



SLOVAKIA'S ALLOCATION OF EU FUNDS WILL BECOME LESS GENEROUS

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The European Union's draft Multiannual Financial Framework (MFF) for 2021–2027 may be described as an attempt to ensure that the EU gets as much added value as possible from limited resources in the 'post-Brexit' period. This should be achieved through greater interlinkage of policies, and through policy modernisation and simplification. Agricultural policy, which in the past was a core priority of the EU common budget is becoming less important, with its share of the new MFF's funds expected to be down to just one-third. On the other hand, the funds allocated in response to new challenges, such as, for example, the security and protection of external borders, is expected to be almost three times higher than its current level. Slovakia should continue to be a net beneficiary of EU funds, but its position, aside from the further convergence of its regions, is expected to be impaired in part by a reduction in the overall funding for EU regions, rural development and agriculture. The draft MFF also, however, creates new opportunities, through higher allocations for science and innovation and through investment instruments for large infrastructure projects that may be competed for with high-quality projects. Slovakia's contribution burden is envisaged to increase moderately (as a percentage of gross national income), and the composition of contributions is expected to be affected by the replacement of the United Kingdom's rebate with new funding sources. (p. 2)

STRENGTHENING DEBTOR PROTECTION IN CONSUMER CREDIT RELATIONSHIPS

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Although the issue most commonly mentioned in connection with household leverage in Slovakia is housing loans, a notable part of that leverage is accounted for by consumer loans. This area has for the past eight years been governed by Act No 129/2010 Coll. on consumer credits and other credits and loans for consumers (and amending certain laws). Given the changing situation in the consumer credit market, this law has been subject to a number of amendments during its lifetime. In this article, we focus on certain changes introduced by one of the recent amendments, made by Act No 279/2017 Coll. amending Act No 483/2001 Coll. on banks (and amending certain laws), as amended, and amending certain other laws. (p. 9)

SELECTED ASPECTS OF MiFID II AIMED AT INCREASING INVESTOR PROTECTION

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Looking at the impact of the EU's second Markets in Financial Instruments Directive (MiFID II) on the daily life of investment firms, financial agents and financial advisers in the capital market, it is not only extending existing business requirements, but also establishing new requirements whose purpose is to ensure a priori an increase in investor protection by, among other things, making the activities of regulated entities vis-à-vis their customers more transparent. This article informs the reader about selected aspects of these requirements. (p. 12)

SELECTED LEGAL ASPECTS OF THE IMPLEMENTATION OF SINGLE RESOLUTION BOARD DECISIONS

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One of the core features of the Single Resolution Mechanism (SRM) is the fact that tasks arising under the SRM are divided between the EU's Single Resolution Board (SRB) and national resolution authorities (NRAs). Provisions aimed at ensuring consistency in their mutual cooperation are laid down in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the BRRD), in Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the SRMR), in a number of technical regulations, and in the COFRA agreement. Nevertheless, the implementation of SRB decisions is left largely to the discretion of NRAs, and this situation has given rise to a lack of consistency in approaches and to several legal uncertainties. This article attempts to clarify the legal basis for the implementation of certain types of SRB decisions and to provide an in-depth analysis of the most widely discussed legal aspects (i.e. the right to be heard, the language regime, judicial remedies) relating to the implementation of decisions on the following matters: the setting of the minimum requirement for own funds and eligible liabilities (MREL), subject to write-down and conversion powers, in accordance with Article 12(1) of the SRMR; ex ante contributions to the single resolution fund; and the adoption of resolution schemes. (p. 17)

CENTRAL COUNTERPARTIES: ADDRESSING THE TOO-BIG-TO-FAIL PROBLEM IN CENTRAL CLEARING

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Given the increased importance of central counterparties (CCPs) for financial stability, regulators have become concerned about ensuring the continuity of their critical functions in circumstances of financial distress. This article describes the main elements of the CCP loss absorption mechanism, highlights the role of incentives, and provides an input to the ongoing legislative debate in the EU on the appropriate framework for resilience, recovery and resolution of CCPs. (p. 22)

IMPLICATIONS OF E-COMMERCE FOR CENTRAL BANKING: A REVIEW

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This article examines the potential implications of e-commerce for central banks in general and Národná banka Slovenska in particular. Drawing on the current state of the art in economic literature and available data, both the current situation and future outlook are examined. The main conclusion of the article is that while the immediate impact of e-commerce is not to be overstated, there appear to be substantial potential implications for price stability in the long run. The author therefore argues that it would be prudent for central banks to follow developments in e-commerce as well as to collect data in this area and study online prices. (p. 27)