

Legislation



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In 2006 the Národná banka Slovenska continued to exercise its legislative and approximation competences in the monetary area and in areas of currency in circulation, foreign exchange management and banking. From 1 January of 2006 these competences also covered the capital market, insurance industry and pension saving, by virtue of the Národná banka Slovenska assuming the powers of the abolished Financial Market Authority (FMA).

Legislative amendments prepared and implemented in 2006 to laws on matters within the competence of the Národná banka Slovenska

Act No. 483/2001 Coll. on banks and on amendments to certain acts, as amended, was amended in 2006 by Act No. 214/2006 Coll. and Act No. 644/2006 Coll. The most important changes were made under Act No. 644/2006 Coll., which brought the prudential business rules of banks and branches of foreign banks into line with the requirements of the European Union's single financial market, so that the capital requirements for financial institutions correspond to the actual risks and that groups providing financial services in more than one country are not unduly burdened by multiple levels of legal regulations and supervision.

Act No. 566/2001 Coll. on securities and investment services and on amendments to certain acts – the Securities Act – as amended, was amended in 2006 by Act No. 213/2006 Coll. and Act No. 644/2006 Coll. As with the Banking Act, the most significant changes were contained in Act No. 644/2006 Coll., under which the new regulation of prudential business rules in line with the requirements of EU single financial market applies to all financial market entities, and therefore also to securities dealers and branches of foreign securities dealers. Act No. 644/2006 Coll. also governs provisions on takeover bids in accordance with the requirements laid down by EU law.

Act No. 510/2002 Coll. on the payment system and on amendments to certain acts, as amended, was amended in 2006 by Act No. 214/2006 Coll. This statute harmonized the Payment System Act with the new Act on Bankruptcy and Restructuring and also

made it obligatory for the Národná banka Slovenska to notify the Commercial Bulletin of every NBS decision to revoke a payment system operating licence.

Act No. 747/2004 Coll. on financial market supervision and on amendments to certain acts, as amended, was amended in 2006 by Act No. 214/2006 Coll. and Act No. 644/2006 Coll. Under Act No. 214/2006 Coll. modifications were made to provisions on the method of collecting fees for acts and proceedings of the Národná banka Slovenska; Act No. 644/2006 Coll. changed the annual contribution rates for supervised entities.

Act No. 202/1995 Coll., the Foreign Exchange Act, amending Act of the Slovak National Council No. 372/1990 Coll. on misdemeanours, as amended, was amended in 2006 by Act No. 214/2006 Coll. This statute provided for the implementation of a single licence under which foreign banks may operate in Slovakia in the foreign exchange field.

Act No. 95/2002 Coll. on the insurance industry and on amendments to certain acts, as amended, was amended in 2006 by Act No. 10/2006 Coll., Act No. 262/2006 Coll. and Act No. 644/2006 Coll. The most important changes were made under Act No. 262/2006 Coll. which, for example, defines a “credible person” more precisely and regulates provisions concerning the technical provisions of insurance and reinsurance companies.

Act No. 594/2003 Coll. on collective investment and on amendments to certain acts, as amended, was amended in 2006 by Act No. 213/2006 Coll. This statute changed mainly the provisions on the separate records of book-entry shares/units of an open-end mutual fund and the rules under which an asset management company may acquire a participation in a real estate company.

Act No. 43/2004 Coll. on retirement pension saving and on amendments to certain acts, as amended, was amended in 2006 by Act No. 310/2006 Coll., Act No. 644/2006 Coll. and Act No. 677/2006. Notable changes implemented by Act No. 677/2006 Coll. including, for example, a reduction in the pension fund management fee charged by a pension fund management company (PFMC) and modification of a



PFMC's expenditure limit for concluding a retirement pension saving contract and for promotional activities and advertising, including sanctions for exceeding that limit.

Act No. 650/2004 Coll. on supplementary pension saving and on amendments to certain acts, as amended, was amended in 2006 by Act No. 310/2006 Coll. The function of this statute was largely to incorporate into the Act the EU Directive on the activities and supervision of institutions for occupational retirement provision.

Act No. 340/2005 Coll. on insurance mediation and reinsurance mediation and on amendments to certain acts was amended in 2006 by Act No. 644/2006 Coll. Under this statute, the competences of the abolished Financial Market Authority were replaced by the competences of the Národná banka Slovenska.

Act No. 381/2001 Coll. on compulsory contractual third-party liability insurance for motor vehicles and on amendments to certain acts, as amended, was amended in 2006 by Act No. 188/2006 Coll. This statute requires a policyholder whose insurance is to be terminated during the insurance period because of premium payment default to conclude an insurance contract with his existing insurer for the remainder of the insurance period.

Decrees issued by the Národná banka Slovenska in 2006 under its legislative powers to issue implementing, generally binding legal regulations

Decree No. 88/2006 Coll. on the minting of SKK 500 commemorative silver coins marking the Protection of Nature and Landscape – National Park Muránska planina.

Decree No. 172/2006 Coll. stipulating the maximum level of the technical interest rate in life insurance.

Decree No. 448/2006 Coll. on the minting of SKK 200 commemorative silver coins marking the 200th anniversary of the birth of Karol Kuzmány.

Decree No. 461/2006 Coll. amending Decree of the Ministry of Finance of the Slovak Republic No. 448/2005 Coll. on a qualification test of an actuary.

Decree No. 476/2006 Coll. amending Decree of the Ministry of Finance of the Slovak Republic No. 417/2005 Coll., which implements certain provisions of Act No. 340/2005 Coll. on insurance mediation and reinsurance mediation and on amendments to certain acts.

Decree No. 547/2006 Coll. on putting the third reprint of the SKK 20 banknote (1995 series) into circulation.

Decree No. 556/2006 Coll. on the minting of SKK 5,000 commemorative gold coins marking Mojmir II, the last Great Moravian Ruler.

Decree No. 567/2006 Coll. laying down the content of reports on the management of a pension fund's assets, reports on the management of the own assets of a pension fund management company, the method and scope of their publication, and the content of the daily information on each transaction in a pension fund's assets.

Decree No. 568/2006 Coll. laying down the content of annual and semi-annual reports on the management of assets in a supplementary pension fund and the content of annual and semi-annual reports on the management of own assets of a supplementary pension company.

Decree No. 604/2006 Coll. amending Decree of the Ministry of Finance of the Slovak Republic No. 595/2004 Coll. on the own funds of a pension fund management company, as amended by Decree No. 158/2005 Coll.

Decree No. 605/2006 Coll. amending Decree of the Ministry of Finance of the Slovak Republic No. 217/2005 Coll. on the own funds of supplementary pension companies and on methods and procedures for fixing the value of assets in supplementary pension funds.

Decree No. 606/2006 Coll. amending Decree of the Ministry of Labour, Social Affairs and Family of the Slovak Republic No. 440/2004 Coll., which lays down what is meant by "false or misleading information" and "service or performance not related to retirement pension saving", as amended by Decree No. 774/2004 Coll.

Decree No. 617/2006 Coll. on the minting of SKK 200 commemorative silver coins marking the 200th anniversary of the birth of Jozef Maximilián Petzval.

Decree No. 640/2006 Coll. amending Decree of the Ministry of Finance of the Slovak Republic No. 228/2005 Coll. on the own funds of a financial conglomerate and on how to calculate the adequacy of the own funds of a financial conglomerate in accordance with Act No. 95/2002 Coll. on the insurance industry and on amendments to certain acts as amended.

Decree No. 665/2006 Coll. amending Decree of the Ministry of Finance of the Slovak Republic No.



567/2004 Coll., which lays down the minimum amount in the guarantee fund of an insurance company or branch of a foreign insurance company.

Decree No. 685/2006 Coll. amending NBS Decree No. 441/2004 Coll. on how to calculate and demonstrate the actual rate of solvency of an insurance company or branch of a foreign insurance company, how to calculate the required rate of solvency of an insurance company or branch of a foreign insurance company and on risk capital.

NBS Provision No. 1/2006 on information provided in relation to customer payments of a bank or branch of a foreign bank (notification No. 416/2006 Coll.).

NBS Provision No. 2/2006 amending NBS Provision No. 2/2003 on the Register of Credits and Guarantees as amended (notification No. 462/2006 Coll.).

NBS Provision No. 3/2006 amending NBS Provision No. 11/2005, which lays down the amount of the fees for particular operations of the Národná banka Slovenska (notification No. 503/2006 Coll.).

NBS Provision No. 4/2006 on reporting in respect of mutual funds by asset management companies for statistical purposes (notification No. 552/2006 Coll.).

NBS Provision No. 5/2006 on reporting by pension fund management companies and supplementary pension companies for statistical purposes (notification No. 553/2006 Coll.).

NBS Provision No. 6/2006 on reporting by factoring companies, instalment credit companies and leasing companies for statistical purposes (notification No. 561/2006 Coll.).

NBS Provision No. 7/2006 on reporting by banks and branches of foreign banks for statistical purposes (notification No. 577/2006 Coll.).

NBS Provision No. 8/2006 on reporting by insurance companies and branches of foreign insurance companies (notification No. 607/2006 Coll.).

NBS Provision No. 9/2006 on the submission of statements, reports and other disclosures of an insurance consolidated group or insurance sub-consolidated group, a financial consolidated group or financial sub-consolidated group, and a mixed consolidated

group or mixed sub-consolidated group (notification No. 610/2006 Coll.).

NBS Provision No. 10/2006 on reporting by banks and branches of foreign banks, securities dealers and foreign securities dealers for supervision purposes (notification No. 627/2006 Coll.).

NBS Provision No. 11/2006 on reporting the adequacy of own funds of financial conglomerates in accordance with Act No. 95/2002 Coll. on the insurance industry and on amendments to certain acts, as amended (notification No. 643/2006 Coll.).

NBS Provision No. 12/2006 on reporting the adequacy of own funds of financial conglomerates in accordance with the Securities Act (notification No. 659/2006 Coll.).

NBS Provision No. 13/2006 amending NBS Provision No. 15/2004 on the own funds of financial conglomerates and large exposures of financial conglomerates (notification No. 660/2006 Coll.).

NBS Provision No. 14/2006 on reporting by asset management companies in respect of each company and the mutual funds under its management, by depositories of mutual funds, by the stock exchange and by the central securities depository, for financial market supervision and statistical purposes (notification No. 687/2006 Coll.).

NBS Provision No. 15/2006 amending NBS Provision No. 12/2004 on risk and the risk management system (notification No. 682/2006 Coll.).

NBS Provision No. 16/2006 amending NBS Provision No. 3/2004 on the liquidity of banks and branches of foreign banks and the liquidity risk management process of banks and branches of foreign banks (notification No. 683/2006 Coll.).

NBS Provision No. 412/2006 Coll. amending NBS Provision No. 614/2003 Coll. which stipulates the requisites of an application for a foreign exchange licence and how to demonstrate fulfilment of the conditions for the issuance of a foreign exchange licence, and concerning the requirements set out in Article 13(8) of the Foreign Exchange Act.

NBS Provision No. 691/2006 Coll. on reporting pursuant to the Foreign Exchange Act.