGALLY BINDING ACTS
OF THE EUROPEAN UNION ENACTED IN SLOVAK LAW BY THIS ACT

Council Directive 88/361/EEC of 24 June 1988 for the implementation of Article 67 of the Treaty (OJ L 178 of 8 July 1988, Special Edition in Slovak: Chapter 10 Volume 1).

Endnotes:

- 1 Section 2(3) and (4) of the Commercial Code.
- 2 Act No 253/1998 on residence reporting and resident registration in the Slovak Republic, as amended.
Act No 404/2011 on the temporary residence of foreigners (and amending certain laws), as amended.
- 3 Section 2(5) and (8) of Act No 483/2001 on banks (and amending certain laws).
- 4 Section 2(1) and Section 10(1) of Act No 566/2001 on securities and investment services (and amending certain laws) (the Securities Act).
- 4a Section 2(2)(a) to (k) and (r) of Act No 566/2001
- 5 Sections 657 and 658 of Act No 40/1964, the Civil Code, as amended by Act No 509/1991.
- 5a Section 5(g) of Act No 483/2001 on banks (and amending certain laws).
- 5b Section 66b of the Commercial Code.
- 6 Section 56 of the Commercial Code.
- 7 Section 6(3) of the Commercial Code.
- 9 Section 2(1) of the Commercial Code.
- 10 Section 2(2) and Sections 7, 8, 11 and 12 of Act No 483/2001, as amended.
- 11 Section 10(1) and (2)(a) and Sections 47 and 49 of Act No 455/1991 on small business activity (the Trading Act), as amended.
- 12 Section 2(2) of the Commercial Code.
- 13 For example, Sections 27 to 40a of Act No 92/1991 on conditions for the transfer of state property to other persons, as amended; Sections 34 to 36 of Act No 330/1991 on land consolidation, settlement of land ownership, land registries, the Land Fund and land associations, as amended; Sections 4 to 21 of Act No 387/1996 on employment, as amended; Sections 28 and 40 to 54a of Act No 273/1994 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; Sections 2 to 11 of Act No 274/1994 on the Social Insurance Agency, as amended; Sections 122 to 129 of Act No 413/2002 on social insurance; Act No 254/1991 on Slovak Television, as amended; Act No 255/1991 on Slovak Radio, as amended.
- 14 For example, Sections 54 to 56 of Act No 566/2001, as amended, Sections 7 and 18 of Act No 186/2009 on financial intermediation and financial advisory services (and amending certain laws), as amended by Act No 129/2010; Section 27 of Act No 203/2011 on collective investment, as amended by Act No 206/2013.
- 15 Section 10(4) and (5) of Act No 330/2007 on the criminal record (and amending certain laws), as amended by Act No 91/2016.
- 15a Section 34b(1)(a) to (c) of Act No 566/1992, as amended by Act No 602/2003.
- 15aa Section 34a(1) and (2) and Section 34b of Act No 566/1992 on Národná banka Slovenska, as amended; Section 10(1), (5), (6), (7), (10) and (11) and Section 12 of Act No 330/2007, as amended; Act No 747/2004, as amended.
- 16 Act No 455/1991, as amended.
- 16a For example, Section 41 of Act No 566/1992, as amended by Act No 149/2001; Section 81(e) of the Labour Code; Sections 17 to 20 of the Commercial Code, as amended by Act No 249/1994; and Section 122 of the Criminal Code, as amended.
- 16b Act No 510/2002 on payment systems (and amending certain laws).

- 16c For example, Act No 507/2001 on postal services, Act No 80/1997 on the Export-Import Bank of the Slovak Republic, 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, as amended.
- 18 For example, the Civil Dispute Procedure Code; Act No 244/2002 on arbitration proceedings; Act No 233/1995 on court executors and execution activities (and amending certain laws) (the Execution Code), as amended.
- 19 For example, Act No 49/2002 on the protection of monuments and historic sites, as amended; Act No 543/2002 on nature and landscape protection, as amended; Act No 220/2004 on the protection and use of agricultural land (and amending Act No 245/2003 on integrated pollution prevention and control (and amending certain laws), as amended; Act No 326/2005 on forests, as amended; Act No 140/2014 on the acquisition of ownership of agricultural land (and amending certain laws).
- 23 Act No 566/1992, as amended; Act No 747/2004 on financial market supervision (and amending certain laws).
- 23a Section 37(3)(d) of Act No 566/1992 as amended by Act No 149/2001.
- 23a Section 8 (2)(d) of Act No 747/2004.
- 23aa Section 19(4) of Act No 747/2004, as amended.
- 23ab Section 10(5) of Act No 747/2004.
- 23b Section 57(1)(e) of Act No 455/1991, as amended.
- 23c Section 4 of Act No 357/2015 on financial controls and audits (and amending certain laws); Section 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, as amended.
Section 1(3), Section 6(2)(c) and (k), Sections 8, 34a, 34b, 36, 37 and 41 of Act No 566/1992, as amended.
- 31 Act No 71/1967 on administrative proceedings (the Code of Administrative Procedure), as amended.
- 32 Sections 41 and 42 of Act No 747/2004, as amended.
- 33 For example, Act No 492/2009 on payment services (and amending certain laws).