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DECREE
of Národná banka Slovenska
of 24 June 2008

establishing the method of proving the fulfilment of conditions for granting a licence to pursue insurance activity and for granting a licence to pursue reinsurance activity

Národná banka Slovenska, pursuant to Article 5 paragraph 8, Article 7 paragraph 8, Article 8 paragraph 9 and Article 9 paragraph 9 of Act No. 8/2008 Coll. on the Insurance Industry and on amendments and supplements to certain laws (hereinafter referred to as the “Act”) hereby lays down the following:

Article 1

The method of proving the fulfilment of conditions for granting a licence to pursue insurance activity pursuant to Article 5 par. 2 of the Act

(1) The fulfilment of the condition pursuant to Article 5 paragraph 2 subparagraph a) of the Act shall be proved by a document showing that the registered capital has been paid, namely by a written statement regarding payment of the deposit or its portions by incorporators.¹

(2) The fulfilment of the condition under Article 5 paragraph 2 subparagraph b) of the Act shall be proved by documents on the transparent and trustworthy origin of financial and non-financial deposits invested into the registered capital of the future insurance company by its founders and by documents on the origin of other financial resources of the future insurance company, if the founder is

a) a natural person

1. by statements of accounts administered in banks or branches of foreign banks on the date when the application is submitted and for the immediately preceding twelve-month period, or by another similar document,
2. by a statement from the land registry not older than three months; if this involves real estate outside the territory of the Slovak Republic, by another similar document,
3. by a document on the income of an employee whose income derives solely from dependent activities,² or by a document that proves the tax base from income arrived from business and from other gainful activities for the preceding three accounting periods or for the period from the start of his/her business, if he/she started to run a business less than three years prior to proving fulfilment of the condition,
4. by a certified written statement of the natural person that his/her financial and non-financial deposits invested in the registered capital of the future insurance company and other financial resources of the future insurance company do not come from criminal activity committed in the territory of the Slovak Republic or outside the territory of the Slovak Republic,

b) a legal person

1. by an individual financial statement verified by an auditor together with a statement of the auditor for the past three years; if the legal person is part of a consolidated unit, then consolidated financial statements verified by an auditor, together

¹ Article 60 par. 4 of the Commercial Code as amended

² Article 3 par. 1 subpar. a) of the Act No. 595/2003 Coll. on Income Tax, as amended.

- with a statement from the auditor for the past three years shall also be submitted; in the case that the legal person was established less than three years prior to proving the fulfilment of the condition, the aforementioned documents shall be submitted only for the period from the date of its establishment,
2. by reports on management submitted to the general assembly for the preceding three accounting years or for the period from its establishment, in the case that the legal person was established less than three years prior to proving the fulfilment of the condition,
 3. by a certified written statement from the statutory body that the financial and non-financial deposits invested by the legal entity into the registered capital of the future insurance company and other financial resources of the future insurance company do not come from criminal activity committed on the territory of the Slovak Republic or outside the territory of the Slovak Republic.

(3) The fulfilment of the condition pursuant to Article 5 paragraph 2 subparagraph c) of the Act shall be proved by

- a) the documents listed pursuant to paragraph 2,
- b) a list of natural persons with a qualified holding in the future insurance company stating their percentage share in the registered capital of the future insurance company and their voting rights in it, together with a statement of the Register of Convictions not older than three months from these natural persons; a foreign natural person shall submit a document of a similar character issued by the competent authority of the state of his/her permanent residence, in the state of which he/she is a citizen, and in the states in which this person resided during the past five years for a period of more than six consecutive months; if these documents are not issued by the relevant states, they may be replaced by a statutory declaration such natural person,
- c) a list of legal persons with a qualified holding in the future insurance company stating the business name, legal form, identification number, registered office, amount of registered capital and the percentage share in the registered capital of the future insurance company and in the voting rights,
- d) a list of legal persons stating the business name, legal form, identification number, registered office, amount of registered capital and the percentage share in the registered capital of the legal persons and the voting rights in legal persons in which
 1. a natural person with a qualified holding in the future insurance company has at least a 10% share in the registered capital or in the voting rights, or is a member of their statutory bodies or supervisory bodies, or guarantees their liabilities with his/her total assets,
 2. a legal person with a qualified holding in the future insurance company has at least a 10% share in the registered capital or in the voting rights or is represented in their statutory bodies or supervisory bodies, or guarantees their liabilities with its total assets.

(4) The fulfilment of the condition pursuant to Article 5 paragraph 2 subparagraph d) of the Act shall be proved for persons who are proposed as members of the Board of Directors, as proctors, as chief executives of the insurance company in direct managing competency of the Board of Directors, as the responsible actuary and as the chief executive managing an internal audit department

- a) by a document on achieved education and practice in the field of the financial market, which confirms fulfilment of the conditions pursuant to Article 5 paragraph 9 of the Act,
- b) by a brief professional CV,
- c) by a statement of the Register of Convictions not older than three months; a foreign natural person shall submit a document of a similar character issued by the competent authority of the

state of his/her permanent residence, in the state of which he/she is a citizen, and in the states in which he/she resided during the past five years for a period of more than six consecutive months;
if these documents are not issued by the

relevant States, they may be replaced by a statutory declaration from such natural person,
d) by a statutory declaration on the fulfilment of conditions pursuant to Article 3 paragraph a) subparagraphs two to seven of the Act.

(5) The fulfilment of the conditions pursuant to Article 5 paragraph 2 subparagraphs e) to g) of the Act shall be proved

a) by documents showing the transparency of a group having close links³, which also includes a shareholder with a qualified holding in the future insurance company, stating in particular the amount of direct and indirect shares in the registered capital or the voting rights in a legal person within this group, the rights and obligations allowing the legal person or natural person to execute control⁴ over a shareholder with a qualified holding in the future insurance company, namely by statements of the Companies Register, statements of the register of the issuer or statements of the account of the owner of a book-entry security,

b) by documents proving that the execution of supervision is not obstructed by close links within the group with close links³, which shall also include a shareholder with a qualified holding in the future insurance company, for instance, a graphical representation of the structure of such group,

c) by a statutory declaration that the exercise of supervision is not obstructed by the legal order and the manner in which it is exercised in the State on whose territory the group, which also includes a shareholder with a qualified holding in the future insurance company, has close links.

(6) The fulfilment of the condition pursuant to Article 5 paragraph 2 subparagraph h) of the Act shall be proved by a document confirming that the registered office and head office of the future insurance company will be on the territory of the Slovak Republic, in particular by

a) a Letter of Incorporation or Memorandum of Association, a proposal of the Articles of Association, by a statement from the Companies' Register or by another similar document,

b) a document confirming the ownership relationship to the real estate or another licence for using the real estate, in which the insurance company is to pursue insurance activity.

(7) The fulfilment of the conditions pursuant to Article 5 paragraph 2 subparagraph i) of the Act shall be proved by

a) a description of the technical equipment of the future insurance company, including the information system, for the pursuit of the activities the applicant intends to pursue,

b) internal regulations regulating the pursuit of activities the applicant intends to pursue,

c) internal working regulations and instructions regulating the managing and monitoring system of internal control, including the department of internal audit and the risk management system.

Article 2

Method of proving the fulfilment of conditions for granting a licence to pursue reinsurance activity pursuant to Article 7 paragraph 2 of the Act

The fulfilment of conditions for granting a licence to pursue reinsurance activity to a reinsurance company shall be proved in the same manner as the fulfilment of conditions for granting a licence to pursue insurance activity pursuant to Article 1.

³ Article 3 paragraph c) of the Act No. 8/2008 Coll. on Insurance and on amendments and supplements to certain laws.

⁴ Article 3 paragraph f) of the Act No. 8/2008 Coll.

³ Article 3 paragraph c) of the Act No. 8/2008 Coll. on Insurance and on amendments and supplements to certain laws.

Article 3

Method of proving the fulfilment of conditions for granting a licence to pursue insurance activity pursuant to Article 8 paragraph 2 of the Act

(1) The fulfilment of the conditions pursuant to Article 8 paragraph 2 subparagraphs a) and b) of the Act shall be proved by

- a) statements from accounts administered in banks or branches of foreign banks on the date when the application is submitted or by another similar document,
- b) a certified written statement of the statutory body of a foreign insurance company on the provision of financial resources to the branch, which will be established in the territory of the Slovak Republic, in compliance with Article 34 of the Act.

(2) The fulfilment of the condition pursuant to Article 8 paragraph 2 subparagraph c) of the Act shall be proved in the scope pursuant to Article 1 paragraph 2 subparagraph b).

(3) The fulfilment of the condition under Article 8 paragraph 2 subparagraph d) of the Act shall be proved by

- a) documents regarding achieved education and practice in the field of the financial market, which confirm the fulfilment of conditions pursuant to Article 8 par. 10 of the Act,
- b) a brief professional CV,
- c) a statement from the Register of Convictions not older than three months; a foreign natural person shall submit a document of a similar character issued by the competent authority of the state of his/her permanent residence, in the state of which he/she is a citizen, and in states in which this person resided during the last five years for a period of more than six consecutive months; if these documents are not issued by the relevant states, they may be replaced by a statutory declaration of such natural person,
- d) a statutory declaration on the fulfilment of conditions pursuant to Article 3 paragraph a) subparagraphs two to seven of the Act.

(4) The fulfilment of the conditions pursuant to Article 8 paragraph 2 subparagraphs e) to g) of the Act shall be proved in the scope pursuant to Article 1 paragraph 5.

(5) The fulfilment of the condition pursuant to Article 8 paragraph 2 subparagraph h) of the Act shall be proved by

- a) documents confirming that a foreign insurance company that has decided to pursue insurance activity through its branch pursues a significant part of insurance activity in the state of its registered office, in particular, by individual financial statements verified by an auditor together with a statement of the auditor for the past three years; if the legal person was established less than three years prior to proving the fulfilment of the condition, the aforementioned documents shall be submitted only for the period from the date of its establishment or by other similar documents,
- b) a proposal of the business strategy from which it follows that the foreign insurance company wishing to operate through its branch in the territory of the Slovak Republic will pursue a significant part of its activity in the state of its registered office.

Article 4

Method of proving the fulfilment of conditions for granting a licence to pursue reinsurance activity pursuant to Article 9 paragraph 2 of the Act

The fulfilment of conditions for granting a licence to pursue reinsurance activity for a branch of a foreign reinsurance company shall be proved accordingly as the fulfilment of conditions for granting a licence to pursue insurance activity pursuant to Article 3.

Article 5 **Common and final provisions**

(1) Documents pursuant to Articles 1 to 4 shall be submitted as original documents, and if it is not possible to submit the originals, they shall be submitted as certified copies.

(2) If documents pursuant to Articles 1 to 4 are prepared in a foreign language, the fulfilment of conditions shall also be proved by their certified translation into the Slovak language.

(3) Documents pursuant to Articles 1 and 3 submitted to Národná banka Slovenska prior to submitting the application for granting a licence to pursue insurance activity may be replaced by a written statement from the incorporator of the insurance company pursuant to Article 5 paragraph 1 of the Act or by a written statement of a foreign insurance company pursuant to Article 8 paragraph 1 of the Act stating that these documents are complete, accurate, truthful, authentic and up-to-date, with verified signatures of persons authorised to act on behalf of the incorporator of the insurance company or for the foreign insurance company and a list of already submitted documents, and the date of their submission to Národná banka Slovenska.

(4) Documents pursuant to Articles 2 and 4 submitted to Národná banka Slovenska prior to submitting the application for granting a licence to pursue reinsurance activity may be replaced by a written statement of the incorporator of the reinsurance company pursuant to Article 7 paragraph 1 of the Act or by a written statement of the foreign reinsurance company pursuant to Article 9 paragraph 1 of the Act stating that these documents are complete, accurate, truthful, authentic and up-to-date, with verified signatures of persons authorised to act on behalf of the incorporator of the reinsurance company or for the foreign reinsurance company and a list of already submitted documents, and the date of their submission to the Národná banka Slovenska.

Article 6

This Decree shall come into effect on 15 July 2008.

Ivan Šramko, by his own hand
Governor

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